BETWEEN THE LOCAL AND THE GLOBAL

CONFRONTING COMPLEXITY IN THE CONTEMPORARY AGRI-FOOD SECTOR

Research in Rural Sociology and Development
Volume 12

Edited by
Terry Marsden
and Jonathan Murdoch

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VOLUME 12

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PREFACE AND DEDICATION

This is the first volume under my general series editorship, and I look forward to being able, with our international editorial board, to continuing to commission high-quality volumes, which represent the forefront of rural sociology and development enquiry at the international level. As recent volumes clearly demonstrate, there has never been a greater intellectual need to bring together internationally comparative and critical research and to demonstrate the wider relevance of rural sociological and development debates to those in other disciplines and sub-disciplines.

It is, however, with sadness that during the production of this volume, the twelfth in the series, Jonathan Murdoch, passed away at Christmas 2005 after 11 months of illness with leukaemia. Jon and I conceived of this volume shortly after the International Rural Sociological Congress at Trondheim in July 2004. Both of us had run colloquia at the meeting, and the quality of the papers, especially in relation to contemporary agri-food debates, gave us the encouragement to assemble this collection. Jon's motivation sprung from two directions, which I also shared. First, there was a need to refresh theoretical debates concerning agri-food studies after a decade in which the underlying complexity of global and local relationships in the sphere was now emerging. Second, we both shared a concern to directly address the spatial as well as the social. As a result we wanted to create a collection, which explored the relationships between the new geographies of agri-food, since we saw these as new expressions of the inherent struggles between different actors and institutions in the sphere. In addition, we wanted to provide a platform for the exploration of the complexity and contingency in agri-food system, which is increasingly providing major theoretical challenges for scholars. It is, of course, with great sadness that Jon will not be able to read the final product of these ideas. However, he did see, in various forms, many of the contributions that are included in it. As a result, I would like to dedicate this volume to him.

Jon wrote prodigiously, as we know, in the fields of not only rural sociology, but also human geography, planning and the sociology of knowledge. His contribution is immense, particularly in theoretical advances associated with society–nature debates and the role of actor-network theory.

Jon was always uncomfortable with the conventional categorisations and dichotomies in rural social science, and set about reforming these in new ways, with new theoretical insights. This was most clearly expressed in his last major work: Post-structuralist geography (2006). A book that is, in many ways, a synthesis of his approach and his contribution, both in numerous earlier papers and books. As the reader will see, and not surprisingly, Jon's past work and contributions to the field are referenced and scattered across the whole of this volume. It is therefore extremely fitting that we should, therefore, dedicate this volume to him.

Terry Marsden
Cardiff, February 2006

INTRODUCTION BETWEEN THE LOCAL AND THE GLOBAL: CONFRONTING COMPLEXITY IN THE CONTEMPORARY FOOD SECTOR

Terry Marsden and Jonathan Murdoch

The purpose of this volume is to present a range of critical perspectives on the contemporary agri-food sector. The starting point for the collection is a recognition that geography matters in food now perhaps more than ever. It is argued that the extensive literature on the globalisation of food over the past 20 years has tended to over-emphasise the extent to which food products and processes have been industrialised and standardised. As some of the chapters in this volume show, this is still occurring, albeit in more complex ways. However, diversity and variety have become increasingly significant in distinguishing food commodities, spaces of production, and practices of consumption. All these aspects of food vary across geographical space, despite the homogenising forces studied in the globalisation literature. The book thus takes the complexity of the contemporary food system as its starting point. It recognises that some food spaces are integrated into global systems of food provisioning while others are integrated into regionalised

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and localised relations. These variable integrations make for considerable diversity and competition in food space.

In this volume, we concentrate upon the increasingly variable institutional frameworks that work to promote and sustain diversity and complexity in the food sector, both within and between the global and the local. While earlier collections have concentrated on the globalisation of agriculture and food, and more recent attention, both in North America and Europe, has been given to what is termed the re-localisation of agri-food, this book attempts to problematise both orientations. In particular, the book examines in detail the ways that constellations of organisations, cultures and practices become embedded in discrete spatial areas and shows the importance of these areas and their associated institutions to the contemporary development of the food system.

These differential processes of embeddedness and disembeddedness create critical conceptual and methodological problems for contemporary rural sociology and development. Not least, it entails the need to investigate not only detailed empirical case studies with a high degree of conceptual and comparative rigour, but it also necessitates a wider and more flexible conceptual focus. This needs to incorporate questions about, for instance, the evolutionary and competitive dynamics between what are seen as the 'conventional' and the 'alternative' agri-food sectors (see Morgan, Marsden, & Murdoch, 2006); how the processes of standardisation and differentiation are evolving in both the conventional and the alternative sectors and across different spatial contexts (see especially Hatanaka et al., Chapter 3); and how these new agri-food developments implicate wider social and economic rural development.

The international flavour of the book – it includes contributions from Australia, New Zealand, Brazil, Italy, The Netherlands, Norway, the United Kingdom, France and the United States – allows this diversity and complexity in its many forms to be described and comparatively analysed. In particular, the various chapters examine the complex sets of economic, social and cultural institutions that lie 'between' the local and the global, and which work to promote and mediate new spaces of food production and consumption.

Because of its concern for processes of regionalisation and localisation in the context of a globalised economy, the book is positioned within mainstream rural sociology and economic geography. It is hoped that it will also be of key interest to researchers in the related sub-fields of rural geography, the sociology of food, the anthropology of food and the geography of food. In short, the key themes include:

- New social and spatial trends within the food sector
- Theoretical innovations in understanding these trends

- Diversity and differentiation in local, regional, national and international development processes
- Institutional support and frameworks surrounding food in its various spatial and social contexts
- The organisations, cultures and practices that work to promote diversity and differentiation in food space
- Future processes of change in the food sector.

Hopefully, the book, which arises out of two symposia originally organised by the editors at the International Rural Sociological Association Conference in Trondheim, Norway in July 2004, provides a much needed critical and contemporary overview of current developments in the agri-food sector. It attempts to assess whether patterns of spatial diversity are likely to increase or to diminish as new institutional complexes come into being as a result of pressures not only from corporate agri-food firms, but also from consumers, regional and local actors and the multi-level State. It provides a re-freshed theoretical and empirical analysis of current and future trends, and attempts to advance earlier studies of globalised food systems, such as those produced in the 1990s ('From Columbus to Conagra', Bonanno, Busch, Friedland, Gouveia, & Mingione, 1994; and 'Globalising Food' Goodman & Watts, 1997). Those texts reported on a major intellectual project of the time amongst rural sociologists and geographers to make sense of the new patterns of agri-food globalisation and transnationalisation, which were emerging, principally amongst advanced economies. This volume deepens these analyses by concentrating upon the deepening and broadening of these processes on the one hand, and the emergence of greater complexity in the governance, corporate and producer-based responses on the other. This entails the re-development of new agri-food geographies, and the evolution of new supply chain perspectives which transcend the global and the local, and place rural regions and localities in re-configured relationships with a myriad of 'at a distance' actors and institutions.

THEORISING COMPLEXITY

The contributions fall into two main sections in the book. The first one deals with the theorising of complexity between the global and the local. Wilkinson provides a theoretical overview, which considers the historical polarisation of debates within agri-food and rural studies, especially those between actor–network approaches and political economy analyses. He proposes a new

convergence based upon a re-consideration of conventions theory and the development of 'net-chain' concepts. Hatanaka, Bain and Busch take on one major development of complexity and conventions that is associated with the increasing use of standards to differentiate both agricultural products and processes. In particular, this is leading to the growth of Third-party certification (TPC) as a new feature of the global agri-food system and Wilkinson's 'net-chain' concept. What is developing is not simply new rounds of standardisation and differentiation, but rather more complex and multi-dimensional systems of differentiated standardisation, on the one hand, and standardised differentiation on the other. These are not so much opposing tendencies, but actually operating as aspects of the same phenomena in the new, more complex world of the 'economy of qualities' and quality conventions now being established in the global food sector.

These trends are demanding and promoting new institutional arrangements at different sets of spatial and supply chain scales. And, Campbell, Lawrence and Smith expose how such privately regulated systems have been developing in the New Zealand and Australian cases. They focus on the growing dominance of the Europgap protocols developed by European retailers – a new form of global agri-food governance which is based upon new relationships between the need, as Hatakana et al identify, for privatised 'quality' audit cultures, and the pursuance of neo-liberal forms of state-led trade regulation. These corporate- and state-led processes are not seen simply as a contradiction in terms; rather they represent, in the export context of both Australia and New Zealand, a powerful relationship which places producers in a highly contradictory space – that is one located between continued productivist intensification on the one hand, but audit compliance on the other. This is creating new forms of hybrid food governance, which operates across retail capital, social movements and regulators, at least in the fresh fruit and vegetable sectors.

New institutional mechanisms, in the context of neo-liberal ideology are also developing with regard to 'solving' the problems of intensive agricultural environmental degradation, and developing new fair-trade supply chains and networks. Lockie and Goodman, based upon the Australian experience, explore how these new institutional palliatives for neo-liberal ideology are formed and re-inforced. This ideology is thus developing its own set of rules and conventions which make neo-liberal assumptions about producer-based environmental protection through the operation of private property rights, or by contrast, the delivery of fair trade principles which oppose protectionist trade policies. For Lockie and Goodman, there are strong relationships that need to be critically analysed between neo-liberalism and these new conventions and instruments associated with environmental sustainability,

competitiveness and entrepreneurialism. There are serious questions raised here about how such ostensibly spatially diverse and 'duty of care' type policies can really deal with environmental and agri-food complexity. This suggests the need for the construction of more robust concepts of bio-regionalism and agricultural multi-functionality. However, under current conditions the authors confirm the earlier arguments that the ability to control standards and auditing procedures, as well as the expertise on which they are based, is becoming a central and global articulation of power within agri-food and trading networks.

These first four contributions, through theoretically grounded analyses, provide a contemporary portrait of many of the key drivers in shaping the new social and spatial complexities, which lie between 'the global and the local'. They focus on understanding process, new institutionalisation, and the recombinant nature of power relations; especially how these seem to be increasingly encapsulated in complex webs of 'quality' conventions and standards. Moreover, they all, to varying degrees, take the supply chain or 'net-chain' concept as an implicit paradigm in understanding this complexity in a macro-context in which corporate food, and especially corporate retailing, has become more internationalised and predominant within a state context of neo-liberalism.

DEALING WITH LOCAL COMPLEXITIES AND LOCAL DEVELOPMENT: TOWARDS NEW CONTESTED CARTOGRAPHIES OF AGRI-FOOD

The second section of the book includes eight chapters which problematise the real contingent and dynamic sociology and geography of local agri-food complexity, while focussing more at the local and regional scale of analysis.

They are distinctive in that they portray how food systems are being 're-geared' both over time and space in comparative perspective, given the tendencies that have been explored in the first section. Taking empirical foci from Brazil (Cavalcanti), Italy (Fonte and Brunori), the US (Dupuis and Goodman), the Netherlands (Stuiver), France (Sylvander), Norway (Streate and Marsden) and UK (Sonnino and Marsden), they should not, however, be seen simply as empirical case studies focussing on 'outcomes'; or local circumstances. Rather, they are dealing with conceptual questions of the complex evolution of rural and local development in all its contradictory forms and foibles, which operate conceptually between the global and the local, the macro and the micro. They also give an insight into the potentially powerful ways in which agro-food innovation can re-direct rural development.

What they all do witness, however, is a realisation and exploration of a post-modernisation phase in agri-food and rural development: A phase which is coping with the combinative effects of neo-liberal and corporate standard setting on the one hand (as explored extensively in Section 1 of the volume), and the, albeit uneven absence of a protective or paternalistic state apparatus on the other. These chapters depict some of the cardinal points of the new agri-food paradigm. It is one, which is a battleground between rival mutations of state/corporate/civil clusters, networks and constellations of action. One which re-combines an 'economy of qualities' with new producer-processor and consumer interfaces (see Harvey, McMeekin, & Warde, 2004; Morgan et al., 2006).

Over the past decade, especially in Europe, the dawn of alternatives to the modernisation paradigm has been well-documented. The chapters in this section take a critical and reflexive look at this intellectual turn (see Dupuis and Goodman for the most starkest of critiques); a turn, itself, which reflects different academic cultures and approaches.

In doing so it is important to delineate at least five key comparative themes which run through this detailed and theoretically informed depiction of local and regional diversity. It is a story of local complexity and actor and network-based rural development which should not be rendered simply as a depiction of the 'marginal', 'local' or 'alternative'. It sits conceptually, however, (as Dupuis and Goodman demonstrate) problematically between the globalised and localised assumptions in much of the literature. Rather, these studies explore the new cascading dialectics and contradictions at the heart of the new agri-food system. These themes include:

(1) The detailed exploration of the micro evolutionary dynamics of new and alternative agri-food networks (see Brunori; Sonnino & Marsden; Streate & Marsden; Sylvander). These represent heterogeneous rather than standardised pathways of development, and become, by definition, spatially and contextually embedded.
(2) The new innovation, niche management and 'retro' innovative processes involved in creating these new local networks (Stuiver). These are re-creating agri-food practices in new ways as a form of 'boundary-maintenance' between themselves and the more standardised and globalised chains. These tendencies may have found their most optimum development in the burgeoning organics sector (Sylvander, Stuiver), but they are also an essential part of re-localised food networks (Streate & Marsden; Sonnino & Marsden).

(3) Complex processes of re-hybridity, in the sense that the asymmetrical relationships between society and nature, technology and expertise are being differentially re-configured. This is shown in many of the chapters in this section to be a highly dynamic process; and one that constantly needs to be addressed by key actors in these networks.
(4) In one respect many of the chapters represent a real process of resistance to the recombinant processes of conventional standards, now unleashed in global food systems (depicted in Section 1) in the name of the 'quality economy' (see especially Cavalcanti, in the North-east Brazil case). But in another respect the chapters in Section 2 (especially by Streate and Marsden; Sonnino and Marsden; and Fonte), explore the inherent vulnerabilities and weaknesses of such new networks; not only in coping with the intensity of competition with the corporate-led system, but also in falling a 'victim to their own success'. That is the success and problems of 'scaling-up', which can be rewarded by appropriation into the differentially standardised worlds to which Hatanka et al. outline.
(5) A central feature in the development of local alternatives and their local development potentials, are the ways in which the relationships and interfaces between consumers, the state and the new 'ecological entrepreneurs' (see Marsden & Smith, 2005) unfold. Clearly, we witness new forms of ecological entrepreneurship 'in context'. That context is represented by the local natures in which they are embedded, but also in the often newly created networks established and sustained. Hence local natures and networks come together, and some 'actors in context', often what we can term ecological entrepreneurs, play a key role in maintaining such networks and in transferring knowledges between other groups of producers, processors and retailers. They play key roles in establishing the rules, conventions and marketing arrangements necessary to sustain and develop such networks. State institutions and support frameworks play a variable and somewhat ambivalent role.

The second section of the volume contains, therefore, analyses that continue to raise questions as well as answers. They demonstrate a growing and authoritative body of research, each with its own academic and cultural tradition. This is attempting to slowly and problematically construct an alternative paradigm to the past period of agri-industrial modernisation, and to the wider contemporary differentiation and standardised processes depicted in the first section of the book. The most distinctive feature of this new paradigm is the necessity to attempt to re-capture economic and social value back to the regional and local level. The chapters depict, therefore,

practices and conventions of power in and between agri-food supply chains; some which are corporate retailer-led and tend to de-valorise the local and the regional; others which attempt in variable ways to re-capture spaces of value. These sets of power relations play a key role in creating both the complexities and the competitive geographies, which lie between the global and the local.

At the same time, the chapters also demonstrate the very vulnerability and insecurity of such an endeavour. Geography may matter more in agri-food now, but this comes with new challenges of teasing out not only its inherent diversity but also its vulnerability to forces that appropriate arguments and logics of diversity in ways which enable internationalised appropriation.

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SECTION I:
THEORISING COMPLEXITY

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NETWORK THEORIES AND POLITICAL ECONOMY: FROM ATTRITION TO CONVERGENCE?

John Wilkinson

ABSTRACT

This chapter reviews the recent polarisation of debates in agrofood and rural studies, in particular the opposition between network (social relations, actor-network) and political economy analyses. It explores the contributions of different network approaches and draws on the French convention and regulation traditions, which provide alternative guidelines for confronting micro–macro tensions. Networks have similarly assumed analytical centrality in the new institutional economics and subsequent elaborations of the Williamsonian transaction costs paradigm have involved an approximation to some of the central tenets of social network analysis. Alternative traditions of political economy analysis (Global Value Chains (GVC), Global Production Networks) are now making an important contribution to agrofood studies. A distinctive feature of these analysts is their overture to social networks, actor-network, transaction costs and convention theory in the effort to capture the multiple dimensions of economic power and coordination. The possibilities for a fruitful convergence between these apparently conflicting approaches are best captured in the emergence of the concept of the ''netchain''. At the same time, the intractability of

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values to absorption within economic transactions suggests the need to move forward to a focus on the tensions between netchains and social movements and a different type of network, the global policy network.

INTRODUCTION

The unexpected transformation of organics from a niche to a mainstream *tendance lourde*; the equally unexpected scope and persistence of the anti-transgenics movement which has forced a redefinition of national and regional policies and pushed transnational strategies off their rails; the sudden vulnerability of long established commodity chains to the revolt of hitherto hidden actors (prions, e-coli, virus), have all exposed the limits of a certain type of (perhaps caricatured) political economy with its penchant for 'tendencies' and a selected preference for particular dominant actors. Indeed, the whole edifice of the agrofood system has been shaken by what has been identified as the increasing volatility of consumer behaviour, most strikingly expressed in the extraordinary levels of adoption of the Atkins diet. Power and its corollary, predictable tendencies, it would seem are not quite what they were thought to be.

These tensions within agrofood and rural, regional studies have paralleled a more generalised insatisfaction with social science's inability to go beyond the polarized alternatives of micro × macro, actor × structure, captured in Granovetter's (1985) rejection of both under and over socialized accounts of social life. The latter's solution, to analyse action as embedded in social networks, served as a powerful diffusion mechanism for an approach already well entrenched in sociological analysis (Granovetter, 1973). As metaphor, loose description or alternative quantitative research technique, the network rapidly became a preferred analytical tool in many sub-disciplines, particularly those trying to get to grips with new phenomena: globalisation and trans-border flows (Vertovec, 2001), the changing relations between State, market and civil society (Evans, 1997), innovation (Cooke & Morgan, 1998) and complexity (Urry, 2003). Even in economics, traditionally polarised between market and hierarchy, hybrid organizational forms became identified (Williamson, 1975), and, if at first these were considered unstable, they were later upgraded to the status of networks with their own logic and limits. (Thompson, 2003; Menard, 2000). In the work of Castells (1998), and from a critical stance Boltanski and Chiapello (1999), the network assumes paradigmatic heights as the expression of a globalised, information and project – based society, respectively.

A more consequent challenge to prevalent dualisms emerged from the sociology of science and innovation in the form of actor network theory (ANT) in the works of Latour (1987), Callon (1986) and Law (1992). This latter is often argued to be a methodology rather than a theory but it has achieved in practice the status of a theory both through the ambitions behind the method (abolition of dualistic thinking) and the systematic reconceptualisation of research practices involving an extensive and original nomenclature. In agrofood and rural, regional studies this approach fell on fertile ground both for the reasons outlined in our opening paragraph and the twin need to account for the extension of rights to nature (animals, forests, rivers) and rethink global rural spaces under the impact of quality, origin-based markets. ANT was ideally equipped to respond since, in addition to challenging the dualism of micro–macro, its symmetry principle afforded new status to things, and its concept of the network allowed for a reposing of notions of proximity and action at a distance. We will explore these questions in more detail below.

The different network approaches, in agrofood and rural and regional studies, where we will be more concerned with the Granovetter and ANT versions, have had a chequered history in the last 15 years. Social network analysis has had a running battle with transaction cost approaches, particularly over occupation of the strategic terrain of trust (Williamson, 1993, Wilkinson, 2003), and has seemed to have lost out somewhat in the light of second generation transaction costs theorists' incorporation of the 'quality economy' shift (Lazzarini, Chaddad, & Cook, 2001). As we will see below, it has influenced both local and global market (through ethnic diasporas) analysis, while in rural, regional studies it has tended to become subsumed within the broader, widely adopted category of social capital, (which in the second half of the 1990s also became a favourite for multilateral funding bodies eager to find a substitute for the lack of more material capital). The more general notion of embeddedness, which Granovetter explicitly borrowed (and modified) from Polanyi (1972), has been extensively incorporated both in agrofood studies (Harvey, Beynon, & Quilley, 2001) and in different institutionalist approaches to spatially differentiated development (Boyer, 1997; Evans, 1995). Perhaps Granovetter's most distinctive contribution has been the notion of the advantages accruing to multiple weak network ties, which provide privileged opportunities for innovation (Olsson, Schultz, Folke, & Hahn, 2003).

ANT has been much more proactive in presenting itself as an alternative to the political economy approaches associated with commodity chain analysis (Friedland, 1984), State-centred analyses (Friedmann, 1982;

McMichael, 1991; Buttel, 1989), systems of provision approaches (Fine, Heasman, & Wright, 1996, 2002) and more general technology and Marxian focused studies. Its relational view of power, where the micro may always be writ large as the macro, is seen to be more open to contingent outcomes. Its adoption of equal status for non-humans would breathe life into commodities and their supporting cast allowing them in principle to throw off their chains. Its categories of 'action at a distance' and 'immutable mobiles' would similarly implode the hitherto irreducible spatial polarisation of the local and the global. Although emerging from the sociology of scientific production and innovation, ANT has positioned itself preferentially along the consumer axis of agrofood studies, merging in this way with culturalist points of entry (Lockie & Kitto, 2000; Dupuis, 2000). Given its ambitions, the growth of ANT studies in agrofood has been accompanied by a tense and sometimes strident debate with a generally elusive political economy opponent since many of the latter's exponents have been similarly confronting new realities (Goodman, 2003; Marsden, 2000). A particularly terse contribution to this debate can be found in Fine (2003).

This very much anglo-saxon take on ANT has not been developed in the same way in France. Here, particularly under the influence of Callon, a major focus has been the study of networks in the laboratory research context (Joly & Mangematin, 1995) and more recently the democratisation of science (Callon, Lascoumes & Barthe, 2001). Key methodological features of ANT, especially in relation to the role of artefacts have been central to convention theory's (ANT's half sister) analysis of the construction of *appellation d'origine* indications (INRA, 1995). Convention theory, in its turn, has seen itself often as the micro arm of its macro counterpart, regulation theory, which has tended to mitigate the emergence of a more radicalised micro–macro critique. It has also seen itself hard pressed (like Granovetter) by the operational virtues of transaction costs, particularly as it adapts to the implications of the quality economy (Sauvée & Valceschini, 2003).

In the Anglo-Saxon agrofood literature, Gereffi, Korzeniewicz and Korzeniewicz (1994) has often figured as a seminal influence on commodity chain analysis, although perhaps this underplays the centrality of the labour process tradition (Friedland, 1984), the *filière* school (Bombal & Chalmin, 1980) and its Latin-American ramifications (Vigorito, 1978; Rama & Vigorito, 1979). The details of his work, however, and that of his colleagues, were little present in the 1990s since it focused primarily on non-food sectors. It was only with the inclusion of an analysis of food retail in collaboration with researchers from Institute of Development Studies/Sussex

(IDS) that their work connected in research terms with preoccupations key to agrofood studies. Gereffi and colleagues, based in the Wallerstein world system tradition, have been centrally concerned with the dynamic of global commodity chains (GCC) within an explicitly political economy orientation. They elaborated a basic typology of such chains, captured in the producer and buyer-driven ideal types. Subsequent research focused almost exclusively on the new dynamic of buyer driven chains, first the clothing sector (Gereffi, 1999) and more recently food retailing (Dolan, Humphrey, & Harris-Pascal, 2002; Barrientos, Dolan, & Tallontire, 2001).

We will focus in more detail on the evolution of this tradition below. Here it is sufficient to note that this research programme exhibits strong convergences with agrofood studies to the extent that it has replaced the notion of GCC with that of global value chains (GVC) and is simultaneously focusing on the demand dynamic of the food system. Therefore at the moment, in which political economy, was on the retreat in agrofood studies, it has now re-emerged in the form of GVC analysis. In its primary focus on globally negotiated governance mechanisms as a consequence of the fragmentation of production structures (the end of the Chandler model of vertical integration), and the opportunities this opens (or not) for local up-grading, this research programme has increasingly incorporated the notion of network structures. In fact, the term network has always been present in this group's work and was included in Gereffi, Korzeniewicz, and Korzeniewicz's (1994) programmatic definition of their research objectives. Indeed, it is often used interchangeably with chains as a characterisation of production arrangements. In the context of analyses of upgrading, however, the notion of network now begins to incorporate the attributes of social capital associated with Granovetter-style social networks. Gereffi's collaborators from the Danish Institute for International Studies (DIIS) have gone a step further and integrated both convention theory (Ponte & Gibbon, 2003) and ANT (Gibbon, 2003) into the analysis of GVC.

While Gibbon (2003) from the DIIS group appropriates selective aspects of Latour in his analysis of the impact of traceability systems on GVC without taking on board ANT, a more ambitious attempt at a synergy between a reformulated, political economy approach and ANT has been developed by Dicken, Kelly, Olds, and Yeung (2001). Here key themes of ANT including the need for a relational analysis of power, the performative character of discourse, space as being defined from within networks and the symmetrical treatment of actors are proposed as the methodological basis for global analysis. This is subsequently reformulated in programmatic terms in the paper by Henderson, Dicken, Hess, Coe, and Yeung (2001)

which proposes to replace the notion of GVC. GVC with that of global production networks (GPN). The term production may seem both a retreat from the buyer-driven demand side focus adopted both by Gereffi and ANT and an overly limiting qualification of the heterogeneous characterisation of networks essential to ANT – perhaps we should think rather of global, 'production-consumption' networks – Lockie and Kitto (2000), However, whatever the merits and demerits of this latter formulation, the substantial thrust of the argument represents a landmark advance at creating a synergy out of the apparently irreconcilable approaches of ANT and traditions deriving from political economy. To complete this synthesis, the embedded aspects of Granovetter's social networks are also incorporated, opening the perspective for a more institutionalist contextualisation of global networks.

In concluding this anticipation of the themes and argument of this article, it should be noted that, in recent agrofood literature, networks have often been accompanied with the adjective alternative, usually referring to non-mainstream initiatives to create producer consumer circuits – be they fair trade, slow food, community supported agriculture, artisan products, organics and more generally combining social, economic and environmental goals of sustainability. A complementary characterisation of networks can be found in the policy network literature (Messner & Meyer-Stamer, 2000; Witte, Reinicke, & Benner, 2000), which focuses on the articulations between sections of government, multilateral bodies, NGOs and transnationals to establish new norms and standards governing the above-mentioned issues. These notions of networks converge with analyses of new social movements (Cohen, 1998; Vertovec, 2001) pointing to a symbiotic relationship between the two (Brunori, 2000). Whereas alternative and policy networks suffer, by the nature of their objectives, be they markets or regulation, a permanent danger of co-optation, social movements are built on the social and political goals, which are squeezed out in this process. Callon's (1998) notion of "framing and overflowing" can be drawn on here, whereby all forms of market demarcation lead to new patterns of exclusion, both of values or qualities and types of actors and spaces. At one end of the spectrum, therefore, networks merge into the efficiency mechanism of supply chain management while at the other they open into fully fledged social movements.

The rest of this chapter will be primarily devoted to the spaces in between these two extremes. In exploring in more detail the literature referred to in this introduction we hope to point to the possibilities for overcoming current polarisations in agrofood and rural/local development studies. This

would imply that both network-oriented and political economy approaches should reconsider incompatibilities which may be more apparent than real in the light of emerging syntheses adopted by approaches which developed outside these sectors but which are now focussing in greater detail on agro-food and rural/local development issues.

GRANOVETTER'S CONTRIBUTIONS AND THE ANALYTICAL PURCHASE OF SOCIAL NETWORKS FOR AGROFOOD STUDIES

Granovetter is best known for his creative reintroduction of the Polanyian notion of embeddedness and the idea of networks as the privileged vantage point for analysing market dynamics. More important, perhaps, was his throwing down of the gauntlet to the advance of Williamson's, transaction cost (TC) brand of new microeconomics into sociology's heartland of organisational and institutional analysis. Granovetter's confident and precisely formulated rebuttal of TC's assertion that institutions can best be analysed in terms of comparative efficiency criteria, was complemented by the programmatic proposal that markets themselves could be best understood within the framework of social network analysis. The inner workings of the market now became (once again) an appropriate terrain for sociological analysis. The debate with Williamson (Granovetter, 1985; Williamson, 1993) in which norms and sanctions and the taken-for-granted sociability implicit in network embeddedness were argued by Granovetter to render often superfluous the TC formulaic kit of incitement and monitoring mechanisms, gave rise to (or strongly contributed to) an enormous literature on trust in economic transactions (Laufer & Orillard, 2000; Thuderoz, Mangematin & Harrison, 1999, Sabel) which merged with debates on social capital inspired by the classic contributions of Putnam (1993), Coleman (1988) and Bourdieu (1980).

In addition to these crucial aspects associated with trust in economic life, Granovetter (1974) identified social networks as the vector for market knowledge, affecting the construction of competences and the conditions of access to market opportunities. They were also seen to be the key factors in defining the profile of firm organisation, particularly degrees of vertical integration and levels of inter-firm cooperation (Granovetter, 1990) and industry structure (Granovetter & McGuire, 1998) with formal organisations and regulations crystallising what were previously social networks. An ambitious programme indeed! A central preoccupation of Granovetter over

the years has been to show how whole industries, including their technological matrix, organisational structure and forms of business representation can best be understood in the way actors mobilise social networks. His formulation of the strength of weak ties (Granovetter, 1973), whereby the differential leadership characteristics of actors are identified by their simultaneous participation in a range of complementary networks and their lack of submersion in any specific network, lifts his analysis above thick description and provides it with analytical punch. Granovetter and McGuire's (1998) study, of the electricity industry in the US is exemplary in its identification of specific networking capacities as the origin of the industry's regulatory, technological and organisation profile.

However, in spite, of Granovetter's concern with technology, his social network analysis was seen by Callon to be radically different from the sociotechnical networks of ANT (Callon, 1998). From an ANT perspective, Granovetter is firmly representative of the social constructivist bias and his study of the US electricity industry can be seen to be particularly illustrative. In this study, three technological systems are judged to have been equally plausible from a cost/efficiency perspective with the final shape of the industry being determined by the differential capacity to mobilise social networks around one of these options. In this sense, the different technological options are seen as the passive objects of strictly social networks, transgressing the ANT principle of symmetry between humans and non-humans. More generally, while for ANT networks are intrinsically heterogeneous, Granovetter's social networks are homogeneous, with strategic power and innovative potential being reserved for actors able to draw on multiple, weak links. Notwithstanding these differences, Granovetter participated in the publication, *Laws of the Market*, organised by Callon (1998), and the latter himself was a contributor to the eminently social constructivist classic edited by Bijker, Pinch and Hughes (1984).

As from the 1990s, Granovetter's concepts of embeddedness and social networks were warmly received by the dominant heterodox social science currents in France: convention theory, regulation theory, and MAUSS – the anti-utilitarist movement in social science. A seminar on embeddedness, leading to the publication, *L'Inscription Sociale du Marché (1995)*, testified to the importance attributed to Granovetter's reworking of the embeddedness concept. At the same time, it served to domesticate his contribution within existing French traditions. For the MAUSS group social networks could be subsumed within their recuperation of the gift economy (Caillé, 1995). For regulation theory, embeddedness, was incorporated as a generic concept integrated into its increasingly institutionalist perspective (Boyer,

1996). Convention theory (CT), for its part, situated Granovetter's contribution within the limits of its domestic world of justification. (Thévenot, 1995). In this form, it was appropriated by the analysts of France's national agricultural research institute (INRA) in their pioneering application of convention theory to elucidate the dynamics of *appellation d'origine* products. These studies were published in a volume co-organised by leading exponents of regulation theory (Allaire & Boyer, 1995), pointing to an alternative approach to the micro–macro dilemma which would lead regulation theory closer to the newly re-emerging old institutionalist tradition.

Granovetter's social network analysis was rejected by ANT and domesticated by CT, while the reworked embeddedness concept rapidly assumed the status of public property. The network approach has shown itself to be operational not only for the analysis of local markets (Hinrichs, 2000) but has also provided a version of market control at a distance, complementary to that provided by ANT, in its application to migration and ethnic networks (Portes, 1994). Recent work on food consumption has identified the multiplier effect of migration networks on the growth of ethnic niche markets in both the origin and destiny countries (Rauch, 2001).

Granovetter's most ambitious project was probably that of replacing what he saw as Williamson's reductionist transaction cost incursions into organisation and institutional theory. In its earlier version, where institutions were seen as an efficient response to market failure and could be readily predicted through the manipulation of a limited number of transaction variables – frequency, uncertainty, asset specificity – Granovetter's strictures against this explicitly functionalist explanation, a long familiar and readily recognized temptation against which sociological theory had only recently extricated itself, were particularly convincing.

With the sophistication of transaction cost analysis, however, especially in its absorption of the implications of the turn to a quality-based economy, both social network analysis and CT have been placed on the defensive. This can be clearly seen in the French case in the importance of TC analyses in the 2001, two-volume INRA publication containing European-wide case studies of *appellation d'origine* experiences. The contrast with the 1995 INRA publication indicated above could not be more marked. Perhaps the majority of the case-studies are now influenced by transaction cost presuppositions and leading exponents of convention theory in the 1990s have now moved closer to this approach. It should be emphasised, however, that we are dealing here with a second generation and French transaction cost school very much associated with the work of Claude Menard and Eric Brousseau at the *Centre d'Analyses Théoriques des Organisations et des*

Marchés (ATOM) /University Paris Centre, one of whose prime focuses has been the stability and centrality of hybrid forms in the shift to a quality-based economy. In collaboration with colleagues from INRA they have applied this approach to the analysis of new coordination or governance patterns in agrofood markets (Menard, 2000). In a recent work, Sauvée and Valceschini (2003), who straddle conventions and transaction costs, develop a typology of value chains which includes innovative forms of coordination where the lead role is no longer played by economic actors *stricto sensu*, but is jointly organised by consumer/environmental associations, public sector representatives and actors within the relevant *filière*. Here this hybrid convention/TC approach easily tips over into alternative networks.

One of the effects of the turn to quality markets has been the perceived need within the agrofood system for the development of tightly coordinated systems to ensure the persistence of the desired quality attributes from production to consumption, for which there have now arisen a wide range of alterative substitutes – fork to food, plough to plate – (Zylberstajn & Farina, 1999; Farina & Zylberstajn, 2002). This has led to the convergence between a more nuanced transaction cost approach and agribusiness management literature which, in more pragmatic form, had similarly been moving in the direction of supply chain management systems, pressured both by quality and logistics demands. A new domain of chain and network studies has, therefore emerged (Jonkers, Donkers, & Dierderen, 2001) where, in the context of agrofood studies, the notion of netchain has now been coined (Lazzarini, Chaddad, & Cook, 2001) in an article published in the first number of a Journal whose title is particularly expressive of this new turn: *Journal on Chain and Network Science*.

The netchain concept developed in this latter article is particularly significant, since the horizontal spaces associated with networking effects, which, as ''links'', were reduced to black boxes (*pace* ANT) in traditional commodity chain analysis, are now given equal analytical importance in the generation of value within the netchain. The vertical sources of value are those most traditionally associated with supply chain management and TC: optimisation of production and operations (logistics), reduction in TC and the appropriation of property rights (here there is also an opening to neo-schumpeterian innovation approaches). The horizontal sources of value, associated with activities at the same technical stage of production on the other, include social networks, learning and network externalities. This latter is a more narrowly defined advantage deriving from the positive externalities of user adoption and specific to network economics. Learning is very much associated with the network advantages of knowledge generation

and establishes a bridge to a wide range of intellectual traditions from economic geography to various strands of innovation literature. The first of these sources of value, the social networks, takes on board the full range of Granovetter's contribution, from embeddedness to the relative merits of strong and weak ties, spilling over into the economic effects of social capital.

From being the notable dueler of Williamson, Granovetter appears to have suffered a second domestication not now at the friendly hands of CT but incorporated within an extended netchain theory developed by second generation TC proponents. It must be said, however, that these latter ones, have themselves undergone a sea-change under the impact of the quality economy. As we will see below, this version of netchain analysis, has strong correspondences with new directions in GVC and GPN, and its identification of horizontal value-creation spaces fits well with the upgrading, development concerns of these latter two approaches.

SOME CONSIDERATIONS ON ANT AND QUESTIONS THAT GRANOVETTER, NEO-SCHUMPETERIANS, CONVENTIONALISTS AND INSTITUTIONALISTS MIGHT ADDRESS

It seems that by the early 1990s agrofood studies were over-ripe for an alternative to the big commodity, big firm orientation of food chain, political economy, analysis. Its predictive powers were challenged by the twin anomalies of organics and transgenics, and its relevance nowhere more questioned than in the world of rural geography where production concerns in Europe were rapidly ceding to the analysis of different forms of consuming rural space. It was within this latter milieu that systematic analytical consideration of ANT got under way, especially in England in the context of the Patch Research Project (Marsden, Murdoch, Lowe, Munton, & Flynn, 1993; Murdoch, 1995, 1998, 2000; Whatmore, 1997, 2002), and later in other anglo-saxon strongholds (Goodman & Dupuis, 2002; Lockie & Kitto, 2000). In Holland, at Wageningen, an actor approach to agrarian studies was already well-established (Long, De Ploeg) and this now entered into dialogue with ANT. Earlier, in the 1980s, a pioneering and original application of ANT and CT to commodity chains had been developed in the US by Busch (1996). This in turn led to the establishment of an Institute for Food and Agricultural Standards (IFAS), one of whose products has been the prolific research activities of Reardon, Codron, Busch, Bingen, and Harris (2001), coming

from a more traditional agricultural economics background, on grades and standards, but now developed in the context of the quality economy.

In our introduction, we singled out some of the key concerns of ANT's ambitious project for reorienting agrofood and rural research: a dissolution of the micro–macro problematic, a symmetrical consideration of humans and non-humans contextualised within networks, power as a relational effect rather than a causal property, distance and proximity seen as endogenous to the network dynamic, contingency and fluidity replacing the predictability of structural positions. Rather than reproduce ANT's principal theses and their evolution, which have already been the object of extensive elaboration by their principal exponents and commentators (Law & Hassard, 1999), some considerations will be presented here which reflect an amalgam of the approaches mentioned in the heading to this section. It should be added, of course, that CT shares many of the methodological presuppositions of ANT.

Four questions only will be dealt with here involving, in some cases, a degree of overlap. In the first place, we will discuss the notion of artefacts, which in the form of 'immutable mobiles' play a strategic role in the construction, extensibility and durability of networks and are the very stuff of the social. Secondly, we will question to what extent embeddedness can be subsumed within ANT style networks. Thirdly, and here we bring CT more directly into the dialogue, we will consider to what extent values and their negotiation/justification are not a necessary complement to ANT's redefinition of the notion of power. And, fourthly, we will suggest that the notions of contingency, fluidity, flexibility need to confront the rapidly encroaching and ever more pervasive grids of grades and standards.

In a limpid, didactic elucidation of the basic tools of ANT, Law (1992) argues that the social and its expression in action at a distance, emerges as a possibility through the intermediation of things. As Latour also demonstrates (1999) in his comparison with baboon life, the absence of things reduces the social to a permanent vigilant presence, or, as Law notes, to the intimacy of love, which may also prescind from the intermediation of things. Perhaps it is better to say that to maintain its intimacy within the social, love so saturates things with meaning that these become transformed into unique single purpose intermediaries. CT has a similar appreciation to ANT of the role of things for the enabling and stabilisation of social life, or action regimes. In this case 'investment in form' or the objectification of values in things, establishes the necessary equivalences for social action. As Boltanski, adds, however, there are no equivalences for love – or for violence. Hence, there is similar instability.

This understanding of things is captured in Latour's expression 'immutable mobiles', indicating that social life in networks assumes its shape, extension and stability through the unchanging characteristics of the intermediating artefacts, so different from humans whose revealed identities are eminently context specific. This treatment of things would seem to fly in the face of the principle of symmetry and be closer to the convention notion that humans allow their meanings and values to be fixed in things which can then represent them to each other and to the outside world. The more important point, however, is that even far from the extremes of love and cases of perfect action at a distance these immutable mobiles are perhaps not so immutable, a point which Granovetter and economic sociology continually makes, nor are humans so at the mercy of things, a point which the proponents of tacit knowledge (Lundvall & Borras, 1997) or intangible assets (Storper, 1997) might make. Zelizer (1994), perhaps more than anyone has dedicated her research to the way in which would be equivalences are suffused with socially specific meanings, showing how even money is socially appropriated so that it can no longer be readily interchangeable. The money in the piggy bank can under no circumstances be used to pay the gas bill! In a delightful account of its origins, Gorman (s/d), also questions this ability of the immutable mobile to wing its way smoothly through the ether. Things also suffer the effects of social resistance and local meanings.

The proposed symmetry between humans and non-humans has the great merit of insisting, as a methodological starting point, on their necessary complementarity for an analysis of social life. There is a danger, however, of undervaluing the spaces of sociability where the boundaries between the human and the artefact are ill-defined. There has emerged a vast literature now on the key role of tacit knowledge since Marshall's assertion (1919) that in the industrial districts of England, knowledge was breathed in with the air. In the apprenticeship relation, which persists both formally and informally from workbench to laboratory bench, the master and his tools are inseparable and we are dealing with a hybrid, that can only be understood and learned from in situ. That knowledge sticks in the form of intangible assets (Storper, 1997) is the basis of a region's competitiveness or its eventual marginalisation. Nor is tacit knowledge reducible, to the domestic world of artisan skills. As codified knowledge multiplies, it does not simply replace tacit, oral knowledge but relies on new forms of tacit knowledge for its interpretation and use (Lundvall & Borras, 1997). Not only are the immutable mobiles less immutable than may be imagined, but their sphere of action is importantly curtailed by the persistence of immobile knowledges and, therefore, spatially rooted social practices.

Granovetter, as far as I know, has not replied to the critiques which proponents of ANT (Callon) have levied, but if he were to, he would probably reaffirm the centrality of non material bonds (kinship, ethnicity, shared experience in formative contexts), distinguishing his social networks, not from the nuances of 'socio-technical' networks, but from specific purpose, or project networks in contrast to networks underlying social life. The addition of the rhizome to the arboreal metaphor might be thought to provide a more anchored view of networks by ANT, but as the new Penguin English Dictionary points out, rhizome is distinguished from a true root and in the writings of Law and others it appears to be used rather as an antidote to a perceived structuralism in earlier versions of ANT.

To deal with this same problem from the point of view of ANT theory, Murdoch (1998) introduces a distinction between prescriptive (stable) and negotiated (fluid, unstable) network spaces, which parallels Boltanski's similarly dual typology of action regimes, subject respectively to categorisation (on the basis of legitimation and therefore stable) and displacement (on the basis of force and therefore unstable). It is interesting here that stability/instability and power/negotiation seem to be inversely related for convention theory and ANT, reflecting their methodological preference for values and power respectively. It should be noted, however, that this identification of a potential drift to structuralism in ANT theory is understood as endogenous to the network and/or to the analytical tools used to describe the network and in no way evokes underlying social realities.

The embeddedness concept reintroduced by Granovetter, has, on the other hand, now been taken on board by most institutionalist-minded thinkers and serves as a counterpoint, increasingly in its original Polanyian sense, to the fluidity or contingent fixity of networked life (Hollingsworth & Boyer, 1997). For these currents, the network metaphor is the handmaiden of an unbridled view of globalisation, which is unable to account for the 'varieties of capitalism' increasingly identified once the dualism capitalism/communism imposed by the cold war and the wall imploded (Hodgson, 1996). These capitalisms, in their turn, are the outcome of the crystallisation of norms and values into rules and institutions, which form the matrix of social relations, be they local, regional, national or global. To the extent that networks were to be employed analytically within this framework their scope and dynamic would be situated within these institutional practices. It is interesting in this sense, as we shall see below, that one of the motivations for the introduction of networks into GVC or GPN is precisely to embed these latter spatially and institutionally.

CT, on the other hand, appears to join hands with ANT in its characterisation of this third spirit of capitalism (Boltansky & Chiapello, 1999) as one of networks, in which the non-mobile and therefore the non-networked become the excluded. In a recent interview, Boltanski (Blondeau & Sevin, 2004) defines this latter book as an effort to describe the rise of a new world of justification, a new 'city', the 'project' city, which is currently being established at the same time as the domestic city is said to be in the processing of disappearing.

Central to ANT theory has been its relational concept of power, drawing on Foucault and opposed to the idea of power as an acquired possession *a la* Weber's characterization, based on the monopoly control of the means of violence, or, as emanating naturally from privileged control over resources in the case of economic power. CT, on the other hand, has been accused of not having a concept of power. An alternative interpretation would be that conventionalist concern, and here it could serve as a complement to ANT, has been with the legitimating aspects of power, closer, in this sense, to Weber's view of authority, but seen, like ANT as a *rapport de force*. As mentioned above, for CT, power without justification is essentially unstable, whereas ANT seems to afford it a more primordial status such that it has little need of external backing. Power, in their sense, is simply an outcome.

While both ANT and CT have traditionally been associated with a revaluing of the micro, their responses to the micro–macro challenge have been notably distinct. For ANT, the macro has been redefined as the micro write large, or as the ability of some to contain, or to black-box others so that they appear large, a situation with the potential for reversibility, although Callon (1991) has outlined an ANT version of network irreversibility. Initially, CT looked to the protection of regulation theory for its macro coverage. More recently, however, both in the position papers to the conference: *Conventions and Institutions: Approfondissements Théoriques et Contributions au Debate Politique* (2003) and in *Le Nouvel Ésprit du Capitalisme* (1999) CT has assumed a decidedly macro posture.

In the latter, we are dealing with the emergence of a new 'city' which justifies the nascent third spirit of capitalism, subordinating or replacing the earlier domestic and industrial modes with the project or network mode. While ANT has moved in the direction of greater fluidity and variability in its understanding of networks with a corresponding shift in metaphors, CT has identified the outlines of a new network world where power relations are becoming stabilised in a coherent system of justification. Such a justification may strengthen ANT by serving to underpin the endlessly shifting network relations it identifies. For CT, 'activity' is now the supreme principle and

worth is gauged by the extent of mobility and flexibility. Justice is defined in terms of the distributive mechanisms internal to the network and the representative figure is the manager or the project leader. As in the case of ANT, the network is defined endogenously as a world of legitimated power where the stabilising concept is not trust but a sense of justice.

According to Boltanski and Chiapello (1999), the spirit of capitalism, drawing on Weber's terminology, is modified under the impact of movements of criticism (*critique*), which are fundamentally of two kinds, social and aesthetic. The principle characteristic of the emerging capitalism is its absorption of the aesthetic critique within the network world and it is suggested that a renewal of critique should be built on a defence of ''the less mobile'' identified, among others, in the figure of the ''rural artisan''. While, therefore, the network world is constructing its internal coherence as a legitimate action regime, this does not mean that it is justifiable in the face of the 'non-mobile', and recent CT has been notable in its sharpening of the more general criteria of justice around which *critique* should advance (Eymard-Duverney, 2001; Thévenot, 2003). On the other hand, the current business turn to social responsibility and the proliferation of private and policy network-based collective, social and environmental labels may represent the beginnings of an endogenisation of the social critique in the wake of the successful absorption of the aesthetic critique.

ANT has emphasised the contingency of network formation and reformation, which has allowed for the exploration of new approaches to such phenomena as food scares, transgenics, animal welfare and environmental questions (Goodman, 2000; Whatmore, 2002). Its focus on variability, flexibility and symmetry, together with its 'follow the actor' research method has made agrofood, rural and regional studies more open to the incorporation of new actors and less disposed to work within the traditional boundaries of economic activity. This has been particularly important at a time when alternative agrofood networks have assumed increasing importance. On the other hand, it would appear that many actors, whether they be States, multilateral agencies, transnational policy networks or more traditional corporatist associations, are negotiating and converging towards a set of property rights regulations and quality grades and standards which serve to channel and establish ever more rigid conditions of access to subsequent network initiatives. For its part, uncertainty reduction and risk management which was always a firm or industry level concern has now been extended to the experimentation of novel forms of deliberative management of science and innovation, inspired by sociological theories of the risk society (Beck, 1984; Giddens, 1984; Guivant, 2001; Elam & Bertilsson, 2002).

Indeed, it would seem that the ANT lesson has been too well learned, given the current focus on the control not of workers or farmers but precisely of the non-humans in agrofood – of microbes and residues and technological processes via Hazard and Critical Control Points monitoring (HACCP), International Standards (ISOs), Sanitory and Phytosanitory Barriers (SPSs), Technical Barriers to Trade (TBTs), Good Agricultural Practices (GAPs) and a plethora of public, collective and private certification systems. As Mutersbaugh (2004) convincingly argues, the multiplicity and variability of network standards are increasingly being replaced by global regulatory standards. In this process the current geographic profusion of national contexts and the many agrofood networks each with their own independently arrived-at set of standards are being replaced by a gridded globe of rules held in common across national contexts. (Mutersbaugh, 2004). Messner's 'world economic triangle', where global buyers and local clusters are mediated by global standard setting policy networks, develops a more nuanced view along similar lines (Messner, 2004).

POLITICAL ECONOMY OPENS TO SOCIAL NETWORKS, CONVENTIONS AND ASPECTS OF ANT

In Anglo-Saxon agrofood studies Gereffi (1994) has been an important analytical reference for the political economy approach (Raynolds, 2002; Gouveia, 2002), alongside Friedland (1984) and coworkers (Friedland, Barton, & Thomas, 1981) coming from a marxist labour process tradition, while in Europe and Latin America, the *filière* tradition has provided the principal inspiration (Vigorito, 1978; Arroyo, Rama,& Rello, 1985). From a very different perspective, the commodity chain perspective via Davis and Goldberg (1957) has also been incorporated into current transaction cost and supply chain management approaches. The chain metaphor has proved very powerful because it captures a range of different concerns. It reveals interdependencies hidden in traditional market analysis; it draws attention to the unravelling of material processes in economic production; it can trace the spread of technologies; it can reveal the mechanisms of economic power working at a distance and across markets. Its relevance has been renewed in the context of the quality economy where the weakest link can destroy the values accumulated along the whole chain. Above all, it implies direction, objectives and overall organisation. But for ANT, and many others, the chains have become too heavy and are unable to account for the myriad ramifications, the way directions are elaborated and modified *en route*, the

range of unexpected actors who become incorporated, and for which networks, or even more fluid metaphors, are seen to be the appropriate tools for analysis.

It is interesting to note in this respect that Gereffi, Korzeniewicz, and Korzeniewicz (1994) use networks, if not interchangeably with global commodity chains, then as the basic building blocks which are interconnected through the commodity in question. Their description of networks is strongly evocative of social networks and Granovetter-style analysis: ''These networks are situationally specific, socially constructed, and locally integrated, underscoring the social embeddedness of economic organization.''

While their starting point may be the commodity, the input–output structure is only one of four basic analytical concerns, which also include the territorial dimension, the governance structure and the overarching institutional framework. Their principal preoccupation is with the varied patterns of governance and the degree to which these allow or not for processes of local up-grading. This preoccupation involves sensitivity to locally situated learning, the stuff of social network analysis, and its spillovers into clusters, districts and social capital. The role networks play within global commodity chains can be seen as a macro variant of the netchain analysis discussed earlier in our consideration of second-generation transaction cost analysis. With the incorporation of the notion of the quality economy and the consequent shift in terminology to GVC, grades and standards have assumed greater centrality, allowing for the incorporation, as we shall see below, of CT and selected aspects of ANT.

Gereffi initially developed a dual typology of commodity or value chains, characterised as producer or buyer driven respectively, and subsequent research focused on the dynamic of the latter. This not only brought GVC analysis closer to the demand, retail and consumer-oriented concerns of much agrofood research but led to the inclusion into their research programme of food retail supply systems as a key example of the buyer driven dynamic. Chain analysis, therefore, has shed its commodity and production supply side aura and converged with a range of key issues mobilising new lines of research in agrofood studies on retail, consumption, quality, safety and gender (Barrientos et al., 2001; Dolan, Humphrey, & Harris-Pascal, 2001). The division of values chains into producer or buyer driven dynamics has clear limits when applied to the agrofood system which is increasingly, exhibiting a bi-polar tension between strategic upstream alliances and the retail/brand nexus downstream (Wilkinson, 2002; Green, Noronha, & Schaller, 1999). Many chains are also so history-laden that inertial factors

severely constrain the degree to which they are either production or buyer driven, as is particularly clear in the fish chain (Wilkinson, 2006).

In recent formulations, the GVC project has tended to put aside this typology in favour of an overarching infomediary-driven model (Gereffi, Johnson, & Sasser, 2003) and the analytical framework has been considerably reworked (Gereffi & Humphrey, 2003). The focus is now placed explicitly on governance and is analysed in terms of three basic variables: the complexity of transactions, the ability to codify transactions, and the capabilities in the supply base. Five types of governance are identified, three of which are situated between the extremes of market and hierarchy: modular, relational and captive value chains, respectively. As the market to hierarchy continuum suggests, the network form is here both an intermediary category and an organisational form dependent on degrees of asset specificity and knowledge codification, drawing heavily on TC and the economics of knowledge. The relational value chain draws on the spatial specificities of transactions based on tacit knowledge and guaranteed through the trust components of Granovetter style networks, whose work is specifically acknowledged. In their most recent theoretical formulation, therefore, social network theory occupies a strategic analytical position in the GVC framework.

In their collaboration with Gereffi and coworkers, the DIIS researchers have focused on the governance aspects of grades and standards, but rather than TC and the three technical "c"s of complexity, codification and capabilities, they have introduced CT to focus on actor negotiation and the justification of values underlying different categories of grades and standards. While the institutional mechanisms involved in compensating information uncertainty and asymmetry in relation to quality can be dealt with by the economics of information (Akerlof, 1970), and the asset specificity of quality-ensuring investments by transaction costs, CT is unique in analytically addressing the existence and legitimacy of different evaluations of the same information and social practices, together with their procedures of justification (Wilkinson, 1997).

Differently from social network theory and discussions on tacit versus codified knowledge, which focus on the formal conditions pertaining to trust and cooperation, CT deals with the content of publicly defensible values, which are seen to be plural but not arbitrary and at the same time culturally specific. Current moves to the global homogenisation of standards are providing a crucial test to the elasticity of such values. In their pioneering fusion of CT and GVC analysis, Ponte and Gibbon (2003) show how the different justifiable worlds: industrial, market, inspirational, opinion, domestic and

network – with their respective organizing principles – productivity, competitiveness, creativity, reputation, loyalty and flexibility – can be mapped on to the strategies of lead firms and inform the way in which these global chains are 'driven'.

The civic world is omitted here, presumably, because the firm is the medium of this translation exercise. In the light of GPN, however, and Gereffi's own work on NGOs as economic actors (Gereffi et al., 2001), this world also could be readily accommodated. Ponte and Gibbon draw attention to the importance of analysing the plurality of action worlds both within firms and at each stage in the value chain. The authors distinguish between specific forms of coordination and governance and point to the possibility of a variety of forms of coordination within any overall governance structure. The ability to deal analytically with this issue is seen as a key contribution of CT, particularly in showing the compatibility between loose forms of coordination and coherent governance, whereas TC has tended to focus on the shift to tightly coordinated production chains.

Following Thévenot (1995), Ponte and Gibbon endorse the idea of an inversion of the post-war industrial-market convention hegemony. Today the dominant market-industrial convention, which in the case of agrofood can be seen in the way retail incorporates industrial process standards (HACCP, ISO) into its quality strategy, advances on to the terrain of domestic conventions which were sacrosanct in the heyday of classic *Appéllation d'Origine Controllée* (AOC) products (Sauvée & Valceschini, 2003; Garcia-Parpet & Marie-France, 2004; Fonte, 2004). In this sense, the need to radicalise the social movement aspects (Brunori, 2000) of the domestic convention, as in the case of the Slow Food Movement which increasingly connects culinary aesthetics to genetic resources and biodiversity (Miele & Murdoch , 2002) would seem to point the way, blurring in this process the traditional frontiers between economic and social actors.

For the moment, the civic convention would seem to present a more robust challenge, although the strategy of social responsibility may be the wedge for the incorporation of civic concerns within the dominant market-industrial convention. Here, however, the expansion of policy networks to negotiate social and environmental concerns such as the Marine Stewardship Council (Heap, 2000) or Forestry Certification Systems, involving new patterns of 'non-State global governance' (Bernstein & Cashore, 2004) in an alignment of transnational NGOs and firms, may point rather in the direction of what Boltanski and Chiapello (1999) have called the emerging network convention. The future of the domestic world, therefore, increasingly appears to depend on the strength of civic conventions, one of whose

reflections is the convergence between organics, sustainability and fair trade (Raynolds, 2000).

Although not discussed by Ponte and Gibbon, the incorporation of CT into GVC analysis also implies taking on board some key methodological principles which this theory shares with ANT, particularly the role of artefacts, texts, instruments and practices which objectify the values under negotiation. In a separate text, Gibbon (2003) presents a research proposal, involving a Latourian gaze on EU traceability regulation and the latter's implications for what the author describes as 'value-chain reengineering'. This reworking of GVC through the combined lens of CT and aspects of ANT – including here in addition to the elements mentioned earlier the performative nature of discourse – (Callon, 1998; Callon, Méadel, & Rabeharisoa, 2002) points to an ambitious research programme which will serve to challenge, or perhaps complement the currently hegemonic transaction costs approaches to grades and standards.

The most explicit attempt to integrate network analysis, both Granovetter-style and ANT, into the political economy tradition is that provided by Dicken and Henderson and their collaborators in a series of publications elaborating their 'Global Production Networks' (GPN). In our introduction we have mentioned the extent to which they assume ANT's central premises, which are spelled out in detail in Dicken et al. (2001). These are seen to include the insistence on the discursive power of conceptual categories in shaping material processes, the refusal to privilege scale, which is defined in terms of the length and connections of the network under consideration, together with a similar refusal to privilege specific actors or institutions, extending this principle to non-humans. They insist, however, that while extrapolations from specific pieces of empirical analysis should be undertaken with caution, discussion of the global economy and its power relations as a structural whole should not be precluded.

Networks are adopted as the foundational unit of analysis as opposed to individuals, firms or national States, and they are understood as relational processes rather than organisational forms or structures. Power is similarly understood as a practice, which is exercised within networks and not the simple reflection of an actor's position. Strategic access to resources, however, is considered to be a relevant variable and the emerging power relations to have structural characteristics, which involve exclusion and inequality. At the same time, network analysis, understood as ongoing processes, is seen, following Whatmore and Thorne (1997), to permit the identification of points of resistance and opposition. Its principle of symmetry is similarly seen to position it favourably for the adoption of an

ethical stance, particularly as regards animal welfare and environmental questions. As a corollary to the emergent structural characteristics of networks, it is argued that this adoption of ANT's central tenets is compatible with levels of abstraction which would allow for a discussion of the global economy.

In a subsequent article (Henderson, Dicken, Hess, Coe, & Yeung, 2001), elaborating the concept of GPN, it becomes clear that, while there are internal differences between GVC and GPN (for instance, the typology of production systems), the latter represents a determination to take on board the full programme originally proposed by the former, which in addition to governance issues now its prime concern, included equal analytical treatment of input-output structures, territory and the different institutional/regulatory contexts. For these to be fully integrated, GPN argues that higher degrees of both autonomy and embeddedness in the distinct national, regional and local components of the GVC/GPN must be allowed for and both social network analysis and ANT are seen to be central in this endeavour.

The proposed substitution of the chain by the network metaphor, however, is primarily based on a recognition, which they share with Dieter Ernst (2002) who also adopts the same GPN terminology, of the strategic role being played by supplier firms, service functions and different types of knowledge diffusion ('embrained', 'embedded' and 'encultured'), all of which serve to relativise the role of 'flagship firms' and belie the unilinear associations of the chain model. Clearly, this decentred model is also more amenable to ANT methodology. While the substitution of the chain metaphor has probably broad appeal – with those who identify an emergent rigidity in the global system imposed by standard's preferring now a grid-style metaphor – the adoption of 'production' networks is probably less acceptable in agrofood research. As we mentioned in our introduction, this view of the production system extends only as far as distribution channels and cuts off an integrated appreciation of dynamics at the level of consumption. In a parallel fashion, while it is more open to the full range of directly economic and institutional actors, the production metaphor is unable to incorporate the key role of civic actors in economic life, be they NGOs, organised networks or looser social movements.

CONCLUDING REMARKS

The evolution of global commodity/value chain and GPN analyses has gone a long way to diffusing the tensions between ANT and political economy

approaches in their proposed syntheses, which would also include social network and CT. In diverse forms, the issue propelling these analytical shifts has been the perceived move to an 'economy of qualities', (Callon, Méadel, & Rabeharisoa, 2002) where the differentiating characteristics of the products and services being transacted increasingly depend on tacit, "credence" and embedded components. While it has not been possible within the limits of this chapter to develop the argument further, we have suggested that a more all embracing synthesis would have to open out to the strategic economic role of NGOs, transnational policy networks and social movements in defining the content and limits of the global market economy, disciplined now by grades, standards and certifications. Downstream from these struggles over the form and content of economic transactions there is a similar need to incorporate the new dynamics of consumption tensely situated between the autonomy and inertia of user social practices (Warde & Martens, 2000) and the construction of the customer-client through both the strategies of leading demand-based agrofood actors and the consolidation of regulatory and legislative prescriptions (Cochnoy, 2002). At both extremes of agrofood production–consumption networks, therefore, it would appear that the civic world of CT is now better placed than the domestic to resist the dominant market-industrial advance in its new 'network' mould.

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DIFFERENTIATED STANDARDIZATION, STANDARDIZED DIFFERENTIATION: THE COMPLEXITY OF THE GLOBAL AGRIFOOD SYSTEM ☆

Maki Hatanaka, Carmen Bain and Lawrence Busch

ABSTRACT

In recent years the production and consumption of food have become both more transnational and diversified. Concurrent with these transformations has been the increasing use of standards to differentiate both agricultural products and processes. Historically standards were understood as "natural market lubricants," but today they are increasingly viewed as tools

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for competitive advantage. As the use of standards has proliferated, the need to ensure compliance has also increased. Third-party certification (TPC) is one way to ensure compliance and it is becoming increasingly prominent in the global agrifood system. This chapter examines the complex effects that the widespread implementation of standards and TPC is having on the global agrifood system. What is occurring is not simple standardization and differentiation, but rather differentiated standardization and standardized differentiation. In the first instance, whereas we have standardization, it is differentiated, as multiple options remain. For example, while TPC for food safety and quality is becoming increasingly common, what such certification means continues to have considerable diversity. In the latter case, different kinds of agricultural practices are becoming standardized (i.e., organic). That is, difference (e.g., alternative agriculture) is becoming standardized, so that it is increasingly becoming the same globally. In concluding, we argue that standardization and differentiation are both taking place simultaneously in the global agrifood system, and that analyses of the globalization of food and agriculture must begin to recognize this.

INTRODUCTION

Globalization is transforming the production and consumption of food and agricultural products. One view is that globalization is producing increased "standardization" of food and agriculture around the world (e.g., Bonanno, Busch, Friedland, Gouveia, & Mingione, 1994; Held, McGrew, Gloldblatt, & Perraton, 1999; Kenney, Lobao, Curry, & Goe, 1991; Magdoff, Foster, & Buttel, 2000; McMichael, 2000). From this perspective, as control over food and agriculture is consolidated in the hands of a few large transnational corporations and supply chains become more global in scope, the kinds of food produced, as well as the practices by which food is produced, become increasingly standardized. In other words, food and agriculture throughout the world is increasingly conforming to the interests and needs of large transnational corporations, which tend to be headquartered in industrialized nations.

At the same time, other scholars argue that globalization has also led to increases in the diversity of foods, as well as the ways that food is produced. Examining the proliferation of alternative agrifood networks, these studies highlight the "differentiation" of food and agricultural products and processes that is currently taking place (e.g., Allen, FitzSimmons, Goodman, &

Warner, 2003; Barham, 2002; Bryant & Goodman, 2004; Goodman, 2003; Lockie, 2002; Murdoch & Miele, 1999). From this perspective, one outcome of globalization has been heightened public concern over food safety and quality, as well as ethical issues, particularly in industrialized countries. Such public concern has spurred the emergence and growth of alternative agrifood networks, which are characterized by such things as quality, embeddedness, and trust. Thus, to date, alternative agrifood products and networks – e.g., local food, sustainable or ethical agricultural practices, fair trade, organics, "slow food," etc. – are proliferating, and such proliferation is seen, by some, as evidence that food and agricultural products and processes are becoming increasingly diversified.

These sets of studies – one emphasizing standardization and the other highlighting differentiation – illustrate the divergent processes that are occurring in the global agrifood system today. In this chapter, we seek to reframe the debate regarding globalization, standardization, and differentiation. In contrast to much of the literature, we argue that standardization and differentiation are not opposing tendencies, but dual outcomes of the globalization of food and agriculture. In this way, standardization and differentiation are actually aspects of the same phenomenon, each proceeding inside of the other. Thus, describing conventional agriculture networks solely in terms of standardization, and alternative agrifood networks in terms of differentiation is also problematic, as both produce standardization and differentiation in the global agrifood system.

To demonstrate this, our chapter focuses on how standards, together with Third-party Certification (TPC), are used strategically by actors. TPC is a standards audit mechanism by which independent auditors ensure compliance of food and agricultural products and practices with particular standards.[1] Both, the use of standards and TPC are becoming increasingly prominent and influential with the globalization of the production and consumption of food and agriculture (see, Barrett, Browne, Harris, & Cadoret, 2002; Barrientos, Dolan, & Tallontire, 2001; Bredahl, Northen, Boecker, & Anne, 2001; Golan, Kuchler, Mitchell, Greene, & Jessup, 2001; Henson & Northen, 1998; Tanner, 2000; Zuckerman, 1996). We argue that the strategic use of standards and TPC by different actors is producing both standardization and differentiation simultaneously in the global agrifood system. For example, while retailers may insist on the same food safety standards in the production of milk, such as Hazard Analysis and Critical Control Points (HACCP), they are also likely to use quality, size, and packaging to differentiate their products. Even the most standardized products are differentiated in minor ways. And, at the same time, non-governmental organizations

(NGOs) may promote fair-trade coffee, which is differentiated from conventional coffee. However, all of fair-trade coffee is required to meet the same standardized fair-trade standards and certification. Put differently, while fair-trade coffee seeks to differentiate, it must be standardized in order to compete in the market place.

Our analysis is grounded in two conceptual frameworks. First, we use the concept of an economy of qualities to explain the ways that globalization is transforming the use of the standards and TPC within the global agrifood system. We argue that quality is becoming a central component of economic competition in the global agrifood system. Globalization is producing international retailing oligopolies, and with this development retailers have begun to realize the potential zero-sum game of competing solely on price. Consequently, retailers are competing on other factors beside price, such as quality, convenience, and production practices. This, in turn, has elevated the use and importance of private standards and TPC, as they have become key mechanisms by which to differentiate products and ensure that products are in fact what producers say they are.

Second, while standards and TPC tend to be viewed as grounded in objective and value-neutral science and technological practices (Clayton & Preston, 2003; Fagan, 2003; Golan et al., 2001; Hill, 1990; Sanogo & Masters, 2002; Tanner, 2000), we contend that standards and TPC need also to be understood as socially mediated. That is, the content of standards and TPC, together with how actors strategically use standards and TPC, reflect particular social relations of power, interests, and values (Busch, 2000; Hatanaka, Bain, & Busch, 2005). From this perspective, we examine the various ways that different actors *strategically* use standards and TPC to achieve objectives that reflect their particular interests and values.

The following section discusses the recent transformations in the global agrifood system that have led to the increased use of standards and TPC. Specifically, we examine the changing character of competition among retailers, namely from price to increasingly non-price (from an economy of quantities to an economy of qualities), as well as the strategies used by NGOs and consumer activists to counter conventional agrifood practices. We explore how these changes have transformed the use of standards and TPC. In the next section, we challenge the dominant view in the literature on standards and TPC by illustrating that these institutions are socially mediated. Following this, we examine in detail the strategic uses of standards and TPC by four groups of actors in the global agrifood system – retailers, NGOs, suppliers and Third-party Certification Bodies (CBs). Our intention in this section is to address the effects of stakeholders' strategic use of

standards and TPC, and in so doing to demonstrate that standardization and differentiation are in fact dual processes of globalization. More specifically, we analyze how the objectives of these diverse actors may lead to standardization with some forms of differentiation, or differentiation with some forms of standardization. In concluding, we argue that standardization and differentiation are both taking place simultaneously in the global agrifood system, and that analyses of the globalization of food and agriculture must begin to recognize this.

This chapter is based on interview and archival data. Interview data comes from three sets of interviews conducted in 2004. The first consists of 23 phone interviews with major U.S. retailers and CBs. The second and third consist of 16 and 18 interviews in Ghana and Indonesia, respectively, with farmers, processors, exporters, NGOs, and government officials. We also reviewed 45 websites of CBs and accreditor organizations that either provide TPC services or regulate TPC operations throughout the world, and the websites of the top 50 food retailers worldwide.

FROM QUANTITY TO QUALITY

Numerous observers have noted the rapid globalization of the world's agrifood system, spurred on in part by the formation of the World Trade Organization and the concomitant decline in tariffs and quotas. Supporters of this liberalization process have predicted declining consumer prices, greater comparative advantage by nations, and economic growth on a world scale. Critics, on the other hand, have predicted greater inequalities and a race to the bottom with respect to environmental protection, farmer and farmworker wages, and the diversity of food products and, hence, diets. But what has happened to date is far more complex than and even contradictory to what was predicted.

Although the details are beyond the scope of this chapter, we can outline briefly some of the changes that have occurred in the last several decades. First, food retailers (caterers, fast-food restaurants, and especially supermarkets) have begun to operate in multiple nations. Moreover, the structure of the retail food industry has shifted from local monopolies and national competition to national and international oligopolies. It has even eclipsed the power of the large food processors, who now play a secondary role in many agrifood supply chains. Wal-Mart, Carrefour, and Royal Ahold now lead the rest in fierce competition to capture global market share. Furthermore, supermarkets have begun to capture market share in middle and even

low-income nations and that process continues apace (Dries, Reardon, & Swinnen, 2004; Reardon, Timmer, Barrett, & Berdegue, 2003; Weatherspoon & Reardon, 2003). And, while price competition remains important and even fierce, in the classic fashion of oligopolies, retailers have resorted more and more to non-price competition.

Second, various NGOs have shifted their tactics (in part a result of the success of neoliberal agendas) from lobbying nation-states to challenging retailers on issues ranging from human rights to animal welfare, and environmental protection to farmworker wages. Despite their relatively small size, especially when compared to giant retailers, NGOs have been quite successful in two ways: on the one hand, they have won some battles directly with retailers; while on the other, retailers have responded by incorporating such concerns into their non-price competition.

One result of these changes is the shift from an economy of quantities to an economy of qualities (Allaire & Boyer, 1995; Callon, Méadel, & Rabeharisoa, 2002; Wilkinson, 1997). Put differently, while globalization has increased the value and volume of food products in international trade, it has also increased the variety of food products traded and consumed in any single locale. Differentiation of food products through private labels, unique sourcing, special services, etc. – even while attempting to squeeze prices down – fits well with the non-price competition goals of the supermarket sector. But such product differentiation also poses new economic and health risks.

Therefore, retailers have begun to impose a wide range of private standards on their suppliers, both as individual firms and as members of various consortia. The Euro-Retailer Produce Working Group Good Agricultural Practices (EUREPGAP) is perhaps the best example where some of Europe's leading supermarket chains, including Royal Ahold, Marks & Spencer, Tesco, Safeway (UK), and Sainsbury's, have collaborated on standards for food safety and also the requirement of verification by CBs. Such an arrangement serves several retailer goals. First, it reduces the risks for retailers through standardizing food safety and other requirements for suppliers. Second, it keeps costs down by having producers/processors of standardized goods compete with each other to supply retailers, thereby keeping purchase prices down. Third, it permits retailers to develop a variety of differentiated products – each conforming to specialized standards that differentiate them from other products (either through post-harvest value-adding action or through sourcing of "exotic" fresh foods from producers). This permits retailers to engage in non-price competition. Given this proliferation of standards, retailers are increasingly turning to TPC to enforce these standards.

Within this context of growing non-price competition and the expansion of private standards, TPC can be seen as a means by which retailers can (1) protect their brand image (which, under conditions of oligopoly, has increased in value), (2) ensure that their suppliers are conforming to product and process standards of various kinds, (3) make their supply chains more efficient in both time and space (reducing purchasing costs), and (4) position themselves as protectors of consumers.

The shift to an economy of quality is also visible in the proliferation of alternative agrifood networks in Europe, Japan, and the U.S. The proliferation of alternative agrifood networks is, in part, the outcome of greater public and consumer concern regarding food and how, where, and by whom it is produced (Bredahl et al., 2001). Whereas conventional agrifood networks are designed to produce maximum profits, alternative agrifood networks often have different goals at their core, such as the improvement of worker rights, environmental protection, animal welfare, fair trade, ethical trade, and/or chemical free food. These concerns can all be conceptualized as concerns regarding the quality of food. To encourage the development of these alternative production and consumption systems, NGOs and other activist groups are discovering that standards, as well as TPC, are useful tools (Gereffi, Garcia-Johnson, & Sasser, 2001).

As the above discussion indicates, quality is becoming a critical component of the global agrifood system. Many consumers are demanding higher-quality foods, retailers are increasingly competing on quality, some suppliers are gaining market advantages through producing quality products, and many NGOs are trying to bring quality into food and agricultural practices. This turn to quality has increased the use of standards and TPC in the global agrifood system.

STRATEGIC USE OF STANDARDS AND TPC

Standards are generally considered to be a product of scientific and technical practices (Williamson, 1975, 1994), and are therefore regarded as objective and unbiased (Callon, 1998). As such, standards were historically understood as neutral market lubricants (Reardon & Farina, 2002). In contrast, we argue that since standards are always embedded in particular systems of social relations, whose social norms and institutions influence their effects, they are always imbued with value judgments (Busch, 2000). Furthermore, recent studies illustrate that the content of standards and how they are performed are often the outcome of negotiations and strategic actions that

reflect differences in power by the actors involved (Bingen & Siyengo, 2002; Juska, Gouveia, Gabriel, & Koneck, 2000). Consequently, those with more power are often able to establish and implement standards that may further advance their social, political, or economic interests. Indeed, if power is defined as the ability to make and enforce the rules that others must follow, then standards are simultaneously social and technical.

Similarly, TPC is also commonly described as an objective institution because of the independence of CBs from other actors in the global agrifood system, namely suppliers and buyers (see, Tanner, 2000; Golan et al., 2001; Sanogo & Masters, 2002). Such "independence" gives TPC legitimacy, as CBs are thought to have no stake in the outcome of the transaction (Fagan, 2003). For these reasons, TPC is viewed as a highly effective mechanism for ensuring food safety and quality (see, Sanogo & Masters, 2002) and largely because of that, to date, retailers (Bredahl et al., 2001; Tanner, 2000), government agencies (Greene & Kremen, 2003; Martinez & Bañados, 2004), and NGOs (Constance & Bonanno, 2000; Murray & Raynolds, 2000) are increasingly using TPC to enforce their standards. However, largely missing from the existing analysis of TPC is the power relations embedded in the development and practice of TPC. In reality, TPC also reflects power differences, in ways similar to standards (Hatanaka et al., 2005). Depending on how TPC is used, and by whom, it may reflect and reproduce power relations that already exist in the global agrifood system, or may transform such power imbalances.

For example, each actor has its own quality paradigm that it seeks to implement (Harvey, McMeekin, & Warde, 2004), and particular sets of standards and TPC are used to try to achieve this. Thus, how a particular quality attribute is defined and settled is often the outcome of negotiation and contestation among stakeholders, as each stakeholder tries to have its interests and values reflected in the standard. Thus, an examination of how each actor uses standards and TPC reveals not only the complex character of standards and TPC, but also the various effects that they have on the global agrifood system. Depending on which standards are used, in what way, and how and by whom they are certified, the use of standards and TPC will affect the global agrifood system, as well as particular actors in it, differently. In some cases, they will produce standardization of food and agricultural products and practices with some degrees of differentiation, while in others they lead to the differentiation of food and agricultural products and practices with some forms of standardization (see Table 1). We now turn to the strategic use of standards and TPC by each of four types of stakeholders to illustrate this argument.[2]

Table 1. Stakeholders' Strategies and Their Effects.

	Strategies	Effects
Retailers	• Lowering supply costs • Global surveillance • Risk reduction	Standardization with some forms of differentiation
	• Market differentiation • Due diligence • Avoidance of public controversy	Differentiation with some forms of standardization
NGOs and Activists	• Use of standards and TPC as an educational and training tool	Standardization with some forms of differentiation
	• Promotion of alternative agrifood products and practices	Differentiation with some forms of standardization
Suppliers	• Making the evaluation of product safety and quality more transparent	Standardization with some forms of differentiation
	• Finding niche markets	Differentiation with some forms of standardization
Third-party Certification Bodies	• Accreditation • Use of local auditors • Use of their "external" location	Standardization with some forms of differentiation
	• Use of their "external" location • Use of standards and audit procedures as competitive advantages	Differentiation with some forms of standardization

RETAILERS

As noted above, as food retailing becomes more oligopolistic, many retailers desire to minimize price competition and compete as much as possible on the basis of other qualities (Busch & Bain, 2004; Valceschini & Nicolas, 1995). This emphasis on quality, together with the fact that large retailers are selling and sourcing a wider variety of fresh and processed products from around the globe, exposes them to greater risks, should a problem arise. For example, the growth of in-house brands and labels as a differentiation strategy has meant that retailers find themselves "absorbing more responsibility and risk in the maintenance of food quality" (Levidow & Bijman, 2002). While manufacturers and suppliers generally stand behind

their label, once a retailer puts their name on a product, the retailer's reputation is at stake if there is a problem. Furthermore, as their interface with producers, consumers often hold retailers responsible for the safety and quality of products sold in their stores, particularly in the case of retailer-branded products (USDA/FAS 2001).

As a result, retailers have become increasingly concerned about the potential loss of reputation (and its financial implications) as well as minimizing liability, should a food-borne illness occur. They are developing private standards and often requiring suppliers be third-party certified to ensure compliance with such standards. For example, in the U.S., our research found that a majority of the largest wholesalers and supermarkets, who account for $>50\%$ of food retail sales, require the use of their private standards. Additionally, some of them also require some form of TPC from at least some of their suppliers.[3] As we explain below, standards, together with TPC, allow retailers to monitor their increasingly lengthy supply chains and potentially reduce risks and liability concerns, without adding significant new expenses to their operations.

Reducing Supply Costs

As in all industries, food retailers prefer to buy undifferentiated commodities from their suppliers and sell differentiated commodities to their customers. This allows them to buy low and sell high(er), while capturing most of the value added. By adopting industry-wide standards and having their suppliers audited based on those standards, retailers can put producers in direct competition with each other in ways previously impossible. Put differently, producers of commodities (e.g., baking potatoes, juice oranges) may see their prices decline even as supermarket prices for differentiated products (e.g., pre-baked potatoes, fresh squeezed orange juice) remain the same or rise. In these instances, standards appear to create standardization and uniformity for suppliers along with cut-throat competition.

Differentiating the Market

The converse is true with respect to specialty products. One form of non-price competition is the development of such products. Private labels offer the retailer a monopoly position in the market, irrespective of whether the products supplied are commodities or specialty products. While some branded specialty products are produced post-harvest (e.g., chicken nuggets), much fresh produce, meat, poultry, and seafood is and must be

differentiated at the source. Thus, retailers will often seek sources of unusual fruits, vegetables, meats, or seafood in an attempt to lure customers into their stores, where they will likely purchase other products. One consequence of this type of strategy is that agriculture becomes differentiated, as producers specialize in niche products, such as exotics like dragon fruit or cherimoya.

The differentiation of agriculture often requires new management schemes and (re)organization of particular commodity chains. For example, retailer demand for differentiated grades and standards in fruit appearance, quality, the environment, and packaging led to major transformations in the New Zealand apple industry in the mid-1990s. Such diverse standards could not be implemented using traditional end-of-line inspection. Instead, it was considered necessary that quality become the responsibility of every actor throughout the commodity chain. This led to the introduction of total quality management (TQM) schemes (Perry, Le Heron, Hayward, & Cooper, 1997). Under TQM schemes, production is organized to meet the expectations and specifications of individual buyers. Through this process, exporters are expected to move toward standards that are market-specific rather than generic (Le Heron & Roche, 1996).

Global Surveillance

In situations marked by personal relations between buyer and seller, trust is provided in part by the expectations of future exchanges and unmediated character of the relationship. However, such relationships have become harder to preserve in a global agrifood system where retailers and wholesalers increasingly act at a distance – i.e., they purchase products from thousands of suppliers located in multiple countries. Thus, not surprisingly, feelings of mistrust have increased as commodity chains have become more transnational. Additionally, laws, rules, regulations, conventions, and codes of conduct vary from country to country, which further erodes trust and confidence. The increased scale of procurement has also permitted supermarkets to shift from sourcing through multiple brokers (with whom they had developed trusting relationships) toward contracting directly with suppliers themselves (Martinez & Davis, 2002). As personal relations become less common, more formal mechanisms become necessary to ensure the safety and quality of food and agricultural products.

Some buyers believe that in the absence of personal relationships or uniform laws, TPC is the most desirable option. Independent surveillance provides accountability, and therefore creates trust regardless of whether there

is asymmetric information. In this way, TPC can be an effective means for retailers to ensure that hundreds or thousands of suppliers across the globe are meeting the requisite standards. Furthermore, in situations where retailers insist that suppliers use their "approved certifier" with whom they work with from year to year, trust is displaced from the producer to the certifier. Thus, while personal relations between buyers and producers may be eroding, a new set of personal relations may be developing between specific retailers and certifiers.

Reducing Risk

The risk of food-borne illness/contamination incidents is an enormous concern for retailers. Such incidents can have devastating economic consequences not only for the company involved, but the industry more generally. With the global sourcing of produce, food safety risks are seen as increasing. This is because, while not necessarily true, produce from suppliers in developing countries is often perceived as more risky due, for example, to lack of government regulations for food safety, environmental pollutants (that can contaminate water and soil), inadequate sanitation, or low-educational levels among producers. The retailers we interviewed argued that ensuring that their suppliers are adhering to risk-reducing programs, such as Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP), HACCP, and Sanitation Standard Operating Procedures (SSOPs) through TPC is a useful way to minimize food safety risks.

From the perspectives of retailers, the importance of TPC is that it claims to ensure that suppliers are actually implementing and adhering to such programs. Thus, it is not TPC itself that reduces risks. Rather, it is the implementation of programs that lead to improved food safety practices on the farm and in the factory, which reduces the risk level of products. For example, programs that ensure that packers wash their hands after using the toilet reduce the risk of microbial contamination on produce. Thus, TPC is viewed as an indicator of broader food safety practices in that it indicates that products, growers, or packers have been inspected, and it has been verified that they have particular risk-reducing programs in place, and meet the required standards.

Due Diligence

As discussed above, retailers are concerned about the potential for national scandal, loss of business reputation, and liability issues that can result from

a food safety and/or quality problem. While TPC does not protect a company from being sued over a food safety or quality issue, it is viewed as a valuable asset that may limit a retailer's responsibility. For example, if a retailer was sued because of a food safety problem, their requirement that suppliers implement TPC could be used to demonstrate due diligence.

Using TPC as a way to demonstrate due diligence is particularly important for retailers who are buying products from developing countries, or from small producers. In these cases, retailers might face more pressure to demonstrate that they were not acting irresponsibly by buying products from the cheapest source, regardless of the risks involved. If they can demonstrate in a court of law that regardless of whom they buy from, they have in place a stringent food safety and quality program that is independently audited, then it is harder to argue that due diligence has not been demonstrated. Furthermore, TPC documentation, together with HACCP and traceability programs, allows retailers and wholesalers to pass (some of the) responsibility for a problem back up the supply chain to the grower.

Dealing with the Threats Associated with Public Controversy

Retailers and food companies have found that they are not immune to embarrassing exposés by NGOs, where their valuable brand name and corporate reputation are linked to objectionable environmental and social practices (Winston, 2002). Some of these retailers and food companies have found that their bottom line is directly affected when they fail to live up to public expectations about what is acceptable corporate behavior with respect to people and the environment, especially in developing countries (Santoro, 2003). In the absence of government regulations, private standards and independent audits have become an important mechanism for dealing with the threats associated with such public controversies. Through the use of TPC, retailers and food companies can demonstrate that they have standards in place for such things as social, environmental, and animal welfare.

To summarize, we find that retailers are cognizant of the fact that an oligopolistic retail sector that emphasizes quality, that sources fresh products from an ever-expanding number of geographical locations, and that binds reputation to the quality of products through branding and labeling, exposes them to greater risks. Furthermore, risks and liability concerns today are no longer confined to food safety and quality; but increasingly include reputational risks regarding a company's social, environmental, and ethical practices. To prevent potential threats and risks, and also to survive

in what is an increasingly competitive marketplace, retailers are not using their private standards, as well as TPC, to merely homogenize products and processes. Rather, retailers use them *strategically*, for example, to gain market access, to coordinate their operations, to provide quality and safety assurance to their consumers, to complement their brands, or to define niche products and markets (Farina & Reardon, 2000; Giovannucci & Reardon, 2000; Reardon, Codron, Busch, Bingen, & Harris, 2001).

In Table 1 we summarize how retailers produce both standardization and differentiation through their strategic use of standards and TPC. On the one hand, retailers may use a particular standard and TPC program to lower supply costs, regulate global surveillance, and reduce risks. These strategies are likely to produce further standardization of food and agricultural products and processes. However, within these strategies, retailers also try to differentiate their products and processes to some degree from those of their competitors so as to appeal to consumers. On the other, retailers may seek to take advantage of niche markets, demonstrate due diligence and avoid public controversy through the use of standards and TPC. These strategies are likely to generate further differentiation of food and agricultural products and processes. Again, what is taking place is not solely differentiation, because in these strategies, retailers always try to have some forms of standardization so as to regulate the safety and quality of their products. As a result, it appears that most large retailers are attempting to both standardize and differentiate their products and processes *simultaneously* in order to position themselves in what is becoming both an oligopolistic and highly segmented retail market.

NON-GOVERNMENTAL ORGANIZATIONS AND CONSUMER ACTIVISTS

As discussed above, both the production and consumption of food have undergone several important changes with globalization. Globalization has extended production so that products are often produced in different countries with different food safety and quality regulations from where they are consumed. This, along with a number of food safety failures, has generated greater consumer concern over food safety and quality, particularly in industrialized countries (Goodman & Depuis, 2002). Additionally, consumer concerns have also extended to social accountability issues pertaining to agrifood production, such as the impacts of agriculture on the environment (Harris & Bailey, 2002; Murray & Raynolds, 2000), worker

welfare (Blowfield, 1999; Renard, 2003), and animal welfare (Bennett, 1997; Mitchell, 2001).

Against this backdrop, NGOs and consumer activists have begun to use standards and TPC in a variety of ways. In our research, we found that some NGOs, especially those active in developing countries, advocate the implementation of rigorous food safety and quality standards as a way to help suppliers, particularly smaller ones, improve production and processing practices so that these suppliers can participate in international markets. In other cases, we found that NGOs, particularly those in industrialized countries, are using standards and TPC to develop alternative food and agricultural products and practices, which they argue are more ethical, socially just, and/or environmentally sustainable, and they are pressuring retailers to adopt them.

A Resource by Which to Improve Agricultural and Processing Practices

In many developing countries, public standards for health and safety tend to be less stringent, or often are not well enforced, in comparison to industrialized countries (Barrett et al., 2002). Additionally, many suppliers are often unfamiliar with existing food safety programs, such as GAP and GMP, as well as food safety production tools, such as HACCP and SSOPs. Given these conditions, some NGOs in developing countries advocate the implementation of industrial nation buyer standards as a way to train and educate suppliers. They argue that through the implementation of such standards, it is possible for farmers to learn how to produce safer and higher-quality food. In Ghana, for example, NGOs are assisting farmers and producer and exporter associations to improve their farming practices through adoption of EUREPGAP standards. In the process of implementing EUREPGAP standards, growers learn, for instance, how to select higher quality and disease resistant strains of plant material that result in more robust plants and that require fewer applications of expensive chemical sprays. Furthermore, many NGOs in developing countries, whom we interviewed, argued that implementing such stringent standards would also be valuable to farmers in that it would help them minimize what are often substantial post-harvest losses from poor packaging or improper handling of goods.

Promoting Alternative Food and Agricultural Practices

There are two main ways that NGOs and other consumer activists use standards and TPC to promote alternative agrifood products and practices: (1) by developing their own standards and certification programs and (2) by

publicly pressuring retailers and food distributors to incorporate alternative standards into existing production and trade systems (Hatanaka et al., 2005). To foster and promote alternative production and consumption systems, NGOs and activists often develop their own standards, certification and labeling programs. Through such programs, ''alternative'' agricultural products are differentiated from products produced using ''conventional'' practices (Murray & Raynolds, 2000, also see Blowfield, 1999; Constance & Bonanno, 2000).[4] The hope is that such programs can enhance the viability of alternative products in the marketplace, and thus promote alternative agriculture, while, at the same time, ensuring that producers meet a set of labor and/or environmental standards.[5] While the market for alternatively produced goods remains relatively small, sales have steadily increased recently. For example, in the past year alone in the U.S., sales of FairTrade Certified products have grown 46% (McLaughlin, 2004). FairTrade Coffee is now available in the nation's three largest grocery chains, Kroger, Safeway, and Albertson, and numerous smaller chains, such as Trader Joe's and Whole Foods, as well as Dunkin' Donuts and Starbucks.

NGOs and consumer activists are also using ethical standards (e.g., Social Accountability 8000 and the Ethical Trading International) to reform existing production practices and trade systems so that they are more socially just and environmentally sustainable. With the development of private standards and labels, retailers have, somewhat unexpectedly, become more vulnerable to campaigns for corporate social responsibility. Thus, NGOs are undertaking public campaigns that target specific corporations in an attempt to reform production practices (Schlosser, 2005; Winston, 2002). Through publicly shaming or stigmatizing, or through the threat, NGOs are trying to take advantage of the power and vulnerability of highly visible corporate brand names at the retail end of the supply chain (Winston, 2002). Retailers have proven to be sensitive to such criticism (Santoro, 2003). Given the fierce competition in the sector, such negative publicity has the potential to damage sales, and thereby negatively affect their bottom line. Consequently, as discussed above, through pressuring retailers, NGOs are trying to force them to adopt ethical, labor, and environmental standards and concurrent TPC mechanisms to ensure adherence to such standards.

To summarize, NGOs and activists are using standards and TPC in a variety of ways in the global agrifood system (Table 1). In some cases, particularly in developing countries, NGOs are actively promoting the implementation of standards as an educational tool by which farmers can acquire the knowledge and skills necessary to compete in foreign markets. Such efforts are generating standardization, as they encourage farmers in

developing countries to adhere to standards practiced in industrialized countries. However, as is the case with retailer's strategies, standardization is not the sole outcome of these strategies. By adopting standards and TPC programs that are required by international markets, NGOs in developing countries can help suppliers remain competitive by differentiating their products from those of their competitors. In other cases, particularly in industrialized countries (most notably Europe and the U.S.), NGOs and activists are using standards, certification and labeling programs to try to reform conventional food and agricultural practices. These movements are producing differentiation in the global agrifood system, as new kinds of certified products continue to emerge, such as FairTrade, ECO-OK, sustainable, locally grown, and bird-friendly. However, at the same time, the use of alternative standards and TPC may lead to growing standardization of alternative agriculture, as actors seek to define particular food attributes and practices using the same standard (e.g., USDA-NOP and IFOAM standards for organic).

SUPPLIERS

In the global agrifood system, suppliers are most directly impacted by new product and process standards, as they are the ones who actually produce the food. However, suppliers tend to participate minimally in the development of standards.[6] Thus, how particular standards are developed and the logic behind them are largely black-boxed for suppliers. As a result, suppliers tend to be "standards takers," as they have little choice but to follow standards set by other actors.[7] To sell their products in lucrative markets, suppliers increasingly have to abide by standards that were developed by buyers, such as retailers and processors, or, to a lesser extent, by NGOs. The effect is that private standards, often verified by TPC, are becoming de facto mandatory for suppliers in the global agrifood system. As a result, suppliers who do not have capacity to meet required standards, or cannot afford to have TPC, can be squeezed out of lucrative markets and may lose economic opportunities.[8] Of particular concern are the challenges that TPC poses for small- and medium-sized producers, who may not be able to benefit from the economies of scale often necessary for adopting TPC. However, at the same time, not all suppliers are passive in accepting required standards. Rather, some suppliers are using required standards and TPC to their benefit. Specifically, suppliers in developing countries are using standards and TPC to counter claims that their products are of inferior quality, and to gain access to niche markets in international marketplaces.

Introducing More Transparency in Evaluating Product Safety and Quality

Our research indicates that suppliers and exporters in developing countries believe that buyers in industrialized countries often unfairly evaluate their products in terms of safety and quality. Many of our interviewees in developing countries argued that importers, retailers and consumers in industrialized countries view products from developing countries as of lower quality, by virtue of their origin. Furthermore, they noted that buyers often exaggerate quality concerns (e.g., that the fruit arrived in poor or damaged condition) to reduce the price offered, or, in some cases, to refuse payment for the product.

Because farmers cannot easily verify or challenge a buyer's allegations, they often have no choice but to accept the reduced price. Thus, from the perspective of suppliers, adopting the rigorous standards practiced in industrialized countries (e.g., GAP and international pest management farming practices) and demonstrating their compliance through the use of TPC, will help remedy such fictitious claims about poor quality. Through TPC, suppliers must document their agricultural practices (e.g., how much, and which pesticide was applied and when), which gives them documentation that they can use to counter claims of inferior quality by buyers. In this way, from the perspective of suppliers in developing countries, standards and TPC can be used to enhance the credibility of their products, and thus enables them to more easily enter the markets of industrialized economies.

Finding Niche Markets

One consequence of product diversification by retailers has been the development of niche markets. There is now increased demand for exotic and non-traditional fruits and vegetables and specialty food (e.g., organics, non-GMO, or animal welfare). Some suppliers in developing countries are now targeting such markets by using required standards, as well as TPC to their benefit, as such niche markets tend to offer better opportunities than bulk commodity markets, which are often characterized by low prices.

In Ghana, for example, there has been a concerted effort by some farmers and farmer organizations since the late 1990s to gain access to European markets for exotic and niche fruits. The goal is to have growers – many of whom are small – reduce their reliance on the production of traditional crops, such as cocoa, yams, and cassava that yield low returns on the international market, and shift to greater production of non-traditional export crops using EUREPGAP standards and certification. Such crops include pineapple, papaya, mango, paprika, and Asian vegetables. All have the

potential to provide higher financial returns. Recently, they have expanded their focus to include fresh-cut produce. Fruit, including pineapple, passionfruit, papaya, and mango, is now pre-cut and packaged in local processing facilities and then air freighted to European supermarket shelves.

To summarize, while suppliers are largely "standards takers," they may be able to strategically use standards and TPC to their benefit. Depending on how suppliers use standards and TPC, either standardization or differentiation of food and agricultural products and practices may result, as illustrated in Table 1. On the one hand, to gain access to markets in industrialized economies, suppliers in developing countries have little choice but to implement the standards of buyers from such countries. The effect is the standardization of production according to the requirements of buyers in industrialized countries. On the other hand, suppliers may take advantage of diversification efforts by retailers, by differentiating their food and agricultural products and practices to create and capture niche markets. The outcome is increased agricultural differentiation in parts of the global agrifood system. Within this differentiation effort, however, there are also standardization efforts to regulate food and agricultural products and practices. For example, a large number of small farmers in Indonesia, with the help of local NGOs, are trying to organize themselves to collectively obtain organic TPC. While they differentiate their agricultural practices from conventional ones (e.g., a ban on chemical inputs), there are certain rules which they need to follow to be organically certified that standardize their practices in other ways.

THIRD-PARTY CERTIFICATION BODIES

TPC is conducted by CBs. The defining characteristic of CBs is their "independence" from other actors in the global agrifood system, such as suppliers and buyers (Golan et al., 2001; Tanner, 2000). Because of their detached position, CBs tend to claim that they have no interest in the results of their audits. They assert that their audit and certification services are "objective" (i.e., based on thorough review of documentation), "consistent" (i.e., using standardized ways of measuring, sampling, and testing), and "transparent" (i.e., clear to those outside of certification system). In general, other actors in the global agrifood system tend to share such a view with respect to TPC. However, we argue that this perspective is too narrow, as CBs are also social agents who often strategically use standards, and their auditing programs, to pursue their own agendas.

As the demand for TPC in food and agriculture proliferates, TPC has become a more profitable industry. To date, many CBs that are new to the TPC industry, or those that were active in TPC in different sectors (e.g., automobile and transportation), have begun to conduct TPC for food and agriculture. The result is increasingly fierce competition between CBs. Given this backdrop, it is not surprising that CBs cannot be completely neutral actors as they publicly claim, because they seek to remain competitive. Thus, while CBs may not necessarily show interest in the results of audits per se, they are concerned with how they conduct their certification service – i.e., which set of standards, as well as which audit procedures they use. As retailers and other stakeholders have certain preferences, there are advantages for CBs to using some standards over others, and some audit procedures as opposed to others.

Using Standards and Audit Procedures as Competitive Advantages

The majority of suppliers claim that they would like to see standards and audit procedures harmonized to lower costs and reduce redundancy. In contrast, we found that many CBs actually oppose harmonization. From the perspective of such CBs, TPC is not a philanthropic service, but a business. Such a position is evident in the following description of the TPC industry by a CB representative:

> Our business is based on capitalism. Most of those internationally recognized standards are in competition with one another. We are simply trying to dominate each other with one's certification standard and certification program. It's about having a product that retailers will buy. That's based on retailers' norms, retailers' desires, and retailers' standards. Not necessarily what the auditor firms or certifiers think is right.

The above quote indicates that to some CBs, TPC is viewed in the same way as most other economic sectors. From this position, standards and audit procedures are two of the key areas in which CBs compete.[9] Consequently, the harmonization of standards and auditing procedures threatens to undermine the competitive advantages of some CBs and, ironically, turn certification into a standardized commodity. In opposition to harmonization, such CBs argue that a variety of standards and auditing programs are necessary, as they provide clients (retailers and suppliers) with a choice when determining the kind of TPC they want to implement.

Meeting the Clients' Need through Accreditation

In some areas, buyers require that suppliers be third-party certified by an accredited CB.[10] For example, to sell their goods as organic with labels in

many countries, suppliers need to be third-party certified by a CB who is accredited by a national governmental institution. In the case of the U.S., regardless of their country of origin, suppliers need to be third-party certified by a CB accredited by the United States Department of Agriculture-National Organic Program (USDA-NOP), if they want to sell their goods with organic labels.[11] Similarly, if suppliers want to sell their fresh fruits and vegetables and cut flowers to a retailer that is a member of EUREP, they need to have TPC from a CB who is accredited by EUREPGAP.

Consequently, some CBs seek accreditation from one or more institutions so that they can certify clients for a diverse array of standards. With accreditation, an independent organization, which is an international or a national institution that is either private, or a public–private joint venture, oversees (1) the equivalency of standards used, and (2) equivalency of TPC programs.[12] In other words, in cases where CBs are accredited, they use a common set of harmonized standards and audit procedures. Thus, accreditation produces standardization, as all CBs accredited by a particular institution use the same standards and similar practices. However, at the same time, it needs to be noted that differentiation tends to persist, as there are a multitude of accreditation institutions.

Reaching Out to Developing Countries through Partnership with Local Auditors

The costs for TPC tend to be the responsibility of suppliers.[13] The annual cost of TPC typically includes three components: (1) audit costs, (2) transportation and the field expenses of auditor(s), and (3) costs associated with preparing farms and firms for certification. Costs tend to vary significantly between CBs, as well as by the size of the farming or processing operation, and the areas of concerns (e.g., food safety vs. organic). However, in general, the cost of TPC is prohibitively expensive for small suppliers, particularly those located in developing countries.[14]

Realizing that TPC can be exceedingly expensive for some suppliers, many CBs headquartered in industrialized countries are forming partnerships with local auditors in developing countries. Through such partnerships, CBs are trying to lower the costs of TPC, in order to offer more competitive prices. Furthermore, employing local auditors is beneficial for foreign CBs in that local auditors are familiar with local regulations, as well as the local language and culture. Such partnerships are becoming increasingly common, as the demand of TPC by suppliers in developing countries is growing.

Use of their ''External'' Location

When CBs advertise their standards and auditing programs, they emphasize their position as a ''third-party'' differently according to the context. On the one hand, they claim that because of their ''external'' position as a ''third-party'' auditor, they are able to view agricultural and processing practices differently from actors who are involved in the production and processing of food, such as suppliers and buyers. For example, while farmers, farm managers, and processors may take things for granted because they work in the same environment everyday, a ''third-party'' auditor would not, as they have no direct connections to the operation. Using this argument, CBs market themselves as impartial and objective observers who can provide recommendations on how farmers and processors can improve their operations. Such advice, CBs argue, can lead to improved management and safety practices, and thus safer and better quality food.

However, on the other hand, CBs stress their ''external'' position, and claim that all they can do is to *help* produce safe and high-quality food, rather than to mitigate risks entirely. In other words, because they are a merely a ''third-party'' auditor, who is neither at a production site on a daily basis, nor involved in the actual agricultural or processing practices, they should not be held responsible if a problem occurs. Thus, from the perspective of CBs, it is ultimately the responsibility of producers and/or processors to mitigate hazards or defects. In this way, CBs tend to argue that the best they can do is to assist suppliers by mapping out the ''system'' that suppliers should follow. However, it is then up to the suppliers whether they actually follow the system or not.

To summarize, there are a variety of ways that CBs use standards and TPC that produce both standardization and differentiation of food and agricultural products and practices. For example, while some CBs insist on the use of distinctive standards and audit procedures, others use harmonized standards and audit procedures. In the first case, food and agricultural products and practices are likely to be differentiated, as suppliers are audited against different standards using different auditing procedures. In contrast, in the latter case, food and agricultural products and practices may become increasingly standardized, at least within one area of concern (e.g., organics). In Table 1, we summarize how strategic use of standards and TPC by CBs produce both standardization and differentiation. With accreditation, TPC tends to become more consistent and uniform. Furthermore, lower costs for TPC may result in more suppliers in developing countries being able to afford TPC. This may also lead to standardization, as suppliers increasingly

conform to similar standards. At the same time, within CBs' efforts of adopting accreditation, and using local auditors, there are also attempts to differentiate their services from others, as well as limitations to the degree to which they are able to standardize their operations globally. As a result, a diversity of food and agricultural products and practices always remains.

Meanwhile, TPC by those CBs that view their standards and auditing programs as private property will most likely produce differentiation of food and agricultural products and practices. However, it needs to be noted that there are always some forms of commonality among different standards and auditing programs. For example, most CBs have accreditation to ISO/IEC Guide 65.[15] Lastly, both standardization and differentiation are likely to result from CBs' use of their "external" location. On the one hand, CBs' claim that they can help farmers and processors produce safer and better quality food which may lead to more suppliers to become third-party certified, and because of this, agricultural products and practices may become increasingly standardized. On the other hand, since CBs only *assist* suppliers in mitigating potential risks, and suppliers may not necessarily follow their recommendations, differentiation of food and agricultural products and practices is likely to remain.

CONCLUSION

Efforts to produce, market, and consume quality food and agricultural products are transforming the global agrifood system. Whereas supply chains used to be primarily organized to ensure high output of standardized mass products as cheaply as possible, currently they are being reorganized to ensure the production of goods that meet specific quality requirements. Such restructuring of supply chains has entailed the development of new product management mechanisms. Two of the most prominent are those discussed in this chapter: standards and TPC.

Against this backdrop, we have examined the ways retailers, NGOs and consumer activists, suppliers, and CBs are using standards and TPC to try to structure supply chains – whether conventional or alternative – according to their ideas of quality. We argue that by using standards and TPC as a strategic tool, each stakeholder seeks to advance their version of "quality," in order to gain market advantages (e.g., retailers, NGOs in developing countries, suppliers, and CBs), or promote the production-specific kinds of foods and specific production conditions (e.g., NGOs and consumer activist in industrialized countries). This battle over quality, or the qualification of

products (Callon et al., 2002), leads to both the standardization and differentiation of food and agriculture. Thus, descriptions of globalization as either producing solely standardization or differentiation of the global agrifood system are partial.

From our perspective, producing and maintaining quality always requires both standardization and differentiation. To better capture the nuances of the changes currently taking place in the global agrifood system, we propose thinking in new terms. Specifically, the complex effects of globalization can be more accurately portrayed in the terms differentiated standardization and standardized differentiation. In the first instance, whereas we have standardization, it is differentiated, as multiple options remain (i.e., different standards and CBs). Thus, while TPC for food safety and quality is becoming increasing common, what such certification means continues to have considerable diversity, and because of this, diversity in food and agricultural products and practices persists in the global agrifood system, and will continue to persist, despite efforts at standardization.

Standardized differentiation refers to when food and agricultural products and practices that are differentiated from mass food become standardized (e.g., alternative agriculture). For food to be a tradable good, it requires some forms of standardization – e.g., homogeneity, measurability, and comparability. Consequently, difference must be standardized if products are to be traded on a global scale. The result is that standardization of food and agricultural products and practices is usually coincidental with efforts to differentiate. Thus, standardization and differentiation of food and agricultural products and practices need to be examined *simultaneously* if the complex characteristic of the global agrifood system is to be understood.

NOMENCLATURE

ANAB	American National Standards Institute-American Society for Quality National Accreditation Board
CBs	Third-party Certification Bodies
EUREPGAP	Euro-Retailer Produce Working Group Good Agricultural Practices
FLO	Fairtrade Labelling Organizations International
GAP	Good Agricultural Practices
GMO	Genetically Modified Organisms
GMP	Good Manufacturing Practices

HACCP	Hazard Analysis and Critical Control Points
IAF	International Accreditation Forum
IFOAM	International Federation of Organic Agriculture Movements
ISO	International Organization for Standardization
JAB	Japanese Accreditation Board
JAS	Japanese Agricultural Standards
MSC	Marine Stewardship Council
NGOs	Non-governmental Organizations
RA	Rainforest Alliance
SAI	Social Accountability International
SCC	Standards Council of Canada
SSOP	Sanitation Standard Operating Procedures
TMQ	Total Quality Management
TPC	Third-party Certification
UKAS	UK Accreditation Service
USDA-NOP	United States Department of Agriculture-National Organic Program

NOTES

1. Third-party certification bodies are private or public organizations responsible for assessing, auditing, and certifying safety and quality claims based on a particular set of standards and compliance procedures. Certification provides assurances about a product to stakeholders by providing information about the commodity and its production processes. What distinguishes TPC from conventional product safety and quality assurance schemes conducted by suppliers themselves (first-party certification) and buyers (second-party certification) is the ''independence'' of auditors from other actors in agrifood commodity chains, namely producers and buyers.

2. Our intention in this chapter is to address the effects of stakeholders' strategic use of standards and TPC, and in so doing to demonstrate that standardization and differentiation are in fact dual processes of globalization. Thus, critiques of the implementation of standards and TPC are beyond the scope of this chapter.

3. In the case of the U.S., the use of TPC by retailers became significant only over the past two to three years. Our interviews indicated that a number of retailers who do not use TPC are currently involved in internal discussions regarding whether or not to require it.

4. Examples of NGOs engaged in such efforts include the International Federation of Organic Agriculture Movements (IFOAM), the Rainforest Alliance (RA), the Marine Stewardship Council (MSC), the Fairtrade Labelling Organizations International (FLO), Ethical Trading Initiative (ETI) and Social Accountability International (SAI).

5. For questions concerning the capacity of these alternative movements to transform conventional agrifood networks, see Gereffi et al. (2001), Raynolds (2000, 2002), Renard (2003) and Shreck (2005).

6. An exception is large-scale farms and firms. For example, Del Monte Fresh Produce Company, which grows and packs more than 3 billion kilograms of fresh produce annually, is a supplier member on the EUREPGAP Committees, and gets to participate in the process of developing and revising EUREPGAP standards (see, EUREPGAP, 2003).

7. There are some exceptions (e.g., sustainable agricultural practices). In such cases, however, NGOs are commonly working together with suppliers, and strongly encourage suppliers to be involved in standards development (e.g., Food Alliance). However, such cases tend to be limited to alternative food and agriculture networks.

8. Suppliers can choose to sell their products to smaller-sized food companies or retailers who tend not to insist on the implementation of stringent standards or the use of TPC. However, today, more and more smaller-sized food organizations are buying their food supply from food distributors, such as SYSCO, who increasingly require their suppliers to be in compliance with particular standards and have TPC (Interview. Tom Deeb. T&M Associates. March 22, 2005).

9. This is evident by the fact that some of the CBs we interviewed provided no details as to their standards or audit process. They essentially said that these were trade secrets, and thus were private property.

10. Accreditation is the process by which an authoritative organization gives formal recognition that a particular CB is competent to carry out specific tasks.

11. There are some exceptions to this rule. Organics are generally regulated by the national government, and depending on bilateral agreements, suppliers in certain countries may be exempted from having certification from a CB accredited by the national governmental institution of the importing country. For example, U.S. suppliers who want to export their organic food to the Japanese market with organic labels do not necessarily have to have TPC by a CB accredited by Japanese Agricultural Standards (JAS), but can go with TPC by a CB accredited by USDA-NOP.

12. Examples of private accreditor organizations include the IFOAM, EUREPGAP, and the International Accreditation Forum (IAF). Also, examples of quasi-public accreditor institutions include ANAB (the American National Standards Institute – American Society for Quality National Accreditation Board) in the U.S., UKAS (the U.K. Accreditation Service), SCC (Standards Council of Canada), and the JAB (Japan Accreditation Board).

13. There are some exceptions to this trend. For example, FLO, which aims to improve Third World small farmers' well-being, has established a mechanism where audit costs fall on the shoulders of consumers in industrialized countries.

14. For example, a study of the Michigan blueberry industry found that growers who ran their own processing facilities had to make considerable investments, in some cases reaching upwards of US $100,000 to meet the requirements of TPC (Bain & Busch, 2004).

15. ISO/IEC Guide 65 is an international consensus document developed by the International Organization for Standardization (ISO), which describes minimum requirements for CBs for all industries. Its aim is to verify the competency of a particular CB.

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AUDIT CULTURES AND THE ANTIPODES: THE IMPLICATIONS OF EurepGAP FOR NEW ZEALAND AND AUSTRALIAN AGRI-FOOD INDUSTRIES

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ABSTRACT

New Zealand and Australian agri-food industries are being restructured both as a consequence of the extension of neoliberal policy settings and as a result of the increasing influence of the global supermarket sector. In the EU, supermarkets have sought to standardise and harmonise compliance, with their influence being felt well beyond European boundaries. EurepGAP (a European standard for 'Good Agricultural Practices') is an example of an emerging 'audit culture' where strict adherence to set rules of operation emerges as the basis for accreditation of goods and services. It represents the trend towards private sector standardization and assurance schemes, and provides an example of the growing importance of the supermarket sector in sanctioning the on-ground activities that occur in the production and processing of farm-derived outputs.

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This chapter highlights the influence of EurepGAP protocols in the reorganisation of the agri-food industries of New Zealand and Australia. It argues that – for industries such as vegetable and fruit production, where Europe is the final destination – compliance with EurepGAP standards has largely become essential. In this sense, EurepGAP has emerged as the standard among producers who wish to export their products. The chapter concludes with an assessment of EurepGAP as a form of global agri-food governance that demonstrates a strong relationship between new audit cultures and neoliberal forms of trade regulation. In both Australia and New Zealand, some production sectors have rapidly adopted EurepGAP – despite extra costs, reduced choices over crop management and a lingering sense of resentment at the internal imposition of yet another production audit – primarily as a solution to the politics of risk in the context of high levels of exposure to market requirements under neoliberalism. The implications of this for Antipodean farming are considered in detail.

INTRODUCTION: THE SIGNIFICANCE OF EurepGAP

This chapter seeks to explore a uniquely European experiment in agriculture and food governance – that of EurepGAP. In the late 1990s, a group of retailers in Europe began discussions on integration and standardisation, hoping to rationalise the many and proliferating versions of integrated production systems in each of their supply chains.[1] In 1997, the Euro-Retailer Produce Working Group (operating under the acronym EUREP) emerged from this group. In order to extend and formalise the integrated approach to crop management, the group sought to move beyond the focus on chemical residues and assumed the somewhat ambitious task of establishing wider protocols for Good Agricultural Practice (GAP). Compliance with these protocols was expected of all fruit and vegetable growers supplying the European retailers that had signed up to EurepGAP.

The new private sector audit alliance for establishing food safety and agricultural sustainability is rapidly transforming the entry of fruits and vegetables to Europe and has profound implications for the future configuration of relations between Europe and its international food suppliers. Further, theorists studying audit cultures have linked the rise of new audit systems to neoliberal economic structures. This linkage can be productively explored by examining both the emergence of audit culture as an exemplar

of new neoliberal forms of governance in Europe, as well as the consequences of EurepGAP for producers and export industries in the most neoliberal of Europe's supply zones: Australia and New Zealand.

There are at least two dimensions to understanding the power of this new audit system in relation to Europe's international suppliers of fruit and vegetables. First, EurepGAP is currently an alliance of such broad scope within Europe, that it is becoming a major market gatekeeper. This has important implications for the ability of overseas food producers to gain, or maintain, access to the European food retail sector. European demands for fresh fruit and vegetables from southern hemisphere producers have been strong, with the ability of countries such as Australia and New Zealand to deliver counter-seasonal 'clean and green' produce their main marketing advantage (Chang & Kristiansen, 2004). Prior debate regarding access to European markets (see Campbell & Coombes, 1999) concentrated on national and EU regulations that imposed food safety and environmental criteria on food imports. In the past, food and environmental safety have primarily been the responsibility of governments (Llambi, 1993). This began to change as neoliberal forms of governance evolved in Europe. A key moment for agri-food chains was the UK's Food Safety Act of 1990 that devolved responsibility for food safety from the formal domain of government departments and agencies to the food retailers themselves. This benchmark piece of devolutionist legislation was eventually adopted by the EU and US.[2]

Under these new market and regulatory conditions the risks relating to food become a significant consumer concern. The new regulatory environment directly targets retailers and their industries as the key sites where food safety governance systems should operate. It is perhaps no surprise that supermarkets have positioned themselves as key market monitors, seeking through strategies like EurepGAP to solidify supply chain compliance with environmental and food safety requirements as well as to provide a system of governance over food that might hold legitimacy with consumers.

A second dimension to understanding the power of EurepGAP operates at the other end of the supply chain. As a system of audit, EurepGAP exerts a strong influence on the way in which some food export industries around the world are involved in agricultural production. EurepGAP appears to have a low level of visibility to consumers in Europe. This contrasts with the many global supply chains seeking to export to European retailers among whom it has become an immediate 'gold standard' (certainly for fruit and vegetable exporters).[3] Such a level of influence has placed it in a

contradictory position in relation to some other corporate participants in agri-food chains.

While many different supply chains (and related supply zones) are influenced by EurepGAP, this chapter focuses on the affinity of EurepGAP as a new form of audit culture with agricultural production in specifically neoliberal export countries. Le Heron (2003) has posited a dynamic, and linked, relationship between neoliberal regulation and the emergence of standards and audits in food systems – mirroring the insights of theorists of audit cultures in their wider application. This chapter provides an opportunity to examine the audit/neoliberal relationship through an understanding of both the emergence of the EurepGAP alliance, and the influence of this alliance on supply industries in New Zealand and Australia.

THE RETAIL AND REGULATORY POLITICS OF RISK: AUDIT CULTURES

Consumer concerns about food safety have increased dramatically in the last decade (see Lyons, Burch, Lawrence, & Lockie, 2004; Tuncer, 2001). In Europe, incidents such as the Bovine Spongiform Encephalopathy (BSE) crisis, foot and mouth disease, the detection of dioxin in soils and waterways, the presence of diesel fuel and sewage in animal feeds, and the contamination of commercially available foods have created public uncertainty (Nagel, 2004). Western society has also experienced a process of 'greening', where increased awareness of environmental degradation has created stronger discourses of sustainability, corporate responsibility and environmental protection for consumers (Harper, 1993; Lyons et al., 2004). One important consequence of the adoption of neoliberal governance at the state-level is that EU governments have progressively shifted the responsibility for responding to these wider concerns to industry itself. As a result the regulation and management of global agricultural supply chains between Europe and food-exporting countries have changed.

With the diminishing role of the state, there is an emerging need for governance tools with which retailers can reassure the public that the produce they are buying is not only of a high quality, but also addresses environmental, animal welfare and social concerns (EurepGAP, 2003, 2005; Miele, Murdoch, & Roe, 2005). European retailers have responded to both the neoliberal devolution of risk to industry, and new social expectations of agricultural production and food safety, by developing private standards, auditing and providing accreditation networks. Such moves are entirely

consistent with broader trends in the management of risk (indeed, in management regimes more generally) and involve the development of what some theorists have termed 'audit culture' (see Strathern, 2000).

In order to understand the suite of risk management strategies being adopted by the European retail sector, it is important to outline and explain the development of audit cultures. An audit generally refers to an official, systematic, examination and verification of activities (Nygh & Butt, 1998, p. 36). It often includes comparisons between an agreed-upon (acceptable) standard and the standard achieved. The proliferation of audits throughout both the public and private sectors (for example, areas such as education, health, prisons and corporate management – see Cooper, 2001; Power, 2003; Richardson, 2000) has been prominent since the 1980s. Before this time, audits had a somewhat informal status, with the internal checks and balances that were viewed as desirable in administrative units being left to those units themselves. The so-called audit 'explosion' in management circles is viewed, in large part, as an attempt to improve efficiency, effectiveness and performance by employing mechanisms of accountability in all aspects of work organisation (see Power, 2003). Neoliberal policy agendas of the 1980s – such as those of the Thatcher government in the UK, the Hawke-Keating government in Australia, and the Lange government in New Zealand – led to quite profound 'reforms' in public sector management. These reforms included the privatisation of many state activities, devolution of governance to industry and other private sector groups, and the remodelling of the remaining bureaucratic apparatus in an effort to make it more 'responsive'.

Today, new definitions of performance and cost-efficiency in both public and private sector administrations have extended the role of auditing. As Power (2003, p. 188) notes, there has been the creation of a host of formal institutions involved in monitoring. The audit culture is not simply about compliance with standards. Rather, it is about social change – with the auditor becoming a catalyst for improving performance in line with company (and/or government) policy. The new auditing institutions are often framed in terms of quality, accountability and empowerment, suggesting emancipation and self-actualisation (Shore & Wright, 1999). For Power (1999, p. 66) the new audit culture represents the 'rise of control of control' where frameworks of enforced self-regulation become synonymous with managing risk. As auditing becomes more widely promoted, so individuals and organisations begin to think of themselves as 'auditees', thereby contributing – perhaps unwittingly – to a growing audit mentality (see Power, 2003; Shore & Wright, 1999). Evidence of recent re-regulation notwithstanding

(see Le Heron, 2003) withdrawal of the State from many regulatory responsibilities in the 1980s and 1990s, combined with a growing public mistrust of traditional professional self-regulation, resulted in a new 'culture of control' (Cooper, 2001, p. 350) with auditing at its centre (we will return to this in a later section).

In the context of the agri-food industry, the rise of audit culture can be seen in a range of phenomena – from the elaboration of grades and standards, to the rise of sophisticated environment and food safety auditing (Busch & Bain, 2004). In an era of regulatory devolution, this can be seen in the rise of private standards across the entire supply chain, creating new management regimes defined by very specific requirements, objectives and regulations. Some argue that supermarkets are becoming the main driver in agri-food sectors throughout the world (Burch & Goss, 1999; Burch & Lawrence, 2005; Busch & Bain, 2004), with the former being in a position of power to impose performance standards upon their suppliers. What governments are happily devolving to the corporate sector, the corporate food retail sector appears to be happily accepting – while at the same time passing responsibility further down the line of production to farmers and export industries. The result, according to Shore and Wright (1999, p. 558), is that the audit now 'hovers over virtually every field of modern working life'.

Sitting at the apex of emerging new governance structures, supermarkets claim that they are responding to consumer fears about food security and demands for food safety, by defining production standards that supposedly conform to new consumer expectations (Burch & Lawrence, 2005; Friedland & Goodman, 1993). By embracing notions such as environmental sustainability, animal welfare and improved worker conditions, the supermarket sector can enhance its 'global credibility' (see Campbell, 2005; EurepGAP, 2003, p. 7; Reardon, Codron, Busch, Bingen, & Harris, 2001) while deferring the costs of auditing to the sectors supplying the supermarkets. The audit becomes a cost-effective means for the supermarkets to gain enhanced public acceptance of the supply related activities that they endorse (particularly that of 'quality') while at the same time increasing their competitive advantage in the sale of fresh produce (Reardon et al., 2001; Reardon & Farina, 2002; Tuncer, 2001). Without having to embark upon large-scale 'policing' of suppliers themselves, they can pass the costs of compliance onto the suppliers.

The consequences, down the line, are important. Some producers simply absorb the costs of the audit – accepting a squeeze in their profit margin as the price of continued access to markets (see Baines & Davies, 2000; Bain,

Deaton, & Busch, 2005). Farina and Reardon (2000), however, found that only a minority of producers in some industries has the financial capacity to implement the logistics necessary to meet the new standards. In addition small producers in developing nations are finding it difficult to meet the requirements associated with private standard-setting (see Friedberg, 2003; UNCTAD, 2004, p. 4). As a result, only certain countries now have the professional and environmental repertoire required to meet the expectations of euro-centric audit systems (Campbell, 2005).

Although a broad association between audit and neoliberal governance at the state level has been identified (see Shore & Wright, 1999), the case studies of food exporting from New Zealand and Australia reveal this association at a global level. In the Antipodes, characterised by neoliberal food supply zones, some farming sectors appear to seamlessly adopt the logic of new audit cultures initiated by the European retail sector. It is particularly interesting that many of the Antipodean export industries entering new food systems audits are not experiencing many of the ill effects posited above.

The next section of the chapter will outline the way in which EurepGAP has become the emerging power in European food audits. An examination of EurepGAP provides the opportunity to uncover the politics, conflicts and exclusions that are emerging around auditing in food supply chains.

THE EurepGAP STRATEGY IN EUROPE

Before 1997, European retailers responded to the new consumer politics of risk with an array of firm-specific protocols around 'safe' production systems. Part of this engagement involved organic agriculture. Different supermarket chains and cooperatives negotiated their own relationship with organic certifiers and suppliers, and most supermarket chains developed a niche supply of organic products. This relationship developed through a process of negotiation with private and commercial organic certification organisations, mostly operating under the wider audit of the International Federation of Organic Agriculture Movements (IFOAM). Consequently, organics has become an established and expanding niche within EU supermarkets.

While the organic niche provided one strategy, the marketing of organics has always been hampered by a lack of secure supply. Consequently, parallel moves were pursued in order to shift mainstream fruit and vegetable sourcing to greener production forms. From the outset, retailers were attracted

to the potential of 'integrated' farming systems as these promised to deliver produce that was 'residue-free' and thus fulfilled one of the key food safety criteria desired by many consumers. Through the mid-1990s, many suppliers around the world established integrated production systems to provide fruit and vegetables that met this criteria. The permissible levels of chemical traces and accepted inputs – as well as tolerance levels for quality – were negotiated between suppliers and the purchasing agents of individual supermarket chains and cooperatives. Owing to the large number of retailers developing firm-specific systems, the range, scope and style of different supply chain requirements began to proliferate in a bewildering fashion.

In 1997, a group of retailers in Europe (strongly encouraged by at least one agri-chemical company) sought to achieve standardisation of the various attempts at integrated production that were occurring throughout their supply chains. Integrated Crop Management came into being as a 'code of codes' to deal with the issue of chemical residues. With the formation of EUREP, however, various protocols involving factors other than residues were established and became part of EUREP's GAP.

The GAP initiative is part of a somewhat grand schema: that of uniting the basic system of food-safety auditing called Hazards Analysis and Critical Control Points (HACCP) with a series of agricultural production practices that go well beyond the agenda of Integrated Crop Management. Instead it sought to create a broad definition of GAP. In effect, EurepGAP is seeking to define a series of protocols for food safety and agricultural sustainability that stretch over the entire length of a given supply chain – from farm gate to shop shelf. EurepGAP views food safety, environmental protection, occupational health, safety and welfare and animal welfare as integral to constructing protocols for GAP. The ways in which these are to be pursued are outlined in Fig. 1.

According to EurepGAP (2005), its formation:

> … was driven by the desire to reassure consumers. Following food safety scares such as BSE (mad cow disease), pesticide concerns and the rapid introduction of GM foods consumers throughout the world are asking how food is produced; and they need reassuring that it is both safe and sustainable. Food safety is a global issue and transcends international boundaries. Many … .members are global players in the retail industry and obtain food products from around the world. For these reasons a need has arisen for a commonly recognised and applied reference standard of Good Agricultural Practice which has at its centre a consumer focus.

These factors sometimes known as 'the triple bottom line – people, planet and profit' recognise the importance major corporations and multinational supply bases place on ensuring agriculture is undertaken in a responsible

Respond to consumer concerns on food safety, animal welfare, environmental protection and worker welfare by:

- Encouraging adoption of commercially-viable Farm Assurance Schemes, which promote the minimisation of agrochemical inputs, within Europe and worldwide
- Developing a Good Agricultural Practice (GAP) Framework for benchmarking existing Assurance Schemes and Standards including traceability
- Providing guidance for continuous improvement and the development and understanding of best practice
- Establishing a single, recognised framework for independent verification
- Communicating and consulting openly with consumers and key partners, including producers, exporters and importers

Fig. 1. EurepGAP Terms of Reference.

way that respects food safety, the environment, workers welfare and the welfare of animals. GAPs, which are understood by producers the world over, deliver clearly defined outcomes in these areas.

Although these are ambitious aims, the pay-off is potentially enormous. The resulting GAP protocols could harmonise all EU supply chains, increase certainty among suppliers (thus, potentially, increasing supply), reduce the workload of purchasing agents by devolving supply chain audit to an external party and, without dissembling, place this new alliance of retailers on the morally desirable high ground of driving forward food safety and agricultural sustainability. In short, EurepGAP appears to offer a pathway to maintaining market claims of food safety, while dramatically decreasing the cost of operating and policing any audit behind own-brand labels, and increasing the volume, predictability and reliability of green produce.

EurepGAP is set apart from the multiple other innovations in the auditing of food systems due to the rapidity of its rise and the scope of its successful enrolment of the majority of fruit and vegetable supplies into the European food supply chain. The original (and current) retailer membership of EurepGAP reads like a 'Who's Who' of European supermarkets. All the major UK chains are members of EurepGAP as are the majority of supermarkets and large co-ops in Germany, the Netherlands, France, Switzerland

and several other European countries. While German and French retailers have been late entrants into EurepGAP, the full incorporation of the European retail sector is now almost complete.

In only four years, EurepGAP has become the most accepted standard of food audits. Between its launch in 1999 and the conference in 2003, over 12,000 growers were following EurepGAP. This number represented some 394,400 hectares of fruit, vegetables and cut-flower production (EurepGAP, 2003). Additionally, over 200 companies were members with another 31 'independent auditors' from countries around the world becoming involved. In recent years EurepGAP newsletters have been replete with reports of the new sectors of production, processing, auditing and retailing that have joined the alliance. The current formalisation of the EurepGAP livestock standards is expected to bring another substantial increase in membership. In May 2003, the Joint Accreditation System of Australia and New Zealand (JAS–ANZ) became the benchmarking body for EurepGAP worldwide (JAS–ANZ, 2005), as a result the organisations demonstrated impartiality, international focus and compliance with international standards.

The rest of this chapter will investigate more closely on how these dynamics have played out at the other end of the supply chain where EurepGAP poses a potential barrier to participation in the European supply chain. The alliance-building and partnership arrangements in EUREP that are seen as virtuous from the European end of the chain, have a different resonance at the supply end. These dynamics will be examined through two brief case studies; kiwifruit in New Zealand and table grape production in Australia. These studies provide insight to the impact of EurepGAP regulations on the wider fruit and vegetable production sectors in the Antipodes.

EurepGAP IN NEW ZEALAND

New Zealand has been steadily moving in the direction of complex, and often overlapping, systems of environment and food safety auditing in food export industries. Campbell, McLeod, and Rosin (2006) report that, while in the early 1990s New Zealand had only a few audit systems (two certified organic systems and a very small number of industry schemes based on integrated systems of crop management – mostly in the kiwifruit industry), by 2004 there were at least 13 schemes operating among food exporters that claimed to provide environmental assurances. Three industries also provided their own integrated management guidelines and multiple codes of environmental and food safety practice had become established. Recent

analyses of this flourishing of audit culture in food export industries clearly link this development to drivers emerging from key export markets like Europe (see Campbell et al., 2006). Nowhere is the depth and influence of new food audit culture in Europe more evident than in the New Zealand kiwifruit industry.

Kiwifruit: The EurepGAP Success Story

The last 15 years have seen the kiwifruit industry move from a period of intense crisis to very high levels of prosperity. The crisis period was strongly influenced by the export of the New Zealand kiwifruit production model to competitor regions like California, Chile and Italy. Facing significant price competition in the world market, the New Zealand industry became financially insolvent in 1991. The subsequent narrative of the movement from crisis to high prosperity involves multiple factors behind the renewed success of the industry. One of the most important was the transition of kiwifruit from bulk commodity production under intensive/conventional vine management, to 'environmentally friendly' kiwifruit production using organic and integrated management systems.[4] This shift was mostly driven by moves towards 'green protectionism' (regulatory), and 'green' food (at the retailer level) in the European and Japanese markets (the two most important kiwifruit markets in the world). Moreover, as the export kiwifruit crop 'greened', the New Zealand industry became positioned as an elite supplier to European retailers.

The sudden change in direction for New Zealand kiwifruit stemmed from three major causes. First, the industry was facing profound shifts in its regulatory structure, with a move away from grower-dominated governance – which tended to lead to elaboration of mass commodity production of kiwifruit – to more market-integrated alliances for the industry. Second, in response to low prices, the industry was open to a radical change in direction. Finally, market access barriers to Europe signalled a potential end to access for New Zealand fruit to one of its most lucrative markets.

Following a series of visits to New Zealand by representatives of UK and European supermarket chains, the industry – coordinated under the control of a single export organisation called Zespri – implemented significant levels of audit around organic production, integrated systems, taste, visual qualities, size and 'storageability'. These new audits were phased in through a range of both voluntary and compulsory mechanisms. In a near-revolution of kiwifruit orchard management, a once highly intensive production sector (c. 1992–1994) had become 100% organic/integrated by 1998.

When EurepGAP was launched in 1999, Zespri became closely involved as a supplier. This action was considered a logical business decision as every key retailer of Zespri fruit in Europe was positioned inside the new alliance. Zespri saw EurepGAP as a significant new opportunity both to amalgamate all its new production audits, and to simplify the huge number of environmental quality standards being demanded by European retailers. By 2003, Zespri had converted its entire audit and production activities to comply with EurepGAP, had published its own specialised version of the EurepGAP standards, and had instituted EurepGAP as the compulsory minimum standard for all growers hoping to participate in kiwifruit export markets (Zespri, 2003). Subsequently, Zespri has positioned itself to accept the leading role in EurepGAP's first Technical Working Group. Clearly, the kiwifruit industry in New Zealand is a highly successful early entrant into the EurepGAP alliance.

In the New Zealand case, therefore, EurepGAP has become the mechanism by which the kiwifruit industry is moving into a privileged supply relationship similar to its previous status as colonial supplier with guaranteed market access to the UK. This appears to be the key outcome of integration with EurepGAP by the New Zealand industry. Preliminary research reported in Campbell et al. (2006) suggests that, while growers resent the extra paperwork involved in the audit, the new EurepGAP system is essentially a means of confirming good management practices that the industry has already adopted. For kiwifruit, therefore, the key effect of EurepGAP has been to secure market access and guarantee high returns via an alliance with elite retailers in Europe.

Kiwifruit production in New Zealand, however, provides a striking example of rapid and favourable adoption of the EurepGAP protocols. Other New Zealand producers have been slower to enter the alliance. The situation of these other New Zealand exporters is mirrored across the Tasman Sea. The next section of this chapter will examine the reluctant engagement of Australia's fruit and vegetable exporters when confronted with the new EurepGAP audit.

EurepGAP IN AUSTRALIA

Although the global influence of the EurepGAP initiative has not been ignored in Australia, neither has it been fully embraced by producers. Fruit and vegetable producers in Australia have certainly been conscious of consumer concerns in Europe. For instance where produce is destined for

Europe, the restructuring of production in accordance with the social, environmental and welfare requirements of European 'new consumerism' has occurred. The influence of EurepGAP is limited, however, to the extent that Australian fruit and vegetable exports are already subject to standards that are quite exacting and rigorous. These standards have been shaped by the demands by the Japanese, over many decades, for the close inspection and monitoring of all foods leaving Australia for Japan (Stringer & Anderson, 2000).

Interest in EurepGAP in Australia began in early 2002, with various subcommittees formed and workshops conducted by the federal government and industry groups. The Federal Ministry of Agriculture established a 'EurepGAP Horticulture Compliance Subcommittee' in order to compare existing Australian quality assurance, food safety, environmental protection and occupational health and safety programmes, with the EurepGAP protocol requirements (Foodlink Management Services, 2002). In 2004, the Federal Department of Agriculture, Fisheries and Forestry (DAFF) produced an 80-page booklet entitled *Guidelines for Implementing EurepGAP for Australian Fresh Fruit and Vegetable Producers* (see DAFF, 2004).

Like New Zealand, Australia has also experienced a burgeoning of industry-specific programmes regulating food quality and safety. In horticulture, 'Freshcare' is the leading code of practice, and is based on HACCP principles and annual third party audits (Horticulture Australia Limited, 2003/2004). Other initiatives include 'Cattlecare,' 'Flockcare,' 'SQF2000' and 'Great Grains' (see Baines & Davies, 2000; Baines, Davies, & Ryan, 2000). These are national, industry-owned, not-for-profit programmes with the purpose of regulating safety and quality to meet national and international guidelines.

Quality assurance programmes such as these are a key facet of agricultural regulation in Australia, and are required to promote the nation's 'clean and green' image (Stringer & Anderson, 2000; see also Lyons et al., 2004). Quality assurance appears to be reaching new heights in relation to traceability, while on-farm environmental management systems are now part of a national framework (see Chang & Kristiansen, 2004). Australia also has established, internationally recognised codes and practices, such as CODEX, HACCP and ISO (Baines et al., 2000; Stringer & Anderson, 2000). Indeed, Australia and New Zealand have already gone through a process of harmonizing their food safety legislation (Baines et al., 2000). In 1996, Australia and New Zealand developed the only example of a 'supranational food standards agency' (Jackson, 2003), called Food Standards Australia and New Zealand (FSANZ). This bilateral approach to the

harmonisation of food standards is also based upon HACCP principles and, although it is state supported, is also a clear illustration of the desire of both nations to regulate agricultural production through market instruments.

While differences are apparent in the types of products grown for export (as well as their destinations), the overarching mechanisms for quality control are quite similar for both Australia and New Zealand. Both countries have experienced a rise in environmental, food safety and other food-related audit systems with EurepGAP being a latecomer to this process. Both are currently grappling to come to terms with the significance of this recent addition to the already-elaborate world of food audit culture. But there are key differences between the two countries. First, the amount of exposure to the Asian market is much higher in Australia in proportion to the influence of European purchasers. Only some sectors have the same level of exposure to Europe as is found in New Zealand. Second, the New Zealand government has formed no public opinion on EurepGAP, while, in contrast, the Australian government made a point of noting that it was not consulted in the formulation of EurepGAP standards (see DAFF, 2004, p. 9) and so 'does not recommend or endorse this standard but recommends producers should be aware of the standard and similar commercial standards' (DAFF, 2004, p. 2). The tone of this Australian government pronouncement is lukewarm at best, suggesting that yet another audit system is not required when the government has already implemented a perfectly satisfactory suite of measures. Another factor might be that the thrust of EurepGAP is to minimise agrochemical inputs – something out of line with current farming trajectories in Australia (see Gray & Lawrence, 2001; Lockie, 2001). The government sentiment in Australia seems to be supported by some domestic producers who have criticised EurepGAP for its eurocentrism – both its concerns for food safety and suggested applications (Foodlink Management Services, 2002, p. 8). Finally, there may be some structuring influence of the two countries' relative growing environments. New Zealand's temperate fruit and vegetable production environments are much closer to the European norm (as benchmarked in EurepGAP), in comparison to the production environments found in Australia. Possibly in New Zealand, it is just technically easier to comply with the eurocentric vision of EurepGAP.

EurepGAP and Australian Table Grapes

In the most similar Australian case to the New Zealand kiwifruit sector, one European-oriented producer group that has moved quickly to receive EurepGAP accreditation is the table grape sector. The most popular

varieties of table grapes – Thompson Seedless, Red Globe, Crimson Seedless and Menindee Seedless – are at their best as early ripening, large-berried fruits that are firm, sweet and crisp (Australian Table Grape Association, 2004, pp. 4–5).[5] In 2003 some 1,100 growers from throughout Australia grew 7,000 hectares of table grapes (some 86,500 tonnes), largely for the domestic market, but with exports valued at some AUD$100 million going to Hong Kong, Singapore and Malaysia (Australian Table Grape Association, 2004, p. 1). The industry expects to have doubled its export sales in the five years since 2003 and to have increased export sales by 50% during the same period (Australian Table Grape Association, 2004, p. 2).

As recently as 2002 EurepGAP accreditation of this export sector was only available via a New Zealand team of inspectors (see Natural Resource Management Ministerial Council, 2002). Today, there are a small number of certification bodies in Australia with EurepGAP membership (EurepGAP, 2005). According to a leading table grape grower:

> Without a doubt … EurepGAP is a ticket to trade in Europe which guarantees that the grower has followed certain practices that any serious business would satisfy in their normal day-to-day operations … If it isn't EurepGAP, it will certainly be something equivalent (FoodBiz, 2003).

Accepting the inevitability of EurepGAP standards for Australian fruit and vegetable exports to Europe, this industry leader also believes that EurepGAP will prove to be more effective than existing HACCP because it is tailored to fresh fruit and vegetable production, and may be simpler to implement than current accreditation schemes.

A key reason for table grape growers to seek EurepGAP accreditation is related to the contract of Ausgrape to supply table grapes to the Sainsbury's supermarket chain in the UK (Natural Resource Management Ministerial Council, 2002). Sainsbury instructed all of its suppliers to implement EurepGAP by January 2004 (DAFF, 2004). Here is a clear example of the retail sector 'providing the dynamic behind major restructuring at the level of the farm and the agri-food processor' (Burch & Goss, 1999, p. 335). As in the case of the suppliers to Zespri in New Zealand, compliance with EurepGAP was not based upon an inherent belief in its necessity or merits, but was a logical business decision to secure continued market access. Stringer and Anderson (2000, p. 9) have also noted that Australian agricultural production is becoming increasingly dependent on offshore environmental and health requirements. In this sense, it is not hard to envisage a much stronger move by producers to adopt EurepGAP standards in an attempt both to comply with new regulations and to expand market share.

Indeed, EurepGAP might be argued to hold significant future benefits for Australian industries. With regulatory harmonisation expanding at the global level (Baines et al., 2000; Bain et al., 2005; Tuncer, 2001), it would be rational for Australian producers to respond to existing schemes such as EurepGAP, rather than create their own single scheme (Foodlink Management Services, 2002). There are currently over 150 acts and associated regulations controlling food and agribusiness both for import and export, and over 90 separate national food standards administered by numerous federal, state and local government legislations (Stringer & Anderson, 2000), in addition to private market mechanisms affecting each industry. According to Stringer and Anderson (2000, p. 6) this system is highly complex, fragmented, inconsistent and wasteful. EurepGAP is believed to offer considerable market advantages for Australian producers (those supplying to Europe) who are able to gain accreditation (see Foodlink Management Services, 2002).

The New Zealand Kiwifruit industry and the Australian table grape sector appear to be merely the first entrants into this particular kind of audit culture with more exporters likely to follow suit (with the proviso that this initiative will always be most compelling on exporters exposed to European market requirements). The next section will examine why, given the reluctance of many governments to burden themselves with yet another audit scheme, the logic of surrender to private sector audit is compelling in a neoliberal trading environment.

DISCUSSION: EurepGAP, AUDIT CULTURES AND NEOLIBERALISM

New Zealand and Australia moved from a social-democratic form of governing that prevailed from the Second World War until the 1980s, through an economic rationalist phase during the 1980s and 1990s, to a 'partnering' phase in the late 1990s and the early years of the 21st century (see Campbell & Lawrence, 2003; Gray & Lawrence, 2001; Le Heron, 2003). Both of the latter phases have been underpinned ideologically by a neoliberalist agenda that has elevated the desirability of private initiative, the sanctity of the marketplace, an altered role for public policy, along with an assertion that 'business knows best' (Beer, Clower, Haughtow, & Maude, 2005; Pusey, 1991). Deregulation (together with significant re-regulation to facilitate capital flow and global integration), privatisation, outsourcing of government services, 'user pays' approaches and the abolition of marketing

support were some of the ways governments sought to drive agriculture to become more 'outward looking' and efficient (see Campbell & Lawrence, 2003; Gray & Lawrence, 2001; Le Heron, 2003).

The farming sectors of both New Zealand and Australia are now characterised by the absence of production subsidies, a vast reduction in statutory authorities and producer boards, limited state controls over foreign investment in farming, the closer association of farming with domestic and transnational agribusiness and the entrenchment of discourses of economic rationalism and managerialism (Gray & Lawrence, 2001; Lawrence, 2005; Lockie, 2000; Winter, 2004). Although institutional frameworks, regulatory policies and social struggles differ between the countries, they nevertheless both endorse the enforcement of market rule over social relations – the primary characteristic of neoliberalism (see Brenner & Theodore, 2002; Peine & McMichael, 2005). It is in this context that the audit has come to prominence. Just as Shore and Wright (1999) argued when considering wider developments in audit culture, there seems to be a peculiarly powerful relationship between auditing and neoliberal systems of governance.

Without producer-based boards and statutory authorities to minimise the risks associated with exporting into unpredictable markets (Lawrence, 1987; Lockie, 2000), or interventionist governments to put increasingly more prescriptive legislation in place to regulate agri-food trade, New Zealand and Australian farmers and farm organisations have sought other ways to secure market access. As control over the agricultural production process moves off farm (involving banks, food processors, and supermarkets), the farm sector has entered new relations with national and transnational agri-food corporations (Burch & Rickson, 2001). Clearly, this process is unfolding at a global scale where it involves the consolidation of agribusiness. This consolidation is accompanied by a new regulatory regime that is fashioned to remove barriers to trade and to promote self-regulation by the corporate sector (Le Heron, 2003; McMichael & Lawrence, 2001; Peine & McMichael, 2005). Such a global shift has led, however, to extremely uneven outcomes across farm sectors and countries. In particular, a tension is emerging between productivist intensification driven by the agribusiness firms that supply inputs to farming, and the more risk adverse corporate strategies of food retailers.

Farmers who have found themselves in 'tight' financial circumstances have, for generations, sought to increase production by using the latest agribusiness inputs. However, the productivist form of agriculture that is fostered and premised upon the heavy application of fertilisers, insecticides and – especially for horticultural production – water has been implicated in massive environmental destruction worldwide. In this situation, agricultural practices

collide head-on with the emerging consumer politics of risk. Marsden and Sonnino (2005, p. 64) have described the European countryside as a 'battlefield of knowledge, authority and regulation' in which new definitions of what are considered acceptable practices are challenging and indeed replacing older agro-industrial approaches. As with audit cultures, the forms of governance associated with the 'embedding' of food chains are clearly driven by the emerging politics of risk. Consequently, under neoliberal governance, agri-food chains are being driven by two contradictory measures partly derived from different corporate sectors at each end of the food chain.

We argue that for many food chains – such as fresh fruit and vegetable supplies into Europe – the supermarket sector is now ascendant over production-level agribusiness. With a very good knowledge of the risk politics influencing their consumers, the supermarkets are demanding not only fresher and more nutritious foods, but also foods produced in a more sustainable manner (Burch & Lawrence, 2005). In these circumstances, farmers who maintain unsustainable practices will be bypassed as the supermarkets find new suppliers who are capable not only of moving to more environmentally friendly production regimes, but who are also prepared to 'sign up' with new audit systems (such as EurepGAP).

Corporate players, such as the supermarkets, are becoming increasingly prominent global citizens. Supermarkets may be highly influential in determining activities throughout their supply chains, but they are also vulnerable to the new politics of risk. This explains the constant attempt to cultivate their image and reputation as providers of healthy foods produced in a sustainable manner. It has been asserted, for example, that the UK supermarket sector is seeking to position itself as being among the world's leaders in corporate social responsibility (Fox & Vorley, 2004). To improve their credibility and legitimacy supermarkets are initiating and endorsing codes of practice that may actually foster better agricultural management (see Miele et al., 2005 for a discussion of animal welfare claims). Rather than assuming the responsibility of regulating this themselves, supermarkets are responding to legitimacy issues within risk politics by seeking third–party accreditation for what they have put in place. In doing so, the supermarkets have fostered individual self-regulation among their suppliers, something that strongly resonates with contractual relations under neoliberalism (see Yeatman, 2002).

As Higgins (2002) and Herbert-Cheshire (2003) have noted, self-regulation can readily be construed as empowerment of the individual (in this case, the producer) who will be an active, self-assessing, entrepreneur. This type of producer would not want – and indeed would oppose – any attempts by the

state to interfere in the relationship between the grower and the seller. In neoliberalism's reworking of the relationship between the state, market and civil society, governments are expected to facilitate interactions (partnerships and networks) between various actors, rather than impose rigid rules of engagement (Jessop, 2002). In other words, there is less govern*ment* and more govern*ance* (see Winter, 2004). Moreover, the 'citizen' has become an 'entrepreneur' – one who is active, independent, competitive and productive (Jessop, 2002; Peck, 2004) and accepting of the need for the private market to guide individual conduct (Dean, 1999). It is in this context that the private audit can readily replace state regulation as one of the calculative practices of modern governance. Benchmarking is a component of self-rule, which is fostered as a practice, and justified (ideologically) as part of a new mode of thinking – what Peck and Tickell (2002, p. 381) describe as the 'common sense of the times'. Whether or not auditing under the new strictures of EurepGAP has the capacity to contribute to the abandonment of productivist (industrial) agriculture is a moot point (see Le Heron, 2003). Certainly the evidence presented in this chapter supports an emergence of corporate retailer power over corporate agribusiness power in some food chains. Within such contested terrain, the expansion in EurepGAP's influence is likely to produce uneven outcomes for producers and the agricultural environment.

CONCLUSION

What emerges from this discussion of the powerful relationship between audit culture and neoliberal forms of governance is a clear picture of two central contradictions facing agricultural producers under neoliberal trade conditions. As already identified, there is an increasing conflict between farm-level agribusiness strategies of productivist intensification, and corporate retailer strategies of increasing risk management through environmental and food safety auditing. This places producers in a highly contradictory space. In an era characterised by a rhetoric of increased choice, agricultural producers find themselves in a position of vigorous self-regulation and they appear to have little choice but to comply with the audit. Acquiescence with EurepGAP in the fruit and vegetable sectors in Australia and New Zealand is indicative of how audit has become firmly embedded in the 'common sense' of food production. In terms of fresh food exporters, such as the Antipodean horticultural producers, ensuring produce reaches the shelves of European supermarkets is paramount. But the supermarkets – in an era of

agri-food globalisation, food scares and consumer concerns for the environment – appear to be in an unassailable position when it comes to dictating the terms of purchase. The emergence of new audit cultures that act as a hybrid form of governance – operating across retail capital, social movements and regulators – has considerably strengthened the oligopolistic position of supermarkets as purchasers of fruit and vegetables. EurepGAP therefore stands as a key market gateway, powerfully controlling access to the European marketplace.

EurepGAP also demonstrates the dynamic relationship between audit cultures and neoliberalism. EurepGAP can be interpreted as a particular kind of audit culture devised in a manner that manages risk for the food retail industries in the absence of state regulation. It does so by ensuring that sourced products meet high standards of compliance in the areas of food safety, environmental protection, occupational health/safety/welfare and animal welfare. As an objective standard that carries the prospects of certification for those who meet its criteria, EurepGAP is an example of extensive, and expanding, private auditing systems in the food industry. The New Zealand kiwifruit and Australian table grape sectors indicate the extent to which overseas producers will go in order to ensure conformity with EurepGAP standards. It is most likely that the influence of audit cultures will become more widespread throughout the agricultural industries of exporting countries. This new system of food regulation that so clearly shifts governance away from the state will likely be a source of concern to governments.

Rapid growth in the membership of EurepGAP demonstrates one of the key arenas in which the uneven outcomes of food system auditing will play out. While rewards are high for producers who successfully negotiate entry into elite audit systems, there is a strong possibility of marginalisation for those who remain outside the alliance. The power of integration across multiple food safety audit systems, combined with a harmonised set of protocols for achieving agricultural sustainability (via integrated systems), has resulted in significant benefits for both the distribution and retail end of the European food system. The virtuous relationships of new audit systems are demonstrated by the New Zealand kiwifruit industry. The example of the Australian table grape industry, however, demonstrates a more ambiguous outcome. Given a less temperate agricultural landscape and more pressing environmental issues relative to production, the capacity of many Australian producers to meet the rigours of EurepGAP is an open question. The key contradictory outcome of this new variant of neoliberal agri-food governance is to deepen the divide between those in the fresh fruit and vegetable industry who prosper, and those who perish.

Most importantly, this new system, and its broad network of contributing stakeholders, has emerged from the private sphere. The EU has not played an active role in creating EurepGAP, although it certainly has encouraged it. EurepGAP presents itself, therefore, as a compelling example of private regulation, and as a governance structure attuned well to neoliberal rhetoric and market settings it clearly fulfils the central logic of neoliberalism – increasing differentiation of individual producers into winners or losers in global food trading.

NOTES

1. Commencing with Integrated Pest Management, the integrated approach was an international science initiative to reduce pesticide usage in horticulture. Integrated approaches initially relied on targeted (usually 'soft') pesticides, only applying pesticides when need was proven, encouraging biological predation of pests, and close monitoring of orchard activities. While many sector specific integrated systems were developed, this chapter will use 'integrated' to collectively denote these schemes.
2. This Act did not simply create the need for supermarkets to attend to food safety issues. While the new Act only required that retailers uphold industry codes of practice – which potentially could have been fairly token – the emerging crisis of consumer confidence provided a parallel push for retailers to take these concerns seriously.
3. New protocols for livestock and aquaculture are still being finalised.
4. The other key factor – of less relevance to this chapter – was the introduction of the very popular 'Gold' kiwifruit that has opened up important new markets in Asia.
5. The quality standards of wine grapes – Chardonnay, Semillon, Shiraz and so on – are quite different from table grapes.

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NEOLIBERALISM AND THE PROBLEM OF SPACE: COMPETING RATIONALITIES OF GOVERNANCE IN FAIR TRADE AND MAINSTREAM AGRI-ENVIRONMENTAL NETWORKS

Stewart Lockie and Michael Goodman

ABSTRACT

Neoliberal political ideologies have been criticised for their blanket prescription of market reform as the solution to almost any social or environmental problem. This chapter thus examines the ability of market-based solutions to deal with the spatial and social diversity that characterises environmental problems in agriculture. In doing so, the chapter draws on case studies of the international fair trade movement and the regionalisation of natural resource management measures in Australia. Both these cases accept the neoliberal view that social and ecological degradation arises from the failure of markets to reflect the full cost of production, and seek, therefore, to achieve social and environmental objectives through the parallel pursuit of economic rationality. In Australia,

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voluntary planning and educational activities coordinated at a range of scales from the very local to the water catchment, encourage compliance with locally developed management plans and codes of practice that link the expression of private property rights with a 'duty of care' to the environment. In the process, landholders are re-defined as prudent and self-reliant businesspeople for whom sustainable resource management is an essential component of financial viability. Fair trade, by contrast, seeks to transfer social and environmental 'duties of care' through the entire fair-trade commodity chain. Auditing, certification and the payment of farm-gate price premiums enable Western consumers to become 'partners' in the economic and social development of small and marginalised farming communities; guaranteeing that the 'fair price' paid for commodities is reflected in the incomes and, importantly, expenditures of the people receiving them. Despite their differences, these cases are allied in their opposition to protectionist trade policies, their commitment to building the viability of farms as productive business units through exposure to 'the market', and their appeals to self-responsibility, empowerment and democratisation. And, ultimately, both fail, by themselves, to deal adequately with the spatial and social diversity that underlies agri-environmental processes and problems. Neither approach, it is suggested, should be abandoned. However, complementary processes of fair trade and bioregional planning are required if either are to achieve their maximum impact.

INTRODUCTION

The contemporary Western supermarket offers an increasingly diverse array of certified organic, fairly traded, locally sourced, and other foods that, in a variety of ways, stake claims to social and/or environmental responsibility. Even those who produce 'conventional' foods are likely to participate in a range of agri-environmental and food safety schemes. Producers and consumers alike, it seems, are able to avail themselves of more and more opportunities to buy and sell healthy and sustainable foods, while retailers and other market intermediaries take ever greater steps to ensure compliance with minimum food safety, environmental and social standards. On a less positive note we might add, however, that organic and fair-trade markets remain far smaller than their conventional competitors; that the rapid adoption of quality assurance schemes in the conventional food sector has not averted the continued food safety scares; that the scale of environmental degradation

associated with agriculture remains immense; and that rural communities around the world are among the poorest and most disadvantaged.

Resolving these problems, according to Marsden (1999), requires a movement away from the sectorally specific policies and institutions that developed to promote agricultural production in the post-war era and towards more spatially diverse, holistic and integrated policy. Unfortunately, spatially diverse, holistic and integrated policy is not the only alternative to sectorally organised productivism. According to McMichael (1996), the international governance of food production and trade is now dominated by a neoliberal rationality that advocates both the dissolution of sectorally specific productivity measures and the application of market rule as a universal solution to the problems of sustainability (McMichael, 1996). Thus, while market rule is presented as a mechanism for integration and holism (albeit one quite different from that envisaged by Marsden), the universality of its application embodies an implicit denial of spatial and social diversity.

The themes that dominate this chapter, therefore, are neoliberalism and the ability of market-based solutions to agri-environmental problems to deal with spatial and social diversity. Our analysis is structured around case studies of the international fair trade movement and of the regionalisation of natural resource management measures in Australia. Both these examples attempt to reconcile market and non-market values by accepting some elements of market rule while challenging others. As such, they provide useful examples of the spatially specific ways in which universalistic rationalities such as neoliberalism may be interpreted and operationalised in an agri-environmental context. They also provide useful insights into the meso-level concepts of post-productivism and multifunctionality prominent in European policy, and debates over agri-environmental governance and the impact of food 'quality' standards. We will begin, therefore, with a review of attempts to conceptualise agri-environmental governance.

CONCEPTUALISING AGRI-ENVIRONMENTAL GOVERNANCE: NEOLIBERALISM, MULTIFUNCTIONALITY AND STANDARDISATION

Governance is conceptualised in this chapter as any activity concerned with the 'conduct of conduct' (Foucault, 1991). Such activities are not the exclusive province of the state, and may just as readily be applied to governance of the self as to the governance of others (Lemke, 2001). Underlying governmental activities are rationalities that render objects knowable and

actionable; that define the boundaries of acceptable intervention and offer strategies for it. Of particular interest to Foucault and other scholars have been the various forms of neoliberal rationality that have dominated international politics since the Second World War. In contrast with liberal ideologies that constructed the individual as an external unit over whom the laissez-faire state legitimately may exert little influence, neoliberal ideologies reconstructed the individual as a behaviourally 'manipulable being' who could be encouraged to respond rationally to changing environmental conditions (Lemke, 2001, p. 200). Through deregulation and the promotion of market rule, neoliberals sought to influence both the environment within which people make decisions (Miller & Rose, 1990), and the ways in which they are likely to understand and respond to that environment (Burchell, 1993). 'Market reform' may thus be described as a loose collection of 'technologies of the self'; a series of indirect attempts to lead and control individuals without taking responsibility for them (Lemke, 2001).

There is a danger, of course, in treating neoliberal rationalities as either uniform, uncontested, or inflexible (Larner, 2003). Brenner and Theodore (2002) note the frequent disjunctures between neoliberalism as an ideology or rationality, and neoliberalism as it actually is operationalised and imposed on existing institutions and spaces. Similarly, while McCarthy and Prudham (2004, p. 275) describe neoliberalism as 'the most powerful ideological and political project in global governance to arise in the wake of Keynesianism', they also note that it has been subject to sufficient contestation and setbacks to stimulate the adaptation of what may appear to be kinder and gentler variants. This is reflected in Larner's (2003) identification of three distinct phases of state neoliberalism in Aotearoa/New Zealand: (1) a withdrawal in the 1980s of the state from productive activities (i.e., the sale of state enterprises); (2) the punitive introduction in the 1990s of authoritarian policies to extend marketisation to the arena of social policy; and (3) promotion in the late 1990s of partnerships between the public and private sectors in economic and social policy. Jessop (2002) describes such discourses of partnership as adaptations designed to extend and sustain the project of neoliberalism. These adaptations ameliorate the destructive effects of Reaganism, Thatcherism and their variants while embedding neoliberalism within the institutions and practices of civil society (Jessop, 2002), thus reducing, it is argued, opportunities for political contestation (Peck & Tickell, 2002). Barnett (2005) provides a useful word of caution against assuming too readily that a hegemonic project of neoliberalisation necessarily determines the contours of contemporary politics; a conclusion that may ignore the extent to which state policies have been challenged less by

resistance to neoliberalism than by proactive processes of social change 'from below'. With this in mind, our intention in this chapter is not to argue that the concept of neoliberalism has any particular explanatory power, but to explore the rationalities that underlie the particular agri-environmental measures evident in our case studies and thence to reflect on what these tell us about processes of neoliberalisation, multifunctionality and standardisation.

As we shall see, commitment to market reform and the accommodation of alternative political imperatives are not necessarily mutually exclusive. Despite this, much scholarly debate about agri-environmental measures has been shaped by the particularly European concepts of multifunctionality and post-productivism; concepts that treat the imperative to protect agricultural environments as lying 'outside the market'. According to the European Union (EU), the concept of multifunctionality provides a policy link between 'sustainable agriculture, food safety, territorial balance, maintaining the landscape and the environment and what is particularly important for developing countries, food security' (cited in Hollander, 2004, p. 302). This understanding of multifunctionality was developed in the late 1990s as a strategy to ameliorate the negative internal impacts of neoliberal trade reform by extending the range of farm support measures considered by the World Trade Organisation (WTO) to lie outside the domain of production. In other words, by arguing that paying farmers to protect public good values such as cultural heritage and biodiversity does not distort trade, the EU has sought to maintain the subsidy regime of the Common Agricultural Policy (CAP) while avoiding multilateral sanctions (Hollander, 2004).

Multifunctionality often is interpreted as part of a shift to a post-productivist countryside in which the pursuit of a variety of non-agricultural production and consumption practices is coupled with new governance regimes characterised by public/private partnerships, inclusiveness, recognition of local knowledge, capacity building and governmental accountability (Marsden, Murdoch, Lowe, Munton, & Flynn, 1993; Murdoch & Marsden, 1995; Wilson, 2001, 2004). Agricultural activities, meanwhile, in the post-productivist countryside become less intensive and specialised, and more focussed on the provision of high quality, value added goods (Evans, Morris, & Winter, 2002). We do not doubt that many non-productivist processes are playing out both in Europe and elsewhere. The question is whether they coalesce into anything that meaningfully may be described as post-productivism. Certainly, the notion of a 'post-productivist countryside' has been criticised for its reification of a linear and Eurocentric model of change (Rigg & Ritchie, 2002; Wilson, 2004; Wilson & Rigg, 2003). We

would suggest that the conflation of multifunctionality and post-productivism is problematic in at least two additional ways. First, far from offering a significant alternative to neoliberal market rule, EU-style multifunctionality promotes one of the core strategies through which neoliberal rationality is applied to environmental governance; namely, the protection and extension of private property rights (see Mansfield, 2004; McCarthy, 2004). This is achieved through the definition of landscape features such as biodiversity as public goods that lie outside the sphere of responsibility inhering in private land use. It follows from this that farmers should be compensated for any actions that protect these goods at the expense of short-term productivity. However, by absolving individual landholders of certain aspects of responsibility for the impacts of their activities on the so-called public good (and ignoring the contribution of biodiversity etc. to agricultural production), such absolutist notions of private property discourage coordinated attempts by landholders to manage landscape-scale ecological processes, and undermine attempts to develop ecologically and socially sustainable production systems more generally (Reeve, 2001). This version of multifunctionality reinforces, therefore, the idea that agriculture primarily is an economic and productivist activity and promotes the segregation within rural landscapes of those spaces destined for 'productive' use, and those set aside for environmental and social provision (Potter & Tilzey, 2005). Second, the concept of post-productivism establishes a simplistic binary opposition in which associations observed between the pursuit of participatory governance, social inclusiveness and non-productivist objectives in some contexts are taken as evidence of necessarily causal relationships between hierarchy, exclusion and productivism elsewhere. This discounts a number of empirically plausible scenarios: (1) the pursuit of non-productivist objectives through hierarchical governance regimes; (2) the pursuit of non-productivist objectives in order to sustain production agriculture; (3) the expression of productivist interests and aspirations by those traditionally excluded from governance such as women and indigenous peoples; and most importantly (4) the ability, described above, of neoliberal regimes to embrace capacity building and participatory governance as elements of market reform.

It is no great surprise that the Cairns Group of free trade proponents led by Australia is sceptical that multifunctionality is anything other than a new form of protectionism (Dibden & Cocklin, 2005; Hollander, 2004). Hollander (2004), similarly, argues that the European conflation of multifunctionality with a post-productivist landscape is, in reality, based on the defence of narrowly defined national interests. However, rather than dismissing the concept of multifunctionality altogether, Hollander advocates

the adoption of a stronger model of multifunctionality that challenges WTO-led neoliberal trade regimes and rules more directly by reforming agricultural production and trade to encompass biodiversity, food security, cultural preservation and sustainable development. This notion of 'strong multifunctionality' thus suggests that decentring the role of agriculture in rural landscapes is not the sole, or even the most desirable, alternative to unfettered farm intensification and specialisation. Put more simply, 'strong multifunctionality' suggests abandoning the conceptual baggage of 'post-productivism'. In any sense, critics argue, the concept of 'post-productivism' has always failed to capture adequately the actual dynamics of agricultural restructuring within Europe. According to Evans et al. (2002), the binary opposition of 'productivism' and 'post-productivism' may have appeared to suit the highly subsidised version of multifunctionality built into the CAP, but it vastly overstated the extent to which farm pluriactivity and renewed concerns about food quality were challenging concentration and intensification. Just as importantly, the notion of 'post-productivism' failed also to capture important shifts in rural and agricultural governance towards the promotion of entrepreneurial business models that sought both competitiveness and sustainability (Philippson, Gorton, Raley, & Moxey, 2004).

Higgins and Lockie (2002) characterise the promotion of self-help and entrepreneurialism as hybrid forms of neoliberal governance in which social and environmental objectives are pursued through the parallel pursuit of economic rationality. The de-governmentalisation of the state associated with such regimes is accompanied by new techniques to extend influence – that is to govern – 'at a distance' (Miller & Rose, 1990). These techniques include planning and auditing procedures that create novel opportunities for the imposition of centralised control at the same time that responsibility and accountability for tactical decision-making is devolved (Muetzelfeldt, 1992). In relation to agri-environmental measures, devolution of responsibility is justified easily by state agencies on the basis of empowering those individuals most familiar with the environmental and social characteristics of their own farms and communities to allocate resources in the most sustainable and efficient manner (Martin, Tarr, & Lockie, 1992). Conversely, such measures are criticised by some as rhetorical devices that enable governments to continue promoting productivist agendas while leaving local communities to deal with negative outcomes (Herbert-Cheshire, 2000). More importantly, for our purposes here, devolution does not necessarily imply acknowledgement of spatial and social diversity as legitimate objects of governance. Instead, neoliberal rationality underlies a totalising discourse of universal market rule that is reflected in attempts to impose uniform

prescriptions for restructuring – based on economies of scale, specialisation and entrepreneurialism – across otherwise diverse productive spaces (Higgins, 2004; Marsden & Sonnino, 2005). Our first major case study will take up, therefore, the ways in which neoliberal rationality has been applied to agri-environmental measures in Australia, and how, more recently, these have been adapted in response to perceived failures to deal adequately with spatial diversity.

There is a growing body of literature, however, suggesting that state-based regulation of food production – whether direct or 'at a distance', productivist or multifunctional – may be of increasingly secondary concern. Privately regulated standards for agricultural production and food quality have emerged from two directions. The first, and most obvious, direction has been from the 'alternative' agricultural and consumer movements of organics and fair trade. The second from mainstream food retailers who are taking an increasingly prominent role in the coordination of international food supply chains (Bain, Deaton, & Busch, 2005; Busch & Bain, 2004). Interestingly, both these directions suggest forms of regulation that challenge the international rules of 'free trade' established under the WTO. As the fair trade case study will demonstrate, possibilities exist to develop hybrid forms of agri-environmental governance that – by promoting an agenda of 'strong multifunctionality' (see Hollander, 2004) – suggest quite different models of market reform.

THE REGIONALISATION OF NATURAL RESOURCE MANAGEMENT IN AUSTRALIA

The increasing severity of salinity, soil erosion, water shortages and other problems associated with largely homogenous processes of agro-industrialisation leads Dibden and Cocklin (2005, p. 143) to conclude that 'commitment to the tenets of neoliberalism sits in uneasy juxtaposition with a growing recognition of environmental vulnerability'. Such commitment, however, sits at the very heart of both Australian agri-environmental measures and opposition by the Australian state to European concepts of agricultural multifunctionality (Dibden & Cocklin, 2005).

Since the late 1980s, however, Australian agri-environmental policy measures have attracted considerable international attention. The most prominent of these, the National Landcare Program (NLP), has been described by Wilson (2004) as the most innovative rural programme to be found among the advanced economies. Couched in discourses of government, industry

and community partnerships, the NLP was initiated in 1989 with a primary focus on encouraging landowners to address rural environmental degradation through participation in community Landcare groups. State support was made available to groups to assist in group coordination, to establish experimental and demonstration sites, and to undertake training in property planning and other management techniques (Campbell, 1994). Support was focussed, therefore, not on 'on-ground works' but on educational, research and planning activities that were believed likely to promote change and investment among the wider farming community; a focus that was reinforced through strong linkages with other programmes such as drought assistance and rural adjustment schemes (Higgins & Lockie, 2002). This approach has proved immensely popular. Representatives of 37 per cent of farm businesses in the broadacre and dairy sectors have aligned themselves with Landcare groups, and 50 per cent of all Australian farmers have used these groups as sources of information on farm management (ABARE, 2003). As a result 91 per cent of farmers who have participated in Landcare activities claim to have changed their land management practices, while 95 per cent of Landcare group members, and 71 per cent of non-members, report that their properties have benefited from participation in Landcare activities (ABARE, 2003; see also Curtis, 2003; Curtis & De Lacy, 1996; ABARE, 2003; Mues, Chapman, & Van Hilst, 1998).

With its expressed focus on community empowerment and widespread community participation, Wilson (2004) declares that Landcare offers possibly the best international test case for the development of post-productivist governance regimes. Consideration, however, of the broader policy environment in which Landcare is situated would suggest caution. Australian governments have pursued a neoliberal agenda of market reform with an enthusiasm matched by few others (DAFF, 2005). Within this agenda, environmental degradation is conceptualised as the outcome of markets' failure to reflect the full value of natural resources. Open access property rights regimes, inadequate information about the long-term impact of agricultural practices, and inappropriate pricing of natural resource inputs such as water and fertiliser are each seen to contribute to this failure (Scott, 1998; see also Mansfield, 2004 and McCarthy, 2004). As a suasive measure, Landcare is designed to address market failure by providing information and by lowering the personal and financial costs of redressing degradation (Scott, 1998). Additional programmes have been set in place to address other aspects of market failure by, for example, creating property rights and markets for natural resources (e.g., tradeable water rights) and by removing perverse incentives (e.g., tax rebates on land clearing) (Industry Commission, 1997).

In contrast with European agri-environmental measures, there are few subsidies or tax concessions available for environmental works. Rather, compliance with voluntary and locally developed codes of practice has been promoted as a means through which to link more clearly defined property rights and markets with a 'duty of care' to the environment inhering in private property rights (Industry Commission, 1997).

There is no doubt that Landcare was conceptualised and implemented by politicians, public servants and industry representatives with a strong and genuine belief in the value of community participation (Campbell, 1994). Nevertheless, an extensive critical literature has emerged around, to use Holfield's (2004, p. 286) words, the use of Landcare as a '*neocommunitarian* strategy for extending and sustaining the project of neoliberalism' (Higgins & Lockie, 2002; Lockie, 1999, 2000; Martin, 1997; Martin et al., 1992; Wilson, 2004). While we do not wish to revisit this literature in any depth, it is important to summarise a number of recurrent arguments. First, Landcare should not be interpreted as an attempt by government simply to abrogate responsibility to deal with agri-environmental degradation, but as a means to resolve the often competing discourses of environmentalism, private property rights and market reform. Second, this is to be achieved, in part, through a re-definition of farmers and other landholders as prudent and self-reliant businesspeople for whom sustainable resource management is an essential component of financial viability. This re-definition of farmers has been underwritten both by the removal of financial supports and mechanisms for the collectivisation of risk (such as statutory marketing boards) and through direct strategies to develop entrepreneurial capacity. Australian farmers thus now receive an effective rate of subsidisation of only four per cent of gross income (compared with 37% in Europe, 58% in Japan and 18% in the US), the receipt of which often is contingent on the demonstration of viability and/or participation in business management training (DAFF, 2005). Third, when the seemingly objective technologies of property planning and risk management promoted through Landcare are coupled with the productivist advice of agri-science agencies, and the broad suite of neoliberal macroeconomic policy settings, the almost inevitable result is the intensification of agricultural production. Thus, we find that while Landcare activities have contributed significantly to the maintenance of productivity at the field and farm levels, they have had little impact on landscape-scale ecological and hydrological processes with regional and catchment health indicators, such as water quality, continuing to decline across most of Australia (CSIRO, 2003). Despite the establishment through Landcare of group-based learning environments, the practices encouraged

by Landcare have been focussed predominantly on maintaining productivity at the farm level (CSIRO, 2003). When it is considered that large numbers of farmers still have not implemented these practices, it is no great surprise that the resulting patchwork of individual actions has proven difficult to translate into cumulative regional outcomes (CSIRO, 2003).

In what, with hindsight, is a surprising omission, critical analysis of the NLP has had relatively little to say about the spatial manifestations and implications of the rationalities underlying Landcare. In contrast, early popular critiques of Landcare pointed very clearly towards the lack of spatial specificity characterising neoliberal governance. Such critiques focussed on the lack of scope within the NLP to fund 'on ground' works and the allocation of resources through competitive funding rounds that prioritised applications on the basis of compliance with economic and bureaucratic, rather than with ecological or hydrological, criteria (Collins, 1994). This is not to say that landholders were not encouraged to manage their resources on the basis of spatial and temporal variability at the local and subcatchment level. However, the means through which they were to express such self-calculating and regulating behaviour were treated as universal while spatial, temporal and, indeed, social variability at regional, state and federal levels remained largely unproblematised. This began to change in 1999, with the release by the Commonwealth of a discussion paper on natural resource management that signalled two key changes of direction (NNRMTF, 1999; see also Dibden & Cocklin, 2005). While it was proposed that the capacity building and awareness raising elements of Landcare be maintained, it also was proposed that a renewed emphasis be placed both on the use of market-based instruments to create incentives for resource protection and on the devolution of significant resources to the regional level for investment in natural resource management. Further, instead of regarding these as separate measures, the discussion paper proposed that regional communities would decide for themselves the appropriate mix of 'economic instruments, projects, regulations and so on' (NNRMTF, 1999, p. 15).

The implementation of these recommendations has seen the identification of 56 regions across Australia based on water catchments and bioregions (defined according to climate, soils and plant communities), thus establishing a basis for what is believed to be the efficient determination of natural resource management and sustainable agriculture priorities and cost effective preventative action (Australian Government, 2005). Each region has at least one 'regional body' (particular institutional arrangements vary between states) charged with the responsibility to develop a regional natural resource management plan that uses a 'whole of region' approach to identify

significant natural resource issues while taking account of the environmental, social and economic aspects of these issues and ensuring that the full range of local interests, including those of non-landholders, are represented (Australian Government, 2005). Thus, as with Landcare before it, solutions have been proposed for what had seemed apparently intractable political contradictions: first, reconciling the destructive local impacts on rural communities of universally imposed neoliberal measures, such as National Competition Policy, with the need for those same communities to address the spatially specific deterioration of natural resource condition; and second, reconciling the destructive impacts of private property rights with the continued protection and expansion of those rights through devolution to the 'regional community' of responsibility to develop a 'duty of care'.

With the regionalisation of natural resource management still in its infancy, it is important to avoid drawing too many conclusions about its likely social and ecological impacts. At the same time, however, that resources have been devolved to regional communities with considerable latitude as to the particular mixes of strategies and instruments that might be deployed to improve natural resource condition, that devolution has occurred only through strict compliance with extensive economic and bureaucratic criteria. Such criteria relate to the establishment of regional groups through which monies might be administered; the appointment of stakeholder representatives to those groups; the preparation of regional investment plans to prioritise and guide expenditure; the definition of critical assets; the choice of resource condition standards, targets and monitoring procedures; and so on (Commonwealth of Australia, 2003). The use here of an economistic vocabulary through which to administer investment in natural resource management is obvious enough, as is the use of planning and auditing procedures to devolve accountability while centralising certain aspects of control. Less obvious, but equally important, are the contradictions between the spatial and temporal complexity of natural resource management, the short funding cycles and uncertain programme futures that continue to characterise the 'new regional measures', and the urgency with which existing programmes and budget allocations must be 'rolled out'. Ready or not, regional groups have been forced to consult, plan and allocate funds with some urgency. Questions must remain as to how effective these allocations will prove to be. With only 56 regions identified across Australia, it is likely that many landholders will not identify strongly with their region, regional body or plan – the regions are simply too big. Conversely, regional bodies may find that they have limited capacity to implement either market-based incentives or natural resource use regulations (as opposed to funding

projects), leaving them with few levers with which to encourage landholders to reassess the duty of care inhering in property rights. Nevertheless, the only firm conclusion that can be drawn at this stage is that even as spatial diversity has received explicit recognition within Australian agri-environmental policy, its operationalisation has reinforced a subservience at the programme level to economic and bureaucratic management criteria, and a subservience at the policy level to the prevailing neoliberal rationality of market rule.

FAIR TRADE: 'IN AND AGAINST THE MARKET'[1]

As with Australia's NLP and its successors, the international fair trade movement has captured scholarly attention for the innovative manner in which it has reconciled market and non-market values (e.g., Goodman, 2004; Levi & Linton, 2003; Moore, 2004; Murdoch & Miele, 2004; Nicholls & Opel, 2005; Raynolds, 2002; Raynolds, Murray, & Taylor, 2004; Renard, 2003; Taylor, 2005; Taylor, Murray, & Raynolds, 2005). In contrast with the separation of production and non-production values implicit in the EU version of multifunctionality, fair trade seeks to commodify and incorporate social and environmental values as intrinsic features of the fair-trade commodity chain, working 'in and against the market' to address the poverty of some of the most marginal commodity producers of the South. It does this through the culture and practices of audit, accountability and standardisation that increasingly define and regulate 'quality' throughout food commodity networks more generally (Guthman, 2004; Hughes, 2004, 2005; Freidberg, 2003a, b; Raynolds, 2004). Again, as with Landcare, fair trade shows signs of considerable popularity. In 2004, the total fair-trade market in the UK totalled £140 million (Fairtrade Foundation, 2005), with coffee sales alone in the US valued at US$208 million in 2003 (Transfair USA, 2005). The UK market has grown at over 40 per cent a year for the last five years, with the US fair-trade coffee market growing at a massive 76 per cent (2003–2004) and 91 per cent (2002–2003). No longer confined to charity shops and mail-order catalogues, fair-trade products, embodied most often in the form of coffee, have become regular fare at mainstream coffee retailers such as Starbucks (US and UK) and Costa (UK) and supermarket chains such as Tesco (UK) and Albertsons (US), who often sell a full range of fairly traded fresh and processed foods beyond coffee.

In a manner ostensibly similar to the certification of organic food and other forms of private global regulation (e.g., Hughes, 2001a, b, 2004, 2005),

fair trade is governed through the setting and monitoring of universally applied standards by the Bonn-based Fairtrade Labelling Organizations International (FLO). Across numerous scales and geographies – from farmer's fields, to cooperative organisational structures, to importer's records and payments – actions, behaviours and ecologies are dictated, regulated and surveyed within FLO-created parameters. For farmers, compliance with these dictates provides access to commodity chains that provide price premiums, up-front access to credit and the encouragement of long-term trading contracts and relationships. At the same time, the cooperatives through which farmer participants are organised must be democratic and committed to using premiums to support community development. Fairtrade certification and labelling thus stipulates that traders and importers pay farmers a 'fair' price; that farmers use this 'correctly'; and that potential consumers are informed of these attributes, enabling them to become 'partners' in the economic and social development of small and marginalised farming communities.

This attempt to govern markets through certification of 'fairness' does engender a number of potentially contradictory processes. As Guthman (2004) points out, standards and certification act as 'barriers to entry'. By stipulating who is 'in' and who is 'out', some actors and ecologies are mobilised within fair-trade commodity networks, and others are excluded. The question is who? Most obvious are those who cannot afford the cost of certification. Historically, free and paid for by licensing fees through the 'fairtrade' logo, with the massive growth in producers interested in fair trade, FLO has been forced now to defray the costs that it incurs in getting groups registered and inspected (up to $3,500 per cooperative). At the same time, cooperatives must provide evidence of a market or a buyer for their commodities in order to be certified. Less obvious are those who cannot meet certification criteria. Moberg's (2005) study of Caribbean fair-trade banana producers, for example, suggests that the ecological requirements of fair trade force farmers to adopt agro-ecological practices that – owing to their time and labour intensity – are unduly onerous for many farmers, especially the elderly. Similarly, the mainstreaming of fairly traded coffee has been accompanied by a growing emphasis on the positioning of that coffee as a 'gourmet' product that subtly excludes those farmers and cooperatives incapable of supplying coffee of a given quality, irrespective of how poor and needy those producers may be. Thus we find that even though FLO continues to 'liaise with support and donor organisations in order to organise support for those producer organisations that need it' (FLO, 2005), reward scales are tipping in the direction of larger and historically

well-coordinated producer cooperatives that 'innovated' early through the help of development groups and nongovernmental organisations (NGOs). Not only are cooperatives that are already known for the quality of their produce approached most often by fair-trade companies seeking to expand existing, or begin new, product lines, they also are encouraged to expand their production into different commodities. This trend of sticking with 'who you know' is most accentuated in supermarket own-label products and with the entry of larger companies into fair-trade markets.

Before, however, concluding that fair trade represents some kind of neoliberal wolf in sheep's clothing, it is important to note some of the ways in which fair trade has sought to reform markets in a manner that might be considered 'non-rational' and/or 'alternative' to the trajectories of globalised trading relations. We will focus here on those reforms that contain explicitly spatial elements. First, mitigating against the totalising vision of neoliberalism, at a number of scales, fair trade attempts some sort of recognition of spatial diversity within its discursive and material network. In the case of coffee, for example, standards are differentiated both by type of coffee (Arabica versus Robusta) and by region of origin (e.g., Central America). In the case of bananas, environmental standards have been varied to suit the social and ecological dictates of particular production environments (Moberg, 2005). Second, there has been a general move within fair-trade networks – from FLO to development NGOs and so on – to encourage diversification at the farm and cooperative level to mitigate against specialisation and to spread market and agro-ecological risk among several crops and products. Third, FLO's producer support function can be seen as arising not out of the recognition of the importance of improving product quality, but as an attempt also to recognise the differential support needs of producer cooperatives located in varied locations and operating under different economic and social conditions. Finally, the 'spatial dynamics of concern' that are created, deployed and operationalised in fair-trade networks (Goodman, 2004, p. 906) specifically seek to connect Southern producers and Northern consumers through two simultaneous means: materially through the standards-based workings of fair-trade commodity chains and discursively through marketing imagery and movement-driven publicity. As Smith (1996) notes, there is something of a gulf between the relations of production that supply conventional Northern coffee markets and the meanings of place – steeped in romanticised representations of café society and an exotic smiling peasantry – that are marketed to consumers. Symbolically, then, fair trade challenges the 'geographical ignorances' that are created when foods are represented in ways that misrepresent or obscure the relations of

production through which they are created and supplied (Cook & Crang, 1996). Materially, discourses of fair trade lend a 'moral charge' (Jaffee, Kloppenburg, & Monroy, 2004) to food trade and consumption that extends beyond the aesthetics of consumption (Murdoch & Miele, 2004) to challenge 'unfair' trading practices at an international level.

Fair trade may be argued to embody many of the characteristics of 'strong multifunctionality' described by Hollander (2004); that is, agricultural production and trade that encompasses biodiversity, food security, cultural preservation and sustainable development and thus, more directly, challenges WTO-led neoliberal trade regimes and rules. This version of multifunctionality (at least in the sense that it is evinced by fair trade), deviates from the EU model and the related notion of post-productivism in several important ways. First, fair trade, first and foremost, is about making agriculture 'functional' in the communities within which it is practiced, particularly the poorest and most marginal. Second, fair-trade networks are explicitly oriented towards securing viable export markets for those excluded by unfair trading practices. In contrast with the suggestion of Wilson and Rigg (2003) that fair trade may constitute a particularly Southern form of post-productivism – what they describe and encapsulate as 'de-peasantization' and 'de-agrarianization' – this stronger version of multifunctionality supports producers and their families to sustain livelihoods, and to remain on the land growing food through more viable production. Third, standards regimes and marketing are accompanied by political action to challenge subsidy regimes such as the European CAP that utilise a 'weak' discourse of multifunctionality to justify the discursive separation of agricultural production from global, regional and local trade and its consequences. While the idea of fair trade has not been built on the discursive base of multifunctionality, contestation of the 'geographical ignorances' built into both the European model of multifunctionality and the WTO-led neoliberal agenda of market reform it was designed to circumvent has been central.

DISCUSSION AND CONCLUSION

The international fair trade movement and the regionalisation of natural resource management arrangements in Australia both reflect, in important ways, the trend towards hybrid regimes of governance described by Higgins and Lockie (2002), in which the pursuit of social and environmental objectives is coupled to the pursuit of economic objectives. In both cases, the links that are conceptualised between social and environmental sustainability,

competitiveness and entrepreneurialism are supported, on the one hand, through measures to reform markets (and thus to influence the environment in which farmers make decisions) and, on the other, through measures to develop the capacity of farmers – and farmer cooperatives in the case of fair trade – to monitor and regulate their own behaviour (and thus to respond to that environment in a rational and appropriate manner). The ways in which they do these are, of course, ostensibly very different. Where Australian agri-environmental measures are linked to programmes for structural adjustment and trade liberalisation, fair-trade initiatives are linked to supply-chain development underpinned by standards setting and auditing procedures. Both, however, are allied in their opposition to protectionist trade policies and subsidy regimes (including those justified under the rubric of multifunctionality); their commitment to building the viability of farms as productive business units through exposure to 'the market'; and their appeals to self-responsibility, empowerment and democratisation.

We do not wish to overplay the convergences between Australian agri-environmental measures and fair trade. Even though the former have had some influence in developing countries (see Wilson, 2004), it remains important to note the profoundly different social and economic contexts in which these two cases have developed, the equally different ways in which they are operationalised in the day-to-day lives of their participants, and the competing models of market and agrarian 'reform' they promote. The goal of opening markets to Southern products and guaranteeing farmers minimum prices in order to promote overall livelihood improvement is clearly quite different to the goal of opening markets to all globally traded products in order to remove 'distortions' and 'inefficiencies'. In both cases, however, 'the market' and its 'reform' remain the fundamental points of reference against which all other goals and strategies are located, and the basic principle of capacity building for entrepreneurialism and self-help remains intact. Given this, we would argue that possibly the most important point of difference in the rationalities underlying these approaches to governance is the manner in which the 'duty of care' to deal with social and environmental externalities is conceptualised and operationalised. Neither contests the predominant neoliberal view that social and ecological degradation arises from the failure of markets' to reflect the full cost of production. The question is how they deal with it. Australian agri-environmental measures respond to 'market failure' through devolution of responsibility to regional communities and commodity-based industry groups for developing a 'duty of care' to internalise the full costs of production. Those farmers who prove incapable of maintaining economic viability, as they do this, are assisted

either to develop the skills necessary to do so or are 'adjusted' out of the industry. By contrast, fair-trade initiatives seek to commodify – through certification, labelling and promotion – the social and environmental attributes of produce in order to shift much of this 'duty of care' to retailers and consumers. While farmers are not absolved of responsibility to help themselves, such responsibility is set within a network of relationships through which entire supply chains are adjusted in order to internalise a range of social and environmental costs including those that impact on farm viability.

We have argued above that while the regionalisation of natural resource management measures in Australia – and the associated responsibility to develop a 'duty of care' inhering in private property rights – may be interpreted as an explicit recognition of spatial diversity within agricultural environments, those measures remain subservient to short-term funding cycles and accountability procedures that are out of step with the spatial and temporal complexity of ecological and hydrological processes. In the context of this chapter, it raises an important question regarding the ability of standards-based initiatives such as fair trade to deal any better with environmental complexity. To the extent that fair-trade certification does address environmental criteria it does so through auditing of farm-based production criteria. As mentioned above, these criteria can be adapted to the unique needs of particular production environments, yet it remains the case that production standards are, by definition, farm-based, while ecological and hydrological processes are not. As the experience of over 10 years of Australia's NLP has demonstrated, it is entirely possible that measures which provide incentives at the farm level, and which support demonstrable improvements in the productivity and sustainability of individual farms, may have little impact, nevertheless, on landscape-scale processes of environmental decline. This limitation is likely to be exacerbated in the case of private standards schemes that are organised according to the logic of supply chains rather than bioregions, and which exclude those incapable of meeting certification requirements, leaving behind a patchwork of participants and non-participants. By themselves, such schemes are unlikely to meet the test established by Marsden (1999) of policy and programmes that are spatially diverse, holistic and integrated.

Participation in private standards schemes does not necessarily, of course, preclude participation in catchment-based and other integrated bioregional resource management exercises. Indeed, complementary processes of fair trade and bioregionalism may provide a far more robust platform for 'strong multifunctionality' than either might achieve on their own. Private

standards offer significant potential to mitigate against the damaging aspects of market liberalisation not by removing social and environmental values from the purview of market discipline – as promoted by the EU model of multifunctionality – but by providing a basis for their commodification. Farmers thus are provided a market-based incentive to comply with the 'duty of care' as defined by these standards. Again, there is nothing logically to preclude within this 'duty of care' the inclusion of cooperation with bioregional initiatives. But there is nothing to guarantee it either. At issue here is the control of international networks of production outside the regulatory apparatus of the WTO and other state-based institutions. Unlike states, private organisations such as the FLO and retailers are not (yet) subject to the regulatory apparatus of the WTO and are free largely to impose as many environmental and social criteria on suppliers as they like. Thus, the ability to control standards, auditing procedures, and the expertise on which they are based, is becoming more and more central to the articulation of power within production and trading networks. As both case studies show, the expression of such power, and the rationalities that underlie it, can be productive and enabling as well as destructive and constraining. Of concern, in the case of Australia's agri-environmental programmes, is the ability of 'self-sufficient' farmers to pass on the environmental costs of production without embracing the treadmill of constant intensification. And in the case of fair trade, of concern is the ability of a growing fair-trade network that is increasingly integrated with mainstream retailers to continue providing support to those most in need while 'scaling up' to provide integrated landscape-scale environmental benefits.

NOTES

1. Much of the material in this section is based on 2003 fieldwork carried out by Michael Goodman, with fair trade businesses and movement and standards organisations in the UK, US and Germany.

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SECTION II:
LOCAL COMPLEXITIES AND DEVELOPMENT

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POST-RURAL PROCESSES IN WEALTHY RURAL AREAS: HYBRID NETWORKS AND SYMBOLIC CAPITAL

Gianluca Brunori

ABSTRACT

Wealthy rural areas, or rural areas in wealthy regions, have a specificity that should be taken into consideration both in empirical and theoretical research. In most of the cases, rural development in these areas depends not only on the capacity of rural communities to mobilise endogenous resources, but also to be able to link endogenous resources with outside networks. In Italy this approach has widely been put into practice through strategies centred on the link between local food and its place of production. To explore the implications of this link, the paper will explore the implication of an adoption of the concept of 'terroir'. Terroir can be seen as a mix of a set of localised invariants in the space related to natural, cultural, and social spheres. It is highly specific of a place, as it is produced and reproduced through localised processes. The peculiarity of the 'terroir' is that it is embodied into the product, which means that it is the source of local products' identity and specificity. Local products are then a component of a broader socio-technical system, and product and terroir

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co-evolve. What are the mechanisms that make local products keys to rural development in a neo-endogenous perspective? In a neo-endogenous perspective, valorisation of local products is mainly related to its capacity to be recognised and evaluated by outside observers as different (and possibly better) from others. This capacity is embodied into what Bourdieu calls symbolic capital. Symbolic capital becomes a thread linking 'terroir' and the product to external observers, and convey to them meanings like notoriety, reputation, and trust. In order to be able to create, maintain, and increase symbolic capital, rural communities activate communication practices within and outside themselves. This may generate conflicts as well as strengthen identities and alliances. Three case studies will show the network building processes related to the creation of symbolic capital and its mobilisation into food production and marketing. The Cutigliano case shows how a small community borrows symbolic capital from the outside to enhance its capacity to sell a local cheese outside the area. The Colonnata case shows the risk that neo-endogenous strategies generate interlocal conflicts, hampering its competitiveness as a whole. The Chianti case shows an internal conflict over the use of the symbolic capital with both positive effects on the public debate and potential negative effects on the cohesion of the area. All the three cases make possible a reflection on governance, and especially on the role of the state (or the regional administration) in the governance of these processes.

PLACE AS A KEY TO CHANGE THE FOOD SYSTEM AND DEVELOPMENT PATTERNS

In recent years, along with dramatic changes in food consumers' attitudes and behaviour, a 'turn to quality' has been evident in the agri-food industry (Goodman, 2003). At the same time, place has been increasingly perceived as a major driving force of this turn.

Along with this trend, a process of diversification and relocalisation of food production and consumption has taken place, which has contributed to counter the trend to standardisation and delocalisation driven by the big food processors with global brands. This was assisted by the European Union, which issued a regulation to protect the intellectual property of denomination of the product linked to a specific territory (reg. 1781/92), 529 Protected Denominations of Origin and Protected Geographical Indications have been registered to the European Commission (EU Commission, 2004), and a larger number have applied. In several European countries initiatives have

been taken to build repertoires of traditional food and recipes, and many links have been established with biodiversity conservation initiatives. Even retailers, who have driven the trend to delocalisation, increasingly hold food with local distinctiveness on their shelves in response to consumers' demand of variety and to food safety (Codron, Giraud-Héraud, & Soler, 2005).

Looking at the ways relocalisation has been taken into consideration in the literature, we could group the contributions to the debate according to the actors on which they are focused:

- From small farmers' and rural communities' perspective, relocalisation is mainly seen as a strategy to gain a better position in the globalisation of the food system (Lucas, 2003; Hines, 2000; Gilg & Battershill, 1998). Goodman (2003) suggests that relocalisation creates new economic spaces that are capable of withstanding globalisation and corporate power.
- From the consumers' perspective, relocalisation is a response to emerging needs in consumers' attitudes and behaviour. Murdoch, Marsden, and Banks (2000) state that "quality is coming to be seen as inherent in more local and more natural foods". Under the impressive growth of the Slow food movement (Petrini, 2001; Miele & Murdoch, 2002), the importance of local culture as sources of uniqueness and excellence has clearly emerged. Nygard and Storstad (1998) underline the growing consumers' anxiety about food, and relocalisation of consumption as a way to reduce anxiety.
- On the public policies perspective, relocalisation has been taken into consideration for different reasons. In the Curry report (2001), which has set out some principle for the food policy of the Blair administration, relocalisation is seen as a pragmatic solution to an increasing need for sustainability.

Nygard and Storstad (1998) suggest that relocalisation can also be seen as a way to consolidate a national and regional identity. Other authors underline that it can be the basis of strategy to improve competitiveness of the food industry of the Mediterranean countries on the international markets (Yotopoulos, 2002; Brunori, 1999). Other authors suggest a strong link between local food and rural development (Marescotti, 2001; Pivot, 1998; Pecqueur, 2001), with local food as a key to territorial marketing strategies.

This chapter moves from these premises with the aim of giving a theoretical contribution to the efforts made by small producers, rural groups, food movements, and public institutions to relocalise food production and consumption. At the same time, it tries to provide evidence of both the potentialities and the limits of relocalisation strategies on rural development processes. From a different position, for Winter, relocalisation is also a

signal of defensive localism, which is not necessarily related to a greater attention to sustainability, as demonstrated by the preference given by consumers to 'local' food instead than to 'organic' (Winter, 2003). Also the sustainability of 'organic' itself is put into doubt in debates on the 'conventionalisation' of the organic sector (Guthman, 2004).

THEORETICAL RESOURCES FOR THE RELOCALISATION THESIS

As said above, relocalisation implies a process of organisational innovation, whose aim is to better convey values and symbols linked to local food. In fact, many authors have discussed the blossoming of various alternative food initiatives, whose characteristic is the involvement of a variety of stakeholders both directly and indirectly involved (Renting, Marsden, & Banks, 2003). To take into account these actors and their role, food studies have moved well beyond pure trade relations, and have started to explore communication and exchange of meanings and values (Guthman, 2002; Dixon, 1997; Goodman, 2002) generated around food, as well as the implications of the role nature plays in the construction of food quality (Goodman, 1999; Murdoch, 2000). These processes are increasingly studied through the metaphor of the network, for its focus on relations rather than on essence and its capacity to grasp multiple causalities and complexity and deterministic processes. Network analysis helps to understand the new geographies of food (Whatmore, 1998) as reconnections between food and farming, politics, and nature (Winter, 2003). In particular, networks allow us to understand three aspects particularly relevant to relocalisation processes: *embeddedness*, *hybridity*, and *spatial relationality*.

Embeddedness

The concept of embeddedness is used to contrast with a neo-classical attitude that considers economic activities in isolation from the rest of social activities. As Granovetter (1985), drawing on Polanyi (1944), puts it, economic behaviour is strongly affected by motivations, values, and constraints external to economic exchange. For Granovetter, actual behaviour of economic actors should be better understood by looking at the social networks to which they belong.

The concept of embeddedness helps us to understand the complexity of the processes used in the qualification of a product. In conventional economic

theory, quality is taken for granted and assumed as perfectly known, so that the relationship between producers and consumers can take the form of pure calculation. But as soon as quality becomes an object of scrutiny, it becomes clear that quality should be conceived of as a shared meaning constructed within a network, and that its stabilisation as an agreed set of characteristics is obtained through communicative action (Habermas, 1984). If, as Callon (1998) states, the theoretical characteristics of economic agents of the economic conventional theory, and namely calculation as the main logic of behaviour, are near to the real world in Western economies, it is because they are socially constructed through a complex set of rules, norms, and institutions. Given that, it becomes clear that the 'homo economicus' can be deconstructed by a critical reflection and reconstructed through social innovation.

In this view, processes of delocalisation/relocalisation can be analysed in terms of disembedding/reembedding of local economies into local nature and society, so that

- embeddedness can be seen as an endogenous resource to develop local quality food products (Marsden et al., 2000; Treagar, Arfini, Belletti, & Marescotti, 2004; Barham, 2003);
- embeddedness can be seen as a way to build new market relations (Hinrichs, 2000; Renting et al., 2003) and namely to reinforce the relationship between consumers and producers.

Hybridity

Another important aspect is the relationship between human and non-human spheres. If the concept of embeddedness is extended to natural and technological processes, as in actor network theory, one can conceive of production systems as hybrid networks 'in which the activities of non-humans may count for as much, if not more, as the activities of humans' (Murdoch et al., 2000, p. 113). In this case we have a powerful tool to combat a tendency to consider the role of science and technology as 'black boxes', and, on the contrary, to better understand the components of socio-technical networks that sustain production and consumption routines. In the agricultural literature, already in the 1990s Van der Ploeg described farmers' strategies of detachment from science-based technology (Ploeg van der, 1990), and showed how farming styles were the product of network building involving both humans and non-humans, and how the application of local knowledge could produce, in many contexts, results that scientific knowledge could not reach.

Along with this approach, one can more easily conceive of typicality, that is local distinctiveness (Tregear, 2003), as a result of a coevolution between physical characteristics of a place (soil, climate, biodiversity) and cultural characteristics (skills, social organisation, local knowledge), rather than considering quality as an objective and measurable set of physical characteristics, as for example Moran (1993), among many others, would assert.

In a successful attempt to give foundation to an 'economy of qualities', Callon, Meadel, and Rabeharisoa (2002) use actor network theory to describe the process of qualification-requalification as an endless process of adjustment of characteristics, measurement methods, tests, evaluations, which results in attachment/detachment of elements into/from socio-technical networks. In their framework they distinguish between *product*, which is seen as a process of qualification-requalification, and *good*, which is the temporary stabilisation of a product into an artefact with a specified set of characteristics.

Spatial Relationality

Relocalisation has also to do with the interplay between local and global processes as well as the redistribution of functions and competences between bodies of the State and between private and public institutions. The spatial change that has happened in the last few years has made use of the network metaphor to explain the difference between 'space of flows' and 'space of place' (Castells, 1998). Marsden (1998) suggests that we should 'conceive rural spaces as ensembles of local and non local connections situated in regional economies and different institutional contexts' (quoted in Jones & Clark, 2000, p. 107). The literature on the 'new entrepreneurialism' (Harvey, 1989) has alerted us to the way local communities increasingly compete to capture flows of resources, such as public funding, wealthy inhabitants, tourists, and capitals. The New regionalism spearheaded by Storper (Storper, 1995,1997) has shown that competition in the space of flows gives an advantage to territories that benefit from localised socio-institutional infrastructures like networks, norms, conventions, trust-based (often face-to-face) interactions, and horizontal relations of reciprocity, which facilitate learning processes and innovation.

To turn relationality into new ways of thinking about spatial development, Amin (2004) proposes to break down the 'politics of place', that is the politics underlying spatial change, into a politics of propinquity, related to places where people have most of their face-to-face daily encounters (school, work, welfare, housing, public space and so on), and a politics of connectivity, which takes into account the flow of resources that characterise any economy.

NEO-ENDOGENOUS APPROACHES AND THE RELOCALISATION THESIS

In the 1980s, the importance of place had been highlighted by the endogenous development school (Ploeg van der, 1994), that has studied farmers' and rural groups' strategies in Western Europe to build alternatives to a dominant model of development based on market rationality and massive application of technology. This explored the theoretical implications of relying on endogenous resources (local vs scientific knowledge, social vs market networks, nature vs science driven processes) rather on exogenous resources. But after a decade of experience in rural development initiatives, most of which was fostered by LEADER programmes, experience has demonstrated that the most successful initiatives in rural development in rural areas are the result of a selective opening rather than of a mere localistic closure. Approaches have consolidated around building upon the insights of endogenous development, and applying the metaphor of the network to processes of spatial restructuring affecting rural areas (Murdoch, 2000). In particular, 'neo-endogenous approaches' (Ray, 1999, 2003) are moved by the recognition that global networks play a fundamental role in the rural economy, and by the awareness of the need for rural areas to deal with them and possibly to grasp the advantages they offer.

At the roots of neo-endogenous development of rural areas, there are intensified processes of network interaction involving both human and non-human entities. Along with this interaction, identities are continually negotiated and recombined. Central on this respect is the definition of the 'us' vis-à-vis the 'them'. This process can be schematised as a circular process with two main phases:

- in the first phase, the process is characterised by the consolidation of the 'us'; this definition has direct implications on the representations of rurality, on policies related to food production, and on land use and territorial planning;
- in the second phase, a consolidated identity is renegotiated with the outside observers; this phase has direct implications by the market value of food products and of economic activities linked to 'them'.

This scheme will be applied to the valorisation process of local food products. It is possible to assert that the first phase brings a 'closure' to a local actor-network (Latour, 1987). The second phase is characterised by the representation of the 'black box' to external observers. In both phases the power dimension is crucial, as all networking processes change power distribution among actors.

DEFINITION OF THE 'US': 'TERROIR' AS TERRITORIAL CAPITAL EMBODIED IN THE PRODUCT

If we look at these processes on producers' side, local food systems are built upon specific assets that are embodied in the product. The link between the product and specific local assets is well represented by the concept of 'terroir' (Barjolle, Boisseaux, & Dufour, 1998; Barham, 2003).

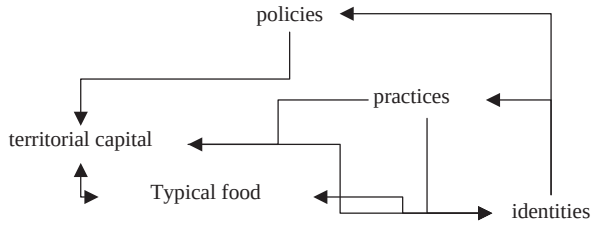
Components of the 'terroir', in a neo-endogenous approach, are endogenous capital, that is specific assets that can be mobilised to create (use and exchange) value. Like in the Marxian models, each form of capital is employed into the production process to create a higher amount of capital.

In Bourdieu's approach (Bourdieu, 1998[1994]), capital can assume several forms: social, economic, cultural, and symbolic. All of them are relational goods, in that they gain value only in contexts of shared meanings. Each individual, as a result of belonging to specific classes or groups, and of individual efforts, can possess a certain amount of capital, which can be mobilised to gain a higher amount of the same form of capital or to convert it into another form (for example, cultural capital into economic capital).

To extend Bourdieu's conception to regionalist approaches, we could say that there is a subset of resources which are largely available to those who belong to a local community, and therefore grant an advantage to them simply because they are part of this community. In the economic literature, these are classified as 'club goods' (Cornes & Sandler, 1996), in that they are public but only to a restricted group. Ray (1999) focuses on cultural capital, showing how rural communities are depositaries of 'cultural repertoires' (skills, folk art, stories, and food recipes). Others concentrate their attention on social capital (Shucksmith, 2000), but warning that communities should not be taken for granted and attention should be given to inequalities and exclusion within rural communities.

To take into consideration the specificity of rural areas, we should include 'natural capital' (local biodiversity, landscape patterns, fertility of soils and so on.) among the variety of territorial capital endowed by a rural community.

According to the (neo)-endogenous development approach, territorial capital is not just inherited from the past, but it is produced and reproduced through institutionalised social interaction. As in the figure, prevailing identities turn into practices and policies that produce and reproduce territorial capital.



Actor network theory provides a convincing framework to understand the double nature, cognitive and material, of the processes of construction of territorial capital: repeated interaction with people, artefacts, symbols consolidates hybrid networks into 'black boxes', shared patterns of interaction and common cognitive frames among the relevant actors. Similar conclusions can be drawn through application of the concept of 'lifeworld' worked out by Habermas (1984), who puts into evidence the role of communication in these processes.

Harvey (1990) conceptualises three dimensions of the space: lived, perceived, and conceived, as three cognitive levels of interaction of people with their environment. The three levels let us understand the processes of change, as each of them affects the others' evolution, and helps us to turn analysis into strategies and policies. Agricultural, environmental, land use planning, cultural policies among others can affect the way territory is lived, perceived, and conceived. Information and education, for example, can give local people the necessary categories to recognise the value of territorial capital; agricultural, land use planning and environmental policies can affect the way territorial capital is maintained.

Terroir and the products in which it is embodied constitute a socio-technical system: the condition of existence of this system is not only guaranteed by human entities, but by non-human entities as well. Characteristics of the product cannot be the same when terroir changes', and terroir itself is affected by the way the conditions of production change.

THE PROCESS OF VALORISATION THROUGH ACCUMULATION OF SYMBOLIC CAPITAL

In order to understand rural development in wealthy areas, it is necessary to explore the specific ways territorial capital is valorised. Wealthy rural areas have some common characteristics (Marsden, 1998, 1999; Murdoch, 2000):

- a full insertion into the market economy and institutional networks;
- affluent citizens available as target consumers;

- high potential of connectivity to broader networks;
- large prevalence of post-rural contexts, where rurality is not just inherited from the past but socially constructed through network interaction.

Given these characteristics, the process of valorisation depends largely on market forces (and therefore is measured in terms of economic growth, employment, added value kept by the community inside the territory). To understand the success of commercial valorisation of 'terroir', the second phase of the cycle above illustrated plays a crucial importance. At this stage, we take into consideration another form of capital, again from Bourdieu (1998[1994]): symbolic capital. Bourdieu defines symbolic capital as 'any property (any form of capital whether physical, economic, cultural, or social) when it is perceived by social agents endowed with categories of perception, which cause them to know it and to recognize it, to give it value'. In other words, Bourdieu states, it is 'the form taken by any species of capital whenever it is perceived through categories of perception that are the product of the embodiment of divisions or of oppositions inscribed in the structure of the distribution of this species (strong/weak, large/small, rich/poor, cultured/uncultured)'. Applying this concept to rural development processes, symbolic capital is generated when 'terroir' is recognised and given value by external observers as well.[1]

Symbolic capital generated by 'terroir' is signified by symbols such as the name of a place, the name of a local product, and the brand and the logo of the product, material signifiers (such as local trees, buildings, landscape patterns). Categories of perception by external observers can take the form of notoriety (that is, the capacity to be distinguished in a system of differences), reputation (notoriety associated with a positive judgment), and trust (disposition to accept something unknown from the observer).

Symbolic capital can be turned into economic capital as it broadens potential markets, permits the setting of a premium price for local products, gives a greater power to local producers on the value chain, and facilitates a good reception of new initiatives.

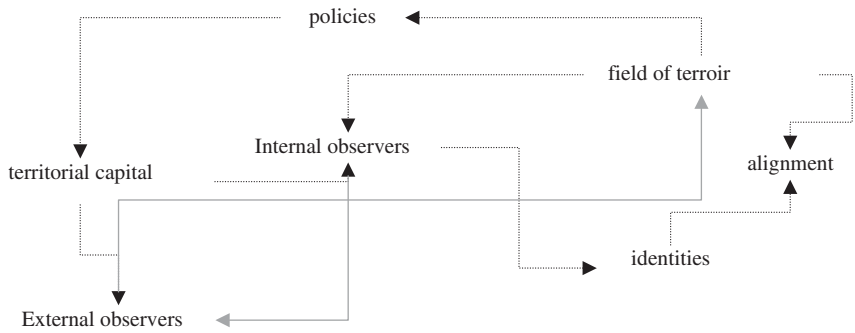
CONDITIONS FOR SUCCESS OF STRATEGIES BASED ON TERRITORIAL CAPITAL

Rural areas in wealthy regions have a high rate of connectivity to the outside. The number and the variety of internal and external actors involved in the process of construction of territorial capital and symbolic capital in

these areas make the process very far from being a straightforward process. This implies that the value of 'terroir' can be a contested terrain, and the consolidation of a territorial capital can be understood by an analysis of the politics surrounding it.

To start with this analysis, we should be able to conceive of rural areas as 'places of overlapping – but not necessarily locally connected – relational networks' (Amin, 2004). This means that 'the local political arena is an arena of claims and counter-claims, agreements and coalitions that are always temporary and fragile, always the product of negotiation and changing intersectoral dynamics'. The warnings of Murdoch et al. (2000), for whom development patterns should be seen as products of the views influenced by prevailing networks, and Shortall (1994), who suggests to look inside rural communities to detect the conflicting 'communities of interest' which compose them, are appropriate here.

Drawing again upon Bourdieu, we can refer to rural communities as 'fields of power', where alliances of different forms of capital again (which we would name capital fields) struggle to gain hegemony and consequently the 'rate of conversion' between forms of capitals. Groups that benefit from access to territorial capital, which we may name 'field of terroir', may confront groups connected to external networks in control of other forms of capital (financial, industrial) and more interested, let us say, in different patterns of land use, agricultural techniques, and different visions of the rural community. At the same time, the 'field of terroir' may be crossed by conflicts over the meaning of territorial capital and over the value attributed to its components.



This conceptualisation of the politics of terroir should help us to avoid a simplistic approach to strategies of rural development in these areas. In fact,

the first condition of success of strategies based on territorial capital is a sufficient level of alignment between actors, which in turn implies a sufficient room of manoeuvre, or even hegemony, within the field of power. This means, for example that a certain level of consensus over the value of territorial capital and therefore over the conservation rules should be reached.

Alignment is also the necessary condition to give a coherent image of the territory to the outside: as a community is composed of many actors, and each of them can have opportunities to communicate to the outside, very different perceptions or conceptions of the territory could generate ambiguous messages. In this case, alignment is necessary, but not sufficient, because due to increasing information overload, good communication skills and strategies are needed.

Finally, alignment is required between public administration bodies to integrate policies at the relevant scale to get policies coherent with lived, perceived, and conceived territory among the rural community.

As we consider rural communities as fields of power inherently unstable and changing, it is also important to take into consideration the strategic management of terroir and symbolic capital. In this respect, we should look in particular at the strategies

- to avoid erosion of symbolic capital;
- to defend symbolic capital from appropriation.

As we have said before, symbolic capital and 'terroir' are strictly linked to each other: a loss of value in symbolic capital can produce damages to the reproduction of terroir and, on the other way round, damages to 'terroir' could bring a devaluation of symbolic capital. Erosion of both territorial capital and symbolic capital can originate from both outside of the 'rural field' and from the inside. In the second case, the success of a product can engender breakouts in the equilibrium among its components (for instance, strong growth rates can put the carrying capacity of the natural capital into danger; pressures coming from market competition could reduce quality levels).

Once created, symbolic capital has to be defended from appropriation. In absence of clear property rights, the efforts of creation of symbolic value could be vanished by the illegitimate use of the name of the place or of the logo by outsiders. In order to set clear property rights, rural communities should be able to set boundaries to define who is 'in' and who is 'out' of the 'field of terroir'. These boundaries can be geographical, organisational (for instance, criteria to select producers), and technical (quality standards), and decisions over the boundaries affect the size of the market, the number of

actors, the allies and the competitors. Once boundaries are set up, strategies could be enacted to reinforce the links between producers and consumers, therefore making opportunistic behaviour more difficult.

THREE EXAMPLES FROM TUSCANY

Tuscany is a good example of how networking activity shapes rural trajectories. In all the three case studies illustrated below, symbolic capital is at the centre of the alliances and conflicts within and outside the considered areas. The cases show how symbolic capital is built, claimed and contested, and the role symbolic capital plays in shaping production networks and governance arrangements.

CUTIGLIANO: CONNECTING TO GLOBAL NETWORKS[2]

Cutigliano is the village in the mountainous region of Pistoia Province in the North of Tuscany, an area that has been facing considerable development constraints, due to its marginal position. As in other parts of Tuscany, extensive sheep breeding is a traditional and still common activity, especially in the marginal rural areas. Contrary to other regions in Tuscany, shepherds in Cutigliano still breed a local sheep race (Massese sheep). The breeding techniques are based on high-altitude grazing during spring and summer; that allows a reduction in the overall costs of feeding and differentiates the milk through the diversity of vegetable species in the pastures.

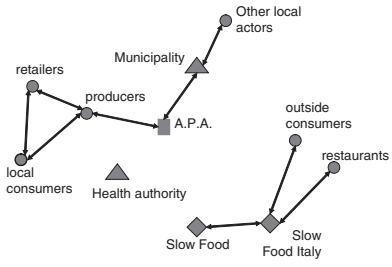
The local processing method maintains the basic principles of the traditional technique: the use of raw milk, which is processed without heating over 40°C, and curdling with natural rennet. The production, of about 3 quintals per year, includes three different kinds of cheese: the soft one (7–20 days of maturing), the "abbucciato" (at least 35 days of maturing), and the "asserbo" (from 2 to 3 months up to 1 year of maturing).

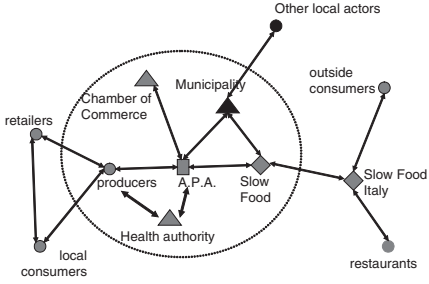
Compared with the other sheep breeding systems, the internalisation of the processing of the milk and of the marketing of the cheese represents the main difference in farmers' strategy. Such strategies have allowed them to re-position the product in high-quality circuits of commercialisation, in which consumers can perceive and appreciate its particular value.

Over the last years, the shepherds have had to face the increasing constraints posed by the health authorities, in order to comply with the

European hygienic rules (farms were too small, or their structures were inadequate for modern standards and techniques). At the same time, in Italy the attention on food quality and its connection with locality and artisan processes of production is increasing, as the success of Slow Food movement shows.

These factors have been at the basis of the necessity of an initiative of legitimisation and market valorisation of the raw sheep milk cheese, which has been carried out mainly by the local rural community, thanks to a strong support offered by the local institutions. Through these ways, a traditional product in danger of extinction has been a key resource around which a social network has been reinforced and developed. Within that process, the local identity and the image of the specific product and of the other resources of the area have strengthened and haves started to be communicated to the outside world.

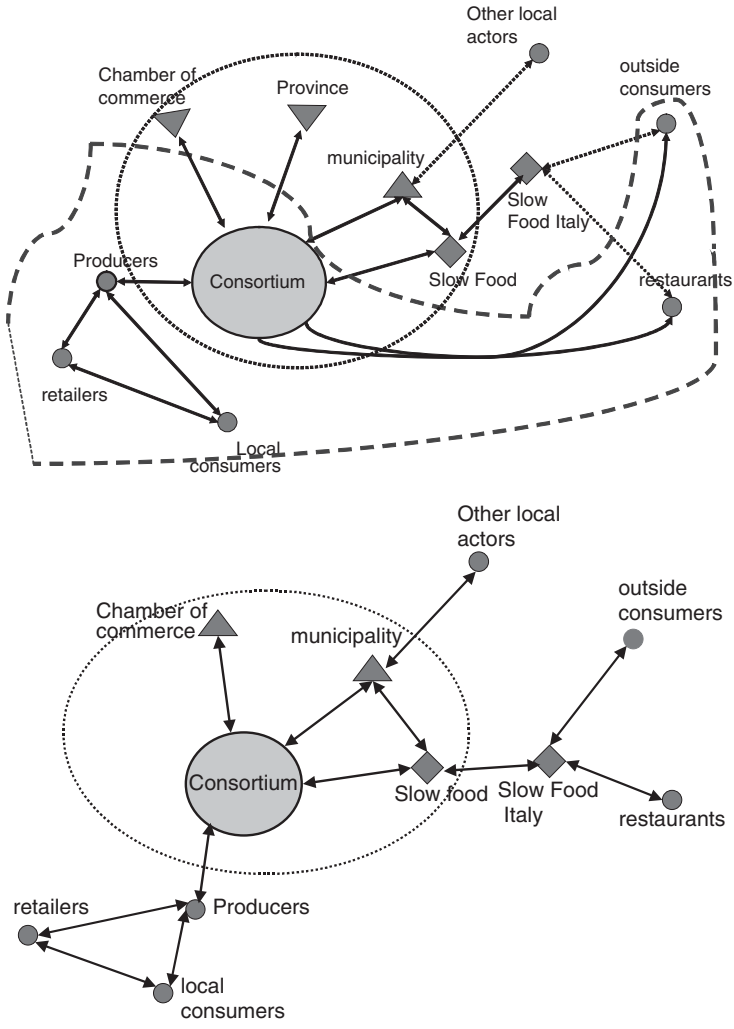




In terms of the framework depicted above, in a first stage the shepherds had to legitimate their ''right to produce'' with a traditional processing technique. This objective was reached through an intense networking activity, started and fostered by a manager of the local Producers' Association.[3] In fact, that has progressively changed the attitude of local Health Authority, which was initially opposed to the use of raw milk and was strongly oriented to a 'police-like' approach to control. It now developed a co-operative approach aimed at establishing appropriate codes of practice and control procedures to reach an adequate level of safety. This process was helped by local institutions such as the Municipality and the Chamber of Commerce, and also by an important cultural association, such as Slow Food,[4] that provided arguments in favour of raw milk as a key to cheese quality.

The second stage is the commercial valorisation of the product. Like the preceding one, this stage can be illustrated as a networking activity that brings an alignment of the involved actors around the objective to improve

the commercial performance of the product. Internally, producers consolidate their alliance by constituting a consortium that can 'speak for' all producers and can start new initiatives on the name of the producers. Externally, the alliance with Slow Food Italy (through a local member of the association) allows the product to be known nationally and to be sold in the well-established circuit of restaurants and markets linked to Slow food.



The relevant aspect of this case is that Slow food provides, at least in the beginning, the necessary symbolic capital to increase its reputation. In the first stage, Slow food gives advocacy to make raw milk acceptable, and in the second stage the Slow Food logo gives access to a well-qualified group of consumers outside the region.

COLONNATA: CONFLICT OVER THE BOUNDARIES

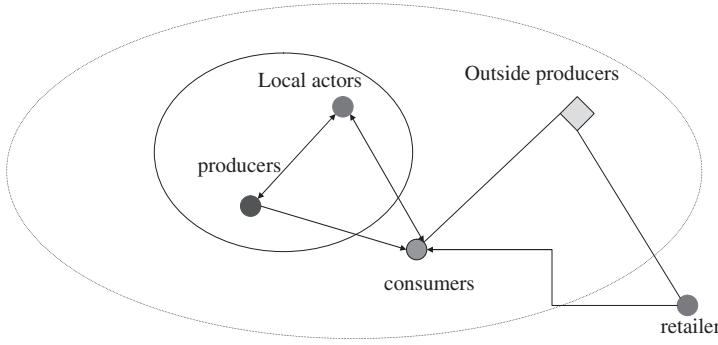
Colonnata is a small village in the mountains facing the sea in the North of Tuscany. The village economy is mainly based on marble extraction, and also the Colonnata landscape is strongly influenced by the presence of marble graves. In this village, one of the most common foods used to be pork lard, which in the past provided marble miners the basis for a cheap and energetic diet. Marble has also influenced the way lard is produced, as at a key stage of the production process the lard is put into marble tanks, whose micro holes provide a natural provision of oxygen that are crucial for a good ripening process. This traditional production process had stimulated the consolidation of a cluster of producers in the village, whose reputation extended well beyond the local community.

After the enforcement of the European regulation on food hygiene, the production process, and namely the ripening in the marble tanks, was banned. This case was one of the examples used by Slow Food to carry on the campaign at national level against a mechanical application of European standards. The campaign, supported by a large number of producers in Italy with the same problems, resulted in a regulation allowing derogation to European hygienic rules.

After this successful battle, 'Lardo di Colonnata' gained a strong notoriety among Italian consumers, so that an increase of demand induced an uncontrolled growth of supply of the product. As at that time there was no protection on the name and quality of the product, many fakes showed up on the market. This situation induced Colonnata producers to apply for a Protected Indication of Origin under the regulation CE 1781/92.

This regulation requires a code of practices indicating the boundaries of the production area, and the Colonnata producers made a first draft where boundaries were set on Colonnata village. It was very soon clear that producers located in the neighbouring municipalities, who in the meantime had scaled up from craft to industrial processing felt they would be economically damaged by this exclusion. Consequently, they applied with their own code of practices to the Regional Government (the first step of the recognition procedure) with a broader area of production.

The conflict between the two groups – that has been taken to court – is not just a parochial one. What is at stake, in fact is the conception of the market underlying the two subfields. Setting the boundaries on Colonnata village, in fact, is a natural limit to scale enlargement, as the location of the village does not allow large buildings and modern logistics (it is even impossible for a car to reach the centre of the village). Therefore, the product could not be distributed to retail chains and on a mass scale. However, broadening boundaries would mean allowing industrial scale production, which would put the quality of the product into strong pressure, as the governance of the lard chain would be dominated by industrial producers who are willing to loosen the code of practices to reduce the costs of production.



CHIANTI: INSIDE–OUTSIDE ALLIANCES[5]

A Tuscan regulation of 2003 institutes the rural district, a concept by now well known among the agricultural economists (Iacoponi, 2000), into the Tuscan regulatory system. To be recognised as a rural district, rural communities should apply to the Regional Government and demonstrate that their territory meets the necessary standards of rurality. These standards cover many aspects of the territory: on the economic side they include all the local production activities, with agriculture having a key role; on the social side they tend to refer to historically determined patterns of life and culture; on the environmental side they address agri-ecosystems and landscapes important to the conservation of biodiversity and of the historical-cultural heritage.

Chianti is one of the most popular geographical names in the world: Chianti wine is exported all over the world and every year hundreds of thousands of tourists (most of them wealthy foreigners) visit the area to enjoy its hilly landscape. Chianti has become the symbol of the Tuscany landscape, and its cuisine. The geographical area spreads between the towns of Florence and Siena and includes the administrative territory of eight Municipalities, belonging to the two provinces of Florence and Siena. It includes the most ancient area of wine production, delimited by the borders of the Certified and Guaranteed Origin Denomination (CGOD) of *Chianti Classico*.

Also in the Chianti area there have been intense talks to formalise its candidacy to the Regional Government. But the local community does not appear cohesive in this effort, showing different attitudes and strategic objectives.

The main point of contrast is the geographical definition of the territory to be recognised as a rural district, as it is clear that any solution in this regard implies changes in the equilibrium of power. Two positions are faced:

- The eight Mayors of the area aim at including all the territory they administer in the rural district. For them, the institution of a rural district in the whole territory administered represents an important opportunity for valorising all the local resources, as well as re-balancing the role (and the power) of the local actors in managing the development.
- The Chianti Classico Consortium, an organisation which groups all the wine producers and whose mission is to defend and promote the quality and the name of Chianti wine. The Consortium is a very powerful economic actor who has historically played (and is still playing) a fundamental role in the quality growth of the wine production of the area and in its defence and valorisation, and has recently extended its promotion action also to olive oil and to a basket of other local products, both food and non food (through the brand Terre del Chianti). The Consortium claims that the rural district should have the boundaries of the Chianti Classico CGOD; this is the area under its jurisdiction, which is narrower than the administrative boundaries of the eight Municipalities. Only producers within the area, claims the Consortium, have the right to use the Chianti name. Hence, also the Consortium has presented a request to the Regional Government to have recognised its territory as the rural district.

For the Mayors, it is clear that to set up a district would be very difficult without the support of the Chianti Classico Consortium. Accordingly, the

Consortium is aware that it cannot set up a district against the will of the Majors: it is the concept of district itself that imposes a consensus among the main actors of a territory.

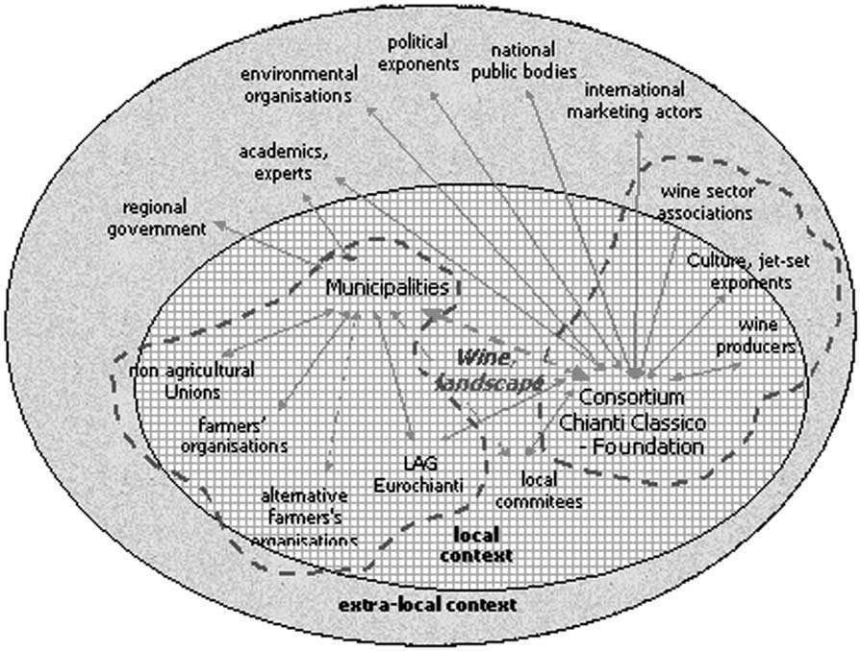
To try to create alliances over the issue of the boundaries, the consortium decides to play the hegemonic game over the sustainability of the territory. On this issue, the Consortium plays on the town–countryside dichotomy, and expresses doubts that local administration is really willing to pursue conservation goals. The occasion for this offensive is offered by some disputable land planning choices by some Majors. In the Consortium's view, these choices demonstrate the lack of willingness of the Majors to respect the rural territory. This conflict is mirrored in the local media, which contribute to amplifying it, internally and externally.

At the same time, the Consortium aims at enhancing its image and legitimating its role as a better manager of the territory and consequently also as having recognised the superior environmental features of Chianti Classico area. To support its action, the Consortium and the Foundation established links with important environmental associations such as Legambiente, Italia Nostra, WWF, with the Ministries of Environment, of Culture, and of Agriculture, with other representatives of the policy world, as UE or national parliamentarians, with important academics and/or landscape experts.

The Mayors counterattack on the sustainability of wine monoculture. They find an ally in International Union for Conservation of Nature (IUCN), which publishes a study showing the environmental impact of the vine production systems, especially after the recent years of booming production and the consequent restructuring of vineyards. But the main topic they choose is to demystify the 'rural idyll' perspective carried out by the Chianti Consortium, putting into light social problems emerging during these times; the presence of a large extra communitarian immigration employed in the farms (mainly during the picking season); the high land and farm prices which progressively displace local residents with wealthier newcomers; the need to maintain a certain level of employment for local residents; the need to provide the local residents with houses and public services; and the necessity to maintain a diversified agriculture, giving space to the small enterprises, are all issues that must be solved within a framework of integrated rural development. Trade Unions, local entrepreneurs' associations, and the Regional Government are among the most important allies for them.

The story has not ended, and therefore there is still an ongoing discussion over the boundaries of the district.

The confrontation between the two fields discloses a conflict between different conceptions of development, environmental, and social sustainability, and puts into danger the coherence of the image of Chianti given to the outside.



CONCLUDING REMARKS

The chapter is an attempt, as suggested by Murdoch (2000, p. 417) in his seminal paper, to use the network metaphor to 'link together the development issues that are internal to rural areas with problems and opportunities which are external'. The chapter also tries to suggest a methodology of representation of the networking processes occurring in wealthy rural areas.

Some lessons can be drawn from the cases above. The first one is that endogenous resources are not always sufficient to trigger endogenous development; good alliances with external forces can provide the necessary material and immaterial resources to allow 'take-off'. In the case of

Cutigliano, Slow Food provides the initial symbolic capital necessary to create a distinctive product. In the case of Chianti, each of the two fields looks for alliances outside to consolidate their projects.

Another lesson is that relocalisation can raise interterritorial conflicts. In fact, relocalisation can be interpreted as defensive localism (Winter, 2003) or as offensive localism, which would make local products lose their capacity to play a transformational role in the food system and therefore its capacity to generate sustainability. Moreover, with interterritorial conflicts, some development processes at a higher level (for example, at regional level) may be harmed. We should not forget that these processes happen in a global context, and therefore that conflict may weaken the capacity of regions or nations to maintain a competitive position.

A further lesson is related to the relation between conflict and consensus within rural areas. In order to represent a coherent image to the outside internal consensus is needed, but this may overlook or hide environmental and social problems and to produce an idyllic image of the territory.

The last lesson is related to an evolutionary perspective. Success of a product may bring to a focus on economic growth and to a disembedding of economic activities from their social background, with the consequence that success may place stress on the existing socio-technical systems and cause erosion of territorial resources, and therefore of symbolic capital of the territory. In the Lardo di Colonnata case, the entrance of industrial producers could harm the quality of the product, its marketing position and the distinctiveness of Colonnata itself; in the Chianti case, hegemony by wine producers would bring about a monoculture which would be harmful for the local economy as a whole, and would expose it to the cyclical crises of the wine market.

From the lessons learned, some conclusions can be drawn. The first is that in order to take advantage of neo-endogenous strategies, rural communities should be able to look beyond the present in order to carefully analyse the impact that economic growth and commercial success have on territorial and symbolic capital. The second is that relocalisation does not bring automatically sustainable patterns of development. The conflict they may generate could put into danger cohesion at higher territorial levels.

A key to link neo-endogenous strategies to sustainable patterns of development is an increased attention to governance. In wealthy areas such as Tuscany, the issue is not empowerment of local civil society and local government, but rather better coordination between actors both at local level and with other spatial levels, in order to avoid both disruptive conflicts and to consolidate ‘rural regimes’ based on the principles of sustainability. As

Jessop (2003) states, governance arrangements may fail, and a reflection on metagovernance (that is, creating conditions for the governance) should be undertaken. On this respect, the upper-level Government (in the Tuscany case, regional government) plays a key role, as on one hand it may promote the autonomy of local communities in order to stimulate neo-endogenous patterns of growth, but at the same time it may guarantee equity and a reasonable harmony between territories and social groups. An appropriate regulatory framework could help rural communities to increase awareness of the importance of building symbolic capital linked to the territory, to defend rural communities from appropriation of symbolic capital by big external players, and to provide mechanisms of conflict resolution based on win-win strategies.

With regard to methodological aspects, in the chapter, I have tried to show how the network approach can help to understand the interconnectedness between 'vertical' and 'horizontal' networks, between public and private, and between material and immaterial capital. Its findings confirm the need to embody the network approach into agricultural and rural policies, and to focus much more on the constitution of the subjects and the improvement of relational patterns rather than standard subsidies and prescriptions.

NOTES

1. It is important that symbolic power generated from inside and outside the community could have very different value and meaning, as categories of perception may be different.
2. The case draws on a research carried out by the author and by Adanella Rossi, Stefania Medeot, and Raffaella Cerruti within the EU project SUS-CHAIN (contract n. QLK5-CT-2002-01849), coordinator Han Wiskerke.
3. A.P.A. (formerly A.I.A., Associazione Italiana Allevatori) was created in 1947, with the support of the Ministry of Agriculture, for the preservation and the support of breeding at national level. The association currently groups most of the breeders of the Italian territory, providing them technical assistance on animal productivity, breeding, and milking techniques. Because of these technical duties, Associazione Provinciale Allevatori (A.P.A.) represents a favourable connection between producers and institutions, while at the local level the A.P.A. director is a key stakeholder for his continuous contact with breeders, his technical knowledge and his networking activity.
4. Slow Food was created in 1986 as a cultural organisation aiming at the spread of quality-food awareness through the re-discovering of local quality produce, or 'for the defence of and the right to pleasure' (Petrini, 2001). In 1989 Slow Food becaome an international organisation, but its international and national level

remained connected with local networks through local units called Condotte in Italy, Convivia abroad. Through the Ark of Taste project, set up in 1996, the association formally started an activity aimed at saving typical and traditional products, which are bound to disappear because of industrial standardisation, environmental degradation, and hyper hygienist regulations (Miele & Murdoch, 2002). The operational units of that project are the Presidia, through which the association gives technical and communicative support to the initiatives aimed at saving specific products.

5. The case draws on a research carried out together with Adanella Rossi within the EU TRUC project (contract n. **QLAM** 2001-00025), coordinated by the author.

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HIGHLIGHTING THE RETRO SIDE OF INNOVATION AND ITS POTENTIAL FOR REGIME CHANGE IN AGRICULTURE

Marian Stuiver

ABSTRACT

The potential impact of farmer's innovations for the development of food regimes is the topic of this chapter. Two case studies analysed from the perspective of strategic niche management show that there is niche formation visible as an alternative to the dominant modern food regime. These innovations are based upon the active rediscovery of marginalised and often forgotten knowledge and result in effective linkages between old and new knowledge. This retro side of innovations can have a large potential for developing viable alternatives for rural development. Social scientists play an important role in the understanding of the retro side of innovations and its potential and influence on the prevailing knowledge and information systems inside and outside of the scientific domain.

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INTRODUCTION

Within agri-foodstudies there is a debate about the potential role and impact of farmer's innovations for the development of food regimes. Two positions in the debate can be discerned. The first position is structuralistic; whereby globalisation and modernisation of food regimes are a given. The innovative capacity and power to change regimes lies in the hands of transnational companies and retailers; global food for global consumers, produced in global companies. The second position is more voluntaristic; despite globalisation, there is also localisation of food chains. Farmers produce innovations that (have the potential to) change the nature of the modern global food regimes; local food for local consumers, produced in local networks (Higgins, 2006, forthcoming).

Authors that prefer structuralist approaches to rural development stress the changes that occur in the nature of the global food systems (see Bonanno, Busch, Friedland, Gouveia, & Mingione, 1994; Buttel, 2001; Goodman, 2004). Globalisation equates with the expanding social, economic and technological exchange across borders under the realm of capitalism. The global modern food regime aims for a highly productive, efficient, export-oriented (and increasingly liberalised) agriculture that needs to be supported by farm enlargement, specialisation and intensification. The state is an important player in this modernisation process and science provides knowledge for this development.

Through trade and financial liberalisation and vertical integration (Lockie & Kitto, 2000) of food chains the power of companies and retailers increases. Evidence for this development is the economic concentration in the supermarket sector and a decline in importance of spot markets and traditional food brokers (Busch, 2004). Within this tradition there is also attention to new forms of resistance to globalisation (Herbert-Cheshire, 2003). Nevertheless the focus is on the power of the state and markets with little concern for the ways in which local people transform the strategies of these powers (Higgins, 2006, forthcoming).

Authors who prefer voluntaristic approaches to social change do not deny this process of globalisation. But, they argue, on the local level agents develop alternatives to modernisation. They stress the innovative power within local farmer's practices (Long & Long, 1992; Van der Ploeg, 1993; Marsden, Munton, Ward, & Whatmore, 1996; Marsden, Banks, & Bristow, 2000; Long, 2001). For instance, in one of their articles, Long and Van der Ploeg argue that it is theoretically unsatisfactory to focus on externalist forces that invade farmer's lives to innovation. In practice there are

differential responses to structural circumstances that need to be dealt within theory (Long & van der Ploeg, 1994). Actors participate within many different social networks, in which norms and values are produced and reproduced.[1]

Different models of agricultural development occur. For instance, Marsden (2003) points out the competitive and spatial 'battles' which are currently waging in rural Europe between three development models. These include the agro-industrial model, the post-productivist model and the more fledgling and fragmented rural development model.[2] Another example is Van der Ploeg and Roep (2003) who points at the emergence of a rural development paradigm, which has as a main concern the strengthening of a multifunctional agriculture. Finally, Ray describes the neo-endogenous development model where the concept of locality is central in three ways. First, locality means territory, that is, activity is organised around territories rather than particular socio-economic sectors. Second, locality means the valorisation of local human resources. Third, locality equates with participation and is therefore a normative term: solutions might be found through the animation of local popular participation (Ray, 2001).

There is scepticism among the scholars that favour a structuralist approach, about the emergence of alternatives to globalisation as stated by the second group. First, there is not an adequate methodological framework to study the impact of these local initiatives on more macro-structures (see Lockie & Kitto, 2000; Buttel, 1996). Second, these sceptics point to the continual dominance of the conventional systems that were built within the modernisation paradigm. The development and upscaling of innovations is centred at the side of the macro-actors like government and transnational corporations. Third, the local case studies upon which the claim of the alternatives are built seem too unique to be framed together and to result in a significant change within the scientific and policy communities (Higgins, 2006, forthcoming).

Clearly both approaches have their own value; the first deals with the overall dominant regimes and macro-actors dynamics[3] and the second with the presence of local level diversities. Nevertheless, the analysis can be enriched through the explicit examination of the dynamics between local innovations and the dominant modern food regime. In this chapter a methodological framework is presented to better understand the dynamics between local innovations and regime change. Concepts of Strategic Niche Management (SNM) are used to assess the potentials of a regime shift. The SNM approach is used in other technological domains (like the transport sector) to generate knowledge and disseminate lessons about sustainable

technological practices through innovative bottom-up practices. SNM aims to steer the formation of technological niches and work towards regime change (Geels, 2002; Weber, Hoogma, Lane, & Schot, 1998; Kemp, Rip, & Schot, 2001).

In this article both the terms paradigm shift and regime change are used. Thomas Kuhn (1970) introduced the term paradigm shift to focus on the changing nature of science itself. In his book, "The structure of scientific revolutions", he describes paradigm shifts as a process in which the ruling assumptions within the discipline of science, including worldviews, values and practices become scrutinised and changed. Regime refers to a shared set of rules, how to act and not to act (in this case to technological change), and to the web of connections between actors (Rip & Kemp, 1998). So the realm of knowledge and innovation is a key distinguishing characteristic of a new regime. If a new regime is emerging it will be evidenced by a distinctive knowledge and innovation system. This will, in turn, be influenced by new constellations of actors and networks drawn from science, market and entrepreneurial behaviour; and changes in civil and consumer knowledge and behaviour.

A key concept in this chapter is the notion of retro-innovation. Retro-innovation is about developing knowledge and expertise that combines elements and practices from the past (read; from before the dominance of the modern regime) and the present and configures these elements for new and future purposes.[4] The hypothesis of this chapter is that the retro side of innovation gains increased weight. Many valuable farmer-induced innovations are based upon knowledge and expertise of the past out of growing discontent with the present food regimes.

In this chapter two case studies are presented that show how distinctive knowledge and innovation systems may develop. These case studies are situated in the Netherlands and the UK. The first case study focuses upon innovations that are part of the agricultural production process specifically. The second outlines the emergence of a new food network on the consumer side of agriculture.[5] This article focuses on what can be learned about the upscaling of innovations towards a regime change. The argument is that, without neglecting the importance and power of modernistic regimes, the new niches show the potential to develop into a new regime. The role of social scientists is very important in this respect. Not only do they study these changes; but as heterogeneous engineers they contribute to the rise or decline of new knowledge and expertise with in their academic discipline themselves.

UNDERSTANDING INNOVATIONS AND REGIME CHANGE

This section highlights the theoretical approach to understand the dynamics between farmer's innovations and regime change. In order to understand whether innovations are successful or not (in the sense that they have an effect on the dominant regimes), their route needs to be traced back. The process in which they have become successful (or not) then becomes part of the empirical analysis. For this purpose I use the multilevel perspective to understand regime shifts.

Within the multilevel perspective to understand regime shifts, three levels are distinguished; the level of niches; the level of regimes and the level of the landscape (Weber et al., 1998; Roep, van der Ploeg, & Wiskerke, 2003). Niches are constituted of the diverse practices and experiments where innovations are tested on their applicability. Regime refers to a shared set of rules about how to act and not to act (in this case to technological change), and to the web of connections between actors (Rip & Kemp, 1998). The macro-level of landscape is a metaphor for structural developments (Roep, van der Ploeg, & Wiskerke, 2003). In the following the different levels, including their interconnectedness are explained.

The concept of regimes stems from evolutionary economics. Nelson and Winter were the first to introduce the term (Nelson & Winter, 1977). They considered regimes to be cognitive routines, shared by engineers and designers from different companies (Geels, 2002; Deuten, 2003). Here, the definition of Rip and Kemp is adopted (Rip & Kemp, 1998). In their view, a socio-technical regime is the grammar or rule-set comprised in the coherent complex of scientific knowledge, engineering practices, production process technologies, product characteristics, skills and procedures, ways of handling relevant artefacts and persons, ways of defining problems, all of them embedded in institutions and infrastructures.

The notion of regime is twofold. It refers first to a shared set of rules how to act and not to act (in this case to technological change). These rule sets can be regarded as dominant styles of acting, but are also reflected in material practices because the rules guide technological change. Technological regimes structure, for instance, the research activities of scientists and activities of engineers. This also implies that the existing regime has influence on the type of innovations that are found (Deuten, 2003). What furthermore can be derived from the definition is that there is a collective knowledge reservoir that is shared among the members of the knowledge infrastructure

(Deuten, 2003). This knowledge reservoir is laid down in codes of conduct and intermediaries like texts, practices, technologies etc.

Second, regimes are sustained through the interactions and alignment between actors. Regimes are produced and reproduced in social practices, let it be experiments, projects, research and government bodies, design academies, everywhere where actors mobilise and form alignment. Regimes can therefore also be considered as dense actor-networks.[6] That is to say a stable set of connections between actors. This implies that regimes also become stabilised through non-human intermediaries, like technologies, design options and communications schedules (Geels, 2002; Deuten, 2003).

Regimes can dominate the process of innovation in a complete sector for some time. One example that is precisely documented is the modernisation of Dutch agriculture after the Second World War (Roep, van der Ploeg, & Wiskerke, 2003; Roep, 2000; Van Der Ploeg, 2003). Modernisation was equated with scale enlargement and intensification of farming. Exceptions to this dominant route to success were visible but were kept in the background (Van der Ploeg, 2003). Technological regimes are situated within socio-technical landscapes; the metaphor for structural developments, for instance the material and spatial arrangements of cities, factories, but also wars, oil prices, cultural and political values and environmental problems (Geels, 2002).

In order for regime shifts to happen, perceptions and expectations of the new technology for a possible shift are very important (Hoogma, Kemp, Schot, & Truffer, 2002). These include engineering ideas and marketing possibilities on the side of the developers and technology perceptions on the side of the users. Hoogma et al. (2002) gives the example of the introduction of the telephone. During the introduction of the telephone, people not only liked the new device for functional communication, but also for exchange of personal matters. This was not the original idea of the designers, who stressed its functionality. But, telephone use became so popular due to the increased popularity of this social talk on the side of users (ibid.).

One other reason for regime change is when crisis occurs within the landscape. For instance the crisis in agriculture due to environmental problems opens up possibilities for regime change. Innovations can be born when different actors meet each other around growing discontent with the existing regime and propose alternatives. Different innovative configurations that might lead to a regime change are introduced, selected and experimented. Examples can be found in the transportation sector where actors experiment with new transportation techniques out of growing dissatisfaction with the congestion and pollution of the traffic system (Elzen, Jørgensen, Sorensen, & Thomassen, 2001).

Innovation is a process of alignment, social learning and negotiation (Jiggins & Röling, 2000; Long & Long, 1992). It requires close co-operation in a network of actors, which all contribute to the generation and transfer of innovations (Engel, 1995). During the innovation process links occur between what happens within the niche and on a regime level. Although innovations are developed in niches, they can be influenced by existing 'lock-ins' or irreversabilities at regime level. Existing policies and legislation, but also dominating technological infrastructures shape the strategies and the development of the innovations in the niches. At the same time the creation of innovations might have its effect at the regime and landscape level (Roep, van der Ploeg, & Wiskerke, 2003; Weber et al., 1998).

During the process of experimentation the involved actors actively and deliberately engage in a learning process (Weber et al., 1998; Roep, 2004). During these learning processes, actors draw upon or react against insights from existing regimes. As the knowledge is generated within the niche, it is contextual knowledge. Fundamentally, all knowledge is born as local knowledge; it is embedded in the practices and epistemology of actors (see Latour, 1987). The idea that knowledge is contextual implies the existence of different forms of knowledge. If knowledge is produced in different localities, the knowledge itself can be different in contents. Therefore during the process of innovation one needs to learn about these processes as well, for instance how do technologies and concepts work under different conditions but also how to transform and package local forms of knowledge to more robust forms of knowledge (Deuten, 2003).

For instance, when the experimentation with local knowledge and innovations is successful, these can become part of a wider and growing actor-network of experiments and practices, where alignment of strategies and expectations takes place within the niche. If, in the course of time, the claim that the innovations and knowledge involved are successful and work is accepted and encompasses promising design options, the expectations will become stronger. The actor-network will evolve and stories about the innovations become more robust. Through different cycles of learning processes, changing actor-networks and alignment of strategies and expectations, the process will gain more momentum and bring about a more stable and robust novel configuration (Roep, van der Ploeg, & Wiskerke, 2003).

It is important to keep the difference between an experiment and niche in mind (Weber et al., 1998). An experiment is an isolated and usually protected space for testing the innovation under specific conditions. Examples of experiments can be found within all research laboratories, farms or businesses (Eshuis, Stuiver, Verhoeven, & Van der Ploeg, 2001; Geels, 2002).

Niches are composed of technologies, actors and their agreements to develop an innovation and protect it from the environment. In this way the applicability of the innovation can be tested and the innovation can be made more robust. A niche already represents a highly visible element of the wider landscape of alternative solutions that often is composed of several experiments. Adjustment has already taken place between the innovation and the wider context for its application (Weber et al., 1998). In niche formation the adoption of the innovation is taking place. Regimes have to rearrange themselves to adopt and adapt to the innovation. In this sense, the introduction of a new technology is an unstructured societal experiment (Rip & Kemp, 1998).

SNM embraces the dimensions of experiments, niches, regimes and landscapes as a challenge to scale up bottom-up innovations. Not only within the academia people study and reflect upon SNM but also within other practices and settings people, let it be farmers, engineers or retailers, improve upon technological experiments, reflect upon the processes and attempt to scale them up to change regimes. In the following two case studies, local actors have identified specific practices and utilise them as possible new options for rural development that are worthwhile to be tested and developed. As such the actors who involved themselves do not phrase their activities in terms of SNM. In this chapter, the cases are examined with regard to what they tell about farmer's innovations and experimentation towards a possible change in the modern food regime.

Case study 1. Dutch farmers and scientists rediscovering natural growth factors; the Vel and Vanla nutrient management project

The first case study focuses on the emergence of a new scientific network in the Netherlands built upon farmer-induced innovations. It extends beyond the farm to develop a variety of networks in which these different innovations can mature and change the institutional landscape of dairy farming. Of particular importance in this case is the development of new synergies between a whole range of actors, including the farmers and scientists, state agencies, environmental groups; and the way these actors then align themselves around some new innovations. This network shows considerable development over recent years, and is having its impact in the wider network of Dutch dairy farming (Roep, van der Ploeg, & Wiskerke, 2003).

A group of dairy farmers in the Friesian Woodlands founded the environmental co-operatives Vel and Vanla in 1992 in close co-operation with scientists from Wageningen University (Stuiver, Leeuwis, & Van der Ploeg,

2003).[7] The scientists at that time had performed research on diversity in farming styles developed in the area (Bruin & van der Ploeg, 1990). Some of the farmers in the area seemed to have a lot of old knowledge that could be valuable from the point of ecological sustainability because they had to work under constraining conditions concerning landscape and nature.[8] Those farmers have proven themselves well able to develop new practices and technologies in categories as soil conservation, use of local species and nature conservation (see for instance the story of Hoeksma in van der Ploeg, 1999). Such old practices were not recognised within the prevailing modern food regime and in that sense remained hidden. The farmers on the other hand were worried if their farm practices could survive within the dominant regime and therefore developed alternatives (Stuiver et al., 2003).

In the collaboration between farmers and scientists, the practices were used as a starting point for development and scientific research. In other words, the practices were seen as innovative for a possible new route to sustainability. A first example of such an innovation is that some farmers had grasslands that appeared to have continuously high yields, while they kept their artificial fertilization low (contrary to the advice of the extension services). These farmers explained this phenomenon by the ways they try to balance the whole farm. They gained grass silage with less crude protein and more fibre that affects the way the dairy cattle digest the feed, which would lead to manure that can support the soil and in that way improve the grassland production. A second innovation contains the revival of old and forgotten methods that the farmers rediscovered and used to make silage with less crude protein and more fibre. A third distinctive example of an innovation is that some farmers had successful experiences with the integration of landscape in their farming practices through the restoration of hedges and belts of alder trees. These had been forgotten and largely destroyed in the rest of the area, but these farmers wanted to maintain their specific surroundings. Fourth, the farmers wanted to improve upon conditions of the soil by adjusting their machinery (using smaller machines) and use their old technologies for manure application (broadcast spreading surface of manure instead of slit injection of manure).[9]

Recognising such practices as interesting innovations, a scientific research project started to develop and study them at the same time. In 1998 this nutrient management project took shape and lasted till 2004. The central scientific question became how to increase the nitrogen efficiency in the total farming system in order to decrease ammonia emission and nitrate leaching. This might, according to the participants, very well be compatible with the particular natural values of the region.

> We thought in Wageningen for a long time that we could solve our environmental problems by improving parts of the farming system, like the cow. Now we know better, we have to think more in improving systems (Koopman, 1998).

The ideas of the farmers about the management of the farm and the ideas of scientists of how to study a farm came together within the systems perspective. It encompasses the idea that dairy farming can be carried out in a more sustainable manner by fine-tuning the subsystems of soil, plant and animal, and making better use of local growth factors available in the system. This system perspective combines old insights stemming from the work of Von Liebig with new demands on sustainability of farming systems and therefore offers a perspective to deal with environmental issues at the farms (Von Liebig, 1842). In agricultural science much of the research in the past has been based on the classical work of Von Liebig on soil chemistry and crop growth. From Von Liebig onwards, the agricultural processes of production have been conceptualised and understood as being composed by a wide and flexible range of so-called growth factors. Each growth factor describes an element out of the production process (or farming system) that actually or potentially influences the yields obtainable; for instance the quantity and composition of nutrients in the sub-soil, water availability or plant variety. Together the growth factors determine the outcome of the process of production (de Wit, 1992). [10]

The ideas of Von Liebig to think in terms of optimisation of growth factors within the farming system have gained new importance and have been translated into a specific way within the farms as well as within scientific practices. At present, growth factors (and especially those related to external inputs) have to be downgraded within farm practices because of sustainability demands. For instance in the dairy sector, the downgrading of nitrogen in feed and fertilizer has been government policy for a decade to reduce ammonia vitalisation and nitrate leaching. The downgrading of certain growth factors induces a wider set of changes within the processes of production. Some growth factors need to be downgraded, others need to be upgraded. For instance in the case of dairy farming, the farmers need to adjust their feed and fodder so that the cows will still be able to have sufficient milk production. New growth factors need to be discovered that fit the new demands of sustainability. What is required, in short, is a systematic and integral re-organisation of the production process in order to create a new balance that allows for farming being both ecologically and economically sustainable. All relevant subsystems need to be reorganised in such a way that a new equilibrium is created (Bruchem & Tamminga, 1997).

Both scientists and farmers within the Nutrient Management Project tried to develop insights into the specificity of the farming systems. In the case of the dairy farming practices of the Friesian farmers of the environmental co-operatives, this is the subsoil and its dynamics, natural processes and contingencies and the manure are produced at the farms. Through the Nutrient Management Project a field laboratory is created (Stuiver et al., 2003) where scientists get engaged in new lines of research that depart from old insights in dairy farming. For instance within soil science, soil types are studied as being unfolded into a range of contrasting expressions, depending on the farmer's skills and the position of the farm in it's natural surroundings (Sonneveld, Bouma, & Veldkamp, 2002). The same holds for aspects of soil biology and agronomy: here the interaction between different types of manure and slurry on the one hand, the 'food webs' in the soil and the associated 'nitrogen delivery capacity' promises to result in new insights. Scientists within animal sciences and agronomy have identified and underlined the relevance of looking at certain growth factors that were forgotten in research practices. Examples are the C/N ratio in manure and the indigestible crude protein in grass silage.

The outcomes of the Nutrient Management Project have invoked many debates within science and politics. The farmers and scientists involved decided to develop a new research agenda on regional contracts for sustainability. The Dutch government needed to give approval to support the development of this regional network to make the contract a legal matter. In this contract the environmental co-operatives will play a central role for the monitoring of the farmer's practices. The farmer's network expanded as different environmental co-operatives in the area joined to become an umbrella organisation called Noord Friese Wouden. This organisation shall coordinate the establishment of a regional contract for sustainability. The scientists have also joined around new themes where farmer's knowledge is a key concept. One example is a project on the development of a new Manure Application Advice. In this project scientists from the natural and the social sciences are present.

During the project, many contacts between the government in The Hague and the participants of the Nutrient Management Project took place, in which they negotiated about changing the Dutch legislation in favour of innovative farmers. Minister Veerman visited the Nutrient Management Project in 2003, and members of the Standing Committee of The Ministry of Agriculture, Nature and Food also spoke with farmers and scientists about the potential of the new trajectory. In 2003, the Minister proposed a law that takes into account the advantages of a farming practice based on less

protein and lower milk production per cow. This manure policy is a specification of the European legislation that stipulates a maximum of 250 kg N/ha. Was milk production per cow one important aim after the Second World War, in the new proposal of the Ministry it was discouraged.

In a meeting between the Minister and the Standing Committee, members of different political party's stress that innovative farmers should be heard and that the trajectory in which animal manure is treated as a resource is highly relevant.

> The new manure policies force the farmers to see manure as a resource instead of a waste product. The farmer needs to invest in improving the quality of manure (Anonymous, 2003).

The new proposal supports ways to increase nutrient efficiency. During the meeting in 2004 between the Standing Committee of The Ministry of Agriculture, Nature and Food, Minister Veerman again mentions the necessity of the government to support innovation in the following quote. He considers the system of norms for use to be ideal for that. In this quote the minister explains that he makes a differentiation between farmers who use less or more protein (urea is used as an indicator for that purpose) and farmers who have cows with low or higher excretion (milk production per cow is used as an indicator).

> It is wise to support innovative capacity of the farmers, the system of norms for use stimulates farmers to work efficient, decrease the amount of manure and optimise the production of crops. Within the system advantages are introduced like urea and the calculation of excretion. Farmers already make use of the given possibilities (Anonymous, 2004).

To summarise, the basic aim of the Nutrient Management Project is the discovery of old knowledge on soils, manure and other local resources.[11] This knowledge is the basis of innovations tested within the scientific project. The niche is developed and expanded through the creation of a social network between different groups of actors (farm, government, science and agribusiness). What is also important is the simultaneous development of complementary technologies, rules and infrastructure within the wider network.

Therefore the involved actors, including scientists need to learn heterogeneous engineering (technical and the social). It is not enough to have knowledge on mono-disciplinary issues, or to develop technical knowledge only. One needs to gain knowledge on multiple issues and at multiple levels. The actors involved have to learn how to do joint research with each other. The scientists need different types of knowledge as a resource, for instance

farmers' knowledge. They learn how to compare findings from different sources and scientific disciplines. They need to be willing to learn on how to learn together as a group and how to deal with contingencies and unexpected outcomes. Working in a team of scientists from different disciplines also implies that the scientists involved need to learn to understand each other's language and interpretations, and value each other's research methodologies. The scientists of Vel and Vanla also became engaged in different research methodologies, in which boundaries between disciplines are becoming less important. Besides, they deal with different audiences when translating their research findings to a wider public. As both scientists and farmers come from different backgrounds and communities, they (have to) learn how to translate the findings into a language that can be understood by their respective audiences.

Case study 2. Welsh farmers going organic and rediscovering nature, quality and taste; the Graig Farm networks[12]

The second case study focuses upon a different cluster of innovations with regard to the setting up of a new alternative food network built upon new production and marketing innovations. It extends beyond the farm to develop a variety of new marketing linkages with consumers, which are based upon product type and breed; and in re-developing traditional forms of quality based upon taste, locality and speciality. Of particular importance in this case is the development of new synergies between a whole range of actors, including producers, state agencies, environmental groups, academics; and the ways that these re-focus innovation around renewed sets of agricultural and food quality parameters. Also these construct new standards and conventions in which the specific quality parameters of the foods can be judged. As with the case above, this network shows considerable development over recent years, and cannot now simply be regarded as a small experiment.

As the recipient of the prestigious 2001/2002 UK Organic Retailer Award, to sit alongside a long list of other awards won over the years, Graig Farm Organics is one of the UK's most significant examples of small business innovation in the countryside. Bob and Carolyn Kennard established Graig Farm in 1988. They connected the growing crisis in intensive livestock production (BSE, etc) with the 'tasteless' quality of meats in supermarkets. Their initial response was to attempt to produce chickens that were reared with compassion and which would taste like 'real' chickens. To do this, a 50-hectare farm was acquired in the rural county of Powys, Mid-Wales.[13]

Following a challenging start-up, the farm began to deliver higher quality chicken meat and soon customers started to ask for lamb, beef and pork from animals that have been reared in a similar manner to Graig Farm chickens. This led the Kennards to adopt the organic principle of farming, being, as they see it, 'the only standard which could not be debased'. From producing high quality chicken meat, Graig Farm expanded into the production of a range of organic livestock. And, as demand for organic meats increased beyond the capacity of the farm itself, closer ties were established with other organic farms in the area, creating a network of organic suppliers which, later, became known as the Graig Farm Producers Group. Graig Farm thus became the central marketing and processing actor for the livestock that it produces, as well as those produced by other farmers within the Graig Farm network. Two principal aims of the network are to seek out new and larger markets for organic meats, as well as ensuring that organic farmers receive a fair price for their produce. All farms in the network have to have achieved the UK Soil Association's approval.

Graig farm has re-created 'Organic Welsh Mountain Mutton' from some of its supplies. Under the trading banner of 'what ever happened to Mutton?' it has defined mutton as meat over two-years old and added value to the nearly obsolete and traditionally viewed low value wartime product. It argues that 'mutton needs careful handling-from the quality of the animal, through correct hanging and butchering, to long, slow cooking-requirements not always available from the supermarket and busy lifestyles of today'. Graig won the National Organic Food award for its traditional 'Spiced Leg of Welsh Mountain Mutton', by using traditional recipes and ingredients. 'The joint is prepared for cooking just as it would have been in the kitchen of the inns of 140 years ago.' Reference is made to the travel writer George Borrow, who recorded his first taste of Welsh Mountain Mutton in his book Wild Wales, in 1862:

> For dinner we had salmon and a leg of mutton from the (river) Dee. The leg of mutton from the neighbouring Berwyn. As for the leg, it was truly wonderful; nothing so good had I ever tasted in the shape of a leg of mutton. The leg of mutton of Wales beats the leg of mutton in any other country…. Rich but delicate, replete with juices derived from the aromatic herbs of the noble Berwyn, cooked to a turn, and weighing just four pounds. Let anyone who wishes to eat leg of mutton in perfection go to Wales (Borrow, 1989).

Other products include wild boar and venison. Using Beeton's Book of Household Management (Beeton, 1861) as a reference and selling point, Graig Farm is attempting to insert these products back on the menus of restaurants and specialist retail outlets. The range of products is then used to

compete for quality awards associated with the national press, media and food cuisine community. For instance, in 2002, Bob Kennard, after winning the BBC Radio Food Programme Award for 'Best Campaigner', for their work in saving the UK's smaller abattoirs, became a judge in the BBC Food and Farming awards. Foods are now distributed to over 60 retail outlets as well as through other means.

One of the main aims of the Graig Farm network is thus to produce meat with a distinctive taste for the more discerning consumer and retailer. This involves innovating in three main ways once the animal has been reared. This includes first, extending the age of the animals before slaughter, based upon the principle of the 'older the animal the tastier the meat'. Animals are 'grown slower' than on conventional farms; for example, chickens are slaughtered at around ten weeks, compared with six weeks in the intensive sector; second, longer periods of time are spent also on hanging and the natural maturing of the carcasses. Beef, for example, is normally hung for about three weeks, and even chickens hung for a week; third, while the leaner continental breeds now dominate the conventional beef, pig and sheep markets, the emphasis is placed upon the re-development of the traditional local breeds. Small local slaughterhouses are used wherever possible and transporting of live animals is minimised.

Significant developments have taken place with regard to the traceability of products from the farms to the point of consumer purchase. Label and bar code systems are used at each stage, and maintained as products pass through the various stages of processing at Graig Farm. The identity of each farm is kept on the labels, and information of each farm can be found. Welsh Black Cattle meat is a main speciality, and specified butchery techniques, including vacuum (biodegradable) packaging have developed. A team of skilled butchers breakdown the carcasses into retail-sized packs. Orders can also be freshly butchered to customers' requirements.

By October 2003, the Graig Farm Network incorporated 200 farmers who were either supplying Graig farm processing directly, or who were selling their produce via Graig Farm to larger processors and eventually to the main retailers. The network now represents five to six clusters across Wales and supplies outlets all over the UK. The growing scale of the network has made the need for deeper social contacts between Graig Farm and the network all the more necessary. As Bob Kennard says there is a need to develop 'additional hooks' – involving regular face-to-face meetings, software developments and farm visits – in order to continue to replenish the sense of involvement, belonging and participation in the network. This is a dynamic and continual process which involves reinforcing the conventions

of quality and continuing to 'tell a story' about the products and the production process. Currently a 1914 recipe book (formerly owned by his Grandmother, who was a chef in a stately home) was being used to release recipes using old breeds and nineteenth century hanging and curing techniques. In these ways a unique taste and quality could be promoted. It was recognised, however, that such marketing would always be limited, given the dominance of food consumer habits and the role of the large corporate retailers. Currently, Graig Farm was trying to persuade some of these retailers to stock Graig Farm products with the distinct label. They were, however, reluctant to do this, preferring to keep to their own generic brands; ones which hide the source and the origin of the organic products. Indeed, a key feature of these systems in comparison with conventional chains is their considerable degree of transparency.

Through the development of Graig Farm and the Graig Farm Producers Group, many livestock farmers along the English/Welsh border of Mid-Wales have been able to mitigate the encroaching economic crisis that they face in conventional UK agriculture. The deliberate diversification of marketing outlets and the corresponding independence from supplying the main corporate retail chains have assisted this.[14]

Moreover, the value-added contribution of providing large quantities of high quality meat products that enjoy strong consumer demand and premium prices has helped to encourage sustainable economic, ecological, and social development in the area.[15] The network can also act as a spur for other synergistic ecological innovations on the farms involved. For instance, several of the larger producers also participated in the agro-environmental schemes (Tir Gorfal) associated with landscape and amenity management, while others also regularly compete for organic association awards, as well as for sheep and beef farming and conservation awards. In this sense a social landscape of agro-ecological improvement is instilled in and through the network and based upon innovation.

To summarise, the innovation of the Graig Farm network consists of a food chain that is short and transparent for the consumers. Furthermore, the products have added value through old techniques and technologies. Ways to upscale the innovation include building a variety of market linkages with consumers; investing in relations of trust and get them 'hooked'. One way to do is to make use of old knowledge and 'recipes'. Another lesson to be learned is that in order to upscale the innovation there needs to be synergy with other innovations in the agro-ecological movement.

HIGHLIGHTING THE RETRO SIDE OF INNOVATION

What becomes visible from the two case studies is that old knowledge gains new value during experimentation. It is explicitly treated as a useful resource in response to growing dissatisfaction with the present dominant food regime. Within the dominant regimes, diversity is standardised, closed and seen as an economic and social risk within the food chains (Van der Ploeg & Ettema, 1990). In contrast, the innovations that are presented here celebrate diversity, locality and seasonality. In the case of the Netherlands, locality is rediscovered through the manuring and landscaping practices within the dairy farms. In the case of Wales, the 'showing-off' of products for sale or at formal shows holds strong economic potential and reconstitutes the relationships between the producer, the product and the consumer. Good and best practises become exposed, transparent and celebrated. The consumer and the public are encouraged to 'see for themselves', to touch, feel, smell and taste the quality of the products.

There are different studies within rural sociology that are similar to the ones presented in this chapter. The first example is web-based marketing and selling of speciality cheeses, wines and bread for instance in Wales, Netherlands and Italy (Roep, 2000; Wiskerke, 2003). Old food is taken as a starting point and integrated in new institutions and technologies. The second example is the re-creation of retrospective knowledge and product development in the setting up of alternative food chains like the organic market (Miele, 2001). The third example is the development of almost forgotten butchery and slaughtering techniques in Italy (Ventura & Milone, 2000). The fourth example is the new emphasis upon soil webs within soil sciences. The composition of the soil and landscape is rediscovered as the dynamic result of co-production between man and nature. Soils are formed through the interplay between nature and cropping and manuring techniques (Sonneveld, 2004). The fifth example is the rediscovery and redefinition of almost forgotten specific breeds of cattle like the Cianina in Italy (Ventura, 2001) and the Marachine in France (Brives, 2003).

All these examples show that the innovations are developed in response to the dominant regime. Stakeholders gather around the problematisation of the present food regime and embrace old knowledge as a way forward. A key concept in this chapter therefore is the notion of retro-innovation. Retro-innovation is about developing knowledge and expertise that combines elements and practices from the past (from before modernisation) and the present and configures these elements for new and future purposes.

Retro-innovations draw links between old and new knowledge and expertise and their usage.

One could argue that innovations always use elements from previous experience. Nevertheless in these cases, the retro side of innovation gains increased weight because the local innovations that are developed use elements of the past out of discontent with the present regimes. As argued in the introduction, modernisation aims for a highly productive, efficient, export-oriented (and increasingly globalised and liberalised) agriculture that needs to be supported by farm enlargement, specialisation and intensification. Agricultural development is seen as something that progresses in one particular direction. The modernistic idea is that given certain conditions there is basically one optimal way of managing a farm. For those who retro-innovate these ideas are fundamentally flawed. Retro-innovation equates to pluralism and of participation by the people that want 'something else'.

Furthermore, retro-innovations are distinctive from those associated with the dominant modernisation project in that they do not simply rely upon a hard form of technological imperative based upon economies of scale. They are also distinctive from much of the new regional economics models of innovation (Lundvall, 2002; Allaire, 2003; Storper & Salais, 1997) in that they have to actively combine both geography and nature into economic behaviour in distinctive ways. Retro-innovation at the micro level 'hits back' by celebrating this distinctiveness and diversity both through the development of retro-innovative production and consumption practices.

Retro-innovation is, although often based upon local networks, not necessarily just about local embeddedness. It changes the global-local dialectic into new forms. For instance, it depends upon mobile consumers and producers who have global experiences, but who then wish to apply them locally. Furthermore new consumer–producers linkages occur, varying from internet-shops to local businesses where people from all over the region come to acquire foods.

Embracing the retro side of innovation involves a learning process for all the relevant actors. For instance, in the case of Vel and Vanla co-operatives and in the Graig Farm network, it is not only important for farmers to gain knowledge on the old techniques and measures and the way they work. Also, others learn on the back of these innovations: scientists how to do research on systems, nature organisations on how to co-operate with farmers in the restoration of old landscapes, and processors, retailers and consumers on how to process old types of meat. Furthermore, the learning process involves the way retro-innovations can be aligned in the social-material environment to which they are applied. This is most clearly seen in

the organic sector with the setting up of new advisory and certification bodies. It is less clear but no less vitally important in the non-organic sector. It is in this latter, undetermined sector, where, perhaps, the most important forms of retro-innovation could potentially begin to clearly confront and compete with the dominant modern sectors. It is therefore necessary to consider retro-innovation analytically separate in the non-organic sector. It is in this sector (a new retro-innovative conventional sector) where most of the new forms of innovation could have their greatest rural development impact; but it is also here where these new forms come under the strongest competition from the modern regime. Organic certification and labelling act to foster social, technical and spatial niches of innovation. It is not so easy to establish these 'buffers' or defences in the conventional production sector. So new expertise systems of research and development, as well as infrastructures are needed to enable producers to retro-innovate. In addition, the future actions and strategies of retailers will be a key. For instance, if retailers were to stock retro-innovative foods as opposed to the conventional and standard types, this could significantly increase the spread of such trends.

RETRO-INNOVATIONS AS A POTENTIAL START OF A NEW REGIME

SNM provides an adequate methodological framework to study the dynamics of local innovations and their potential impact on more macro-structures. The development and upscaling of innovations is centred at the side of the farmers and other actors at the local level. The local case studies in this chapter are all part of a niche that embraces the retro side of innovation and they have the potential to result in a significant change within the scientific and policy communities. All these retro-innovative practices are an integral part of a new niche that proposes an alternative for the dominant modern regime. Indeed, retro-innovations are embodied and materialised starting points of transition. They link up with the work of proponents of the rural development paradigm (Marsden, 2003) and multifunctional agriculture (Van der Ploeg, 2003). The rural development paradigm explicitly attempts to reintegrate agriculture into rural development, not as an 'old' agrarian sectoral and productivist concern, but as a new significant and social sustainability dynamic in rural development. This is not 'harking back' to some form of romantic agrarian fundamentalism, but rather places emphasis upon the significance of different forms of agriculture(s) in new forms of rural development. This is also significantly

different from the consumption-oriented notion of the 'post-productivist' countryside. Advocates of this model have tended, at least so far, to largely accept the continued residualisation of agriculture (caused by both agro-industrial rationalisations on the one hand, and the growing consumer orientation of rural space on the other). They do not propose solutions to its demise in the context of the relentless urban colonisation and consumerisation of the countryside in many parts of rural Europe.

In contrast, retro-innovators, as the advocates of the alternatives do not accept this passive role for agriculture in rural development. What once was marginal and invisible in farming practices, gains new value due to new social demands. As a consequence, farmers become key agents in rural development again because they actively develop long forgotten but highly relevant concepts and practices and their expertise is of high importance.

Of course, the significance of the post-productivist dynamic cannot be denied (Wilson, 2001) or, for that matter, there is an emergence of what has commonly been termed the rise of the 'consumption countryside' (Marsden, Murdoch, Lowe, Munton, & Flynn, 1993; Murdoch, Marsden, Lowe, & Ward, 2003). Indeed, the growth in demand of consumer trends enhances non-agriculturally based rural development. Moreover, the re-invention of 'tradition' is a fundamental element of this non-agriculturally based tourism. What distinguishes the new retro-innovative niche from the post-productivist dynamic is that it engenders a significant and paradigmatic re-orientation of agricultural based production and consumption relations and knowledge. These then have to contest and compete with the dominant agro-industrial and post-productivist dynamics, both in abstract and scientific terms; as well as more materially in and through different types of rural space.

A key analytical priority then becomes the need to examine the contingent ways in which the new niche starts to play itself out in rural space, and to assess the degree of co-existence, competition and resistance between the niche and the dominant food regime. As Andersson, Eklund, Granberg, and Marsden (2003) argue, this is at the present juncture an 'open question'. They suggest three scenarios: First, integration: whereby, the new niche becomes dominant in many areas and begins to marginalise the modern regime. Second, co-existence: where the competition between rural development, non-agricultural post-productivism and agro-industrialism variably continues in the context of EU food policy that encourages all dynamics. Third, cosmetics: whereby the new niche remains marginalised, but may be needed for political and ideological reasons in a context of the continuance of the modern regime.

CONCLUSIONS: THE ROLE OF SCIENTISTS IN REGIME CHANGE

All the innovations described in this chapter require expertise and knowledge that is developed and sustained. During the process of experimentation new productive arrangements between different experts are formed. Those combine and develop knowledge from different sources, whether it is scientific or layman's knowledge. This aspect of retro-innovation links up with participatory approaches in rural development projects. They argue that different sources of knowledge have an important role to play in bringing about sustainable innovations in agriculture (Jiggins & Röling, 2000; Hobart, 1993; Kolb, 1984). There are also examples within scientific projects where the explicit use of non-scientific knowledge is manifested (Callon, 1999; Rip, 2002).

One example that illustrates the relation between the discovery of old knowledge and scientific or paradigmatic change is the work of the Farmers Support Group (FSG) in KwaZuluNatal, South Africa. The FSG, established in 1990, is a development organisation at the University of Natal. FSG aims to develop new farming technologies and crops on the basis of knowledge of endogenous people, that has been hidden during apartheid. (Engel & Salomon, 2002). Therefore the Farmers Support Group trains local leaders in the communities that have special skills and expertise in endogenous farming technologies.

The Farmer Support Group also actively aligns itself with other institutions, universities and research centres in the area. These institutions already existed for a large part during apartheid. They increasingly realise that the regime shift towards equal participation also needs to expand itself to the farming communities. The large majority of farm income is still generated by white farmers and most of the research funding goes to the white farmers. This case is therefore an example of a regime change (the end of apartheid) that gives possibilities for niche development (endogenous farming) but needs wider alignment in the scientific-institutional context in order to be successful. Evidently the regime change has its effects on the dominant views and rules that have been built up within science for the last decades. These need to change as well, and this might be framed in terms of a paradigm shift.

At the present time, within the social sciences of rural development this paradigm shift might be taking place. There is a struggle to overcome a set of robust but increasingly out-dated scientific and statistical research practices that tend to hide rather than elaborate the processes of rural development. A major question behind the analyses here is therefore: if recent

rural social science is playing an important role in exposing the variable nature of the new rural development; how can this be conceptually and practically progressed?

The arguments here have focussed upon the need to assess retro-innovation as a significant, distinctive and potentially transforming feature of the new niche; a feature which could further make the 'integration' of the new niche possible (Andersson et al., 2003). In discovering retro-innovations, scientists are boundary workers between science and practice. Two tasks of scientists that are clear from the case studies are the (multi-disciplinary) examination and support of different types of old knowledge and expertise and their translations to retro-innovations. Furthermore a crucial responsibility is the identification of change agents and cooperation with them (Roep, van der Ploeg, & Wiskerke, 2003). In summary, scientists need to broaden and deepen their comparative understanding of the social potential and transformative nature of these kinds of innovations. This requires considerable creative analytical skill given the high levels of embeddedness (Eshuis et al., 2001) and the very spatiality of these new types of rural development (Renting, Marsden, & Banks, 2003).[16]

Furthermore attention is needed, not only to the distinctive internal structures and processes of these new alternatives, but also how they relate, compete and are compromised by the dominant food regimes; the wider and external agro-industrial and post-productivist dynamics. In this chapter, the methodology of SNM is offered to improve upon the understanding between niches and regimes. Higgins (2006, forthcoming) offers another methodology to understand the influence of lock-ins of the old regimes (framed as non-human agents) for farmer's agency.

Different concepts and issues need to be developed around retro-innovation. First, what needs to be studied is a particular re-ordering and competition for and of agrarian space. What is the space that the new niche needs (not only in terms of hectares, but also in terms of research and development)? Second, what is the character of protected spaces or niches in which new rural development alternatives can be created and sustained over time and space? Third, these spaces can then become active in helping to avoid – among some producers and processors – the 'lock-in' tendencies associated with the agro-industrial model, and the plethora of rules and regulations which now surround it. For instance, small supposedly 'inefficient' abattoirs, closed down under the logic of the agro-industrial model, can re-emerge once retro-innovations become embedded and spatialised. All of these aspects need further conceptual and empirical development; but what they constitute in an aggregate sense is a significant social process of

transformation of some agrarian spaces along the lines of a new food regime.

NOTES

1. In that sense the actor-oriented approach draws upon the work of Anthony Giddens on structuration (Giddens, 1984; Long & Van der Ploeg, 1994 ; Frouws, 1994).

2. In this article the agro-industrial model is part and parcel of the modern regime. The post-productivist model is clearly a reaction on the modern regime (see Wilson, 2001). Both the terms rural development model and rural development paradigm are introduced to propose alternatives to the dominant modern food regime.

3. The value of the first tradition is the contribution to the understanding of the structure and operations of new transnational corporations and the role of the state in globalisation (see for instance, Bonanno et al., 1994).

4. Although retro-innovations are not necessarily restricted to the domain of rural development or agricultural activities, this chapter concentrates on these types of retro-innovations.

5. Within case studies of regime change the focus often is on the introduction of technological hardware into the market and the needed organisational innovations (Geels, 2002; Weber et al., 1998). The authors of Weber et al. (1998) for instance use this definition of technology. In this chapter, the innovation applies not to the development of technological hardware (or artefacts) alone but to different subtasks and elements of the farming labour process within local food supply chains.

6. Actor Network Theory (ANT) is also often called "sociology of translation". ANT focuses on the process which claims to expertise either become black boxed (accepted as unproblematic) or rejected (Latour, 1987; Gendron, Cooper, & Townly, 2002). In these translation processes claims are constantly changed and adapted depending on the enrollment and alignment of actors who accept, reject or change it depending on their own interests.

7. Within the Netherlands environmental co-operatives have become established. They are regional co-operations of (most of the time) agricultural entrepreneurs that collectively aim to integrate environment, nature and landscape objectives into the farming practice from a regional perspective in a pro-active way.

8. Constraining from the perspective of getting a maximum production.

9. This last innovation, using the old ways of manure application, is one of the most controversial. Till now, it is obliged within the Netherlands to use slit injection of manure. Several court cases of farmers who refused to use slit injection of manure have occurred in 2003 (see Stuiver & Wiskerke, 2004).

10. The relation between a yield (for instance milk production) and one growth factor (for instance protein) is not a linear one. In practice, the whole set of growth factors determines the production process, being the limiting growth factor in this respect strategic (see de Wit, 1992).

11. The nutrient management project is not the only line of activity of the environmental co-operatives. Besides engaging in scientific research, the members engage in new schemes for nature and landscape management. The hedges and belts of

alder trees are restored in the area and the farmers maintain this valuable cultural landscape. In order to do so, they established relations with nature and environmental organisations, government bodies, tourist organisations and individual inhabitants of the area (Atsma, 2000).

12. This case study is based upon the work done by professor Terry Marsden.

13. Most of the counties of Powys have been classified by the EU as a Less Favoured Area, and from the year 2000 has also been designated an Objective 2 region (i.e. a region in receipt of some European regional funding for assisting economic and skills development). Agriculture contributes significantly to the economy of Powys, employing in 1998, some 9,902 people or 20% of the total Welsh agricultural labour force (Banks, 2000). Over 75% of these are farmers, partners, other family members or directors with the remainder comprising full-time hired and casual/seasonal workers.

14. This partnership has been so successful that (with economic prospects constantly worsening for conventional livestock farmers in the area) the number of farms that choose to convert to organic production and become members of the Graig Farm network has increased dramatically from 2 in 1990 through 20 in 1999 to over 180 in October 2001 (Banks, 2000).

15. This is completely different from the feelings of marginalisation, disempowerment, social and economic exclusion that have been the experience of large parts of the neighbouring and former predominantly coal mining community of the Welsh Valleys.

16. It is significant to recognise that innovations do not come about through (farmers or scientists) knowledge alone. Innovation requires highly contingent network building, learning, coalition building and negotiation on different levels of the regimes in order to arrive at new forms of co-ordinated action (Roep, van der Ploeg, & Wiskerke, 2003). Thus, retro-innovation is in many ways a political process, and it is in this context that knowledge plays a role. Indeed, knowledge and learning can contribute to coalition building, political claim-making and conflict management. But it is clearly only one of the ingredients for arriving at new social and technical arrangements.

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THE DYNAMICS OF LOCAL DEVELOPMENT: FROM HUNGER TO QUALITY FOOD CASES FROM NORTHEASTERN BRAZIL

Josefa Salete Barbosa Cavalcanti

ABSTRACT

The provision of food is a critical starting point from which to understand the articulations between production and consumption locales. In research carried in Northeastern Brazil, we have found that increasingly local spaces of production and distribution of food are under tight control by external (retailer) regulations. From the choosing of plots, to land uses, to labour contracting, to cultural, environmental and packing practices, there is much evidence that food quality is an issue under view. On the other, there are widely known concerns about food safety and food security, which, in the Brazilian case, is shown through Hunger Zero – a governmental project to alleviate poverty. In this chapter, I will argue for the relevance of exploring the dynamics of food by looking at local markets, agricultural and supermarkets units, government and labour strategies, as developed in the Northeastern region. Based on case studies and related literature, the argument is that the distribution of food around the world is very much a combination of transnational corporations actions

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and local development strategies; and without exploring the possible contradiction here, it would not be possible to understand how packing houses, state distribution units as well as agricultural and retailer distribution units would come into the local development agenda, contributing to the making of quality food to the world's consumers. Several case studies developed by our team of researchers will illuminate the analyses.

1. INTRODUCTION

Local places of production and distribution of 'quality' food is under tight control from external regulations. From the choice of plots to land use, labour contracting, cultural, environmental and packaging practices, there is empirical and theoretical evidence that food quality is controlled through a set of parameters defined by the North. Food production, distribution and consumption are under close supervision from public and private agencies.

In this chapter I will discuss the relevance of exploring the complex dynamics of food studies in contemporary society, looking at parts of new networks, local markets, agricultural units and government and labour strategies in the Northeastern region. Based on case studies and related literature (Arce & Marsden, 1993; Bonanno et al.,1994; Long, 1996; Goodman & Watts, 1997a, 1997b; Marsden, 1997; Marsden, Harrison, & Flynn, 1998; Warde, 1997; Douglas & Isherwood, 1996; Gereffi & Korzeniewicz, 1994; Busch, 2000; Buttel, 2001; Goodman, 2002, 2004); I will set forward the argument that the distribution of food around the world is very much a result of a combined effort between transnational corporations' interests and local development strategies. Without exploring the possible common points or contradictions implied, it would never have been possible to understand how farms, packing houses, state distribution units as well as agricultural and retailer distribution units would come into the local development agenda, thus contributing to the making of 'quality food' for the world's consumers. Several case studies developed by our research team will be highlighted.

1.1. The Local: A Learning Environment

In *Geography of Hunger*, Castro (2001) called attention to the hunger specter that seems to challenge the lives of all those living in the Northeast, mainly those in the dry zone, the *sertão* (hinterlands) of the Brazilian Northeast (MAP 1). In this book, published for the first time in 1946, the writer calls attention to the fact that poverty, rigorous weather and cultural differences

regarding food choices are among the causes of hunger. Drought and poverty are usually said to be factors that prevent the Northeast development. As it is clearly stated in PLANVASF – a plan to integrate parts of the territories of Petrolina and Juazeiro (in the San Francisco Valley) into the world fruit networks – an attempt to alleviate poverty and the effects of drought on local territories and population, became a strong argument of any planning or policy instrument for the region. After developments that contributed to irrigation of farms and agro-industrial enterprise units, part of these territories came to be used for exportation of fresh produce (Araújo, 1997). Interestingly enough, also in other dry zones of the Northeast, exportation came to be included in planning agendas for local development. The sustainable development agenda for the San Francisco Valley, as discussed by Marsden, Cavalcanti, and Ferreira (1996) is a case in point.

1.2. Methodology and Research Methods

The chapter follows an integrated research project developed for nearly a decade, focusing on developments in the San Francisco Valley's horticulture region (research sponsored by CNP_q). Secondary data come from several sources, including the Brazilian government and private association reports. Empirical evidence has been collected using qualitative methods and interviews with key informants: workers, farmers, managers of large enterprises, technicians, EMBRAPA researchers and VALEXPORT representatives. Interviews with technicians and other members of State planning and research institutions contributed to a more comprehensive understanding of the whole production process of 'quality food'.

By following the chain ethnographies of the hortifruit department of a supermarket, truck companies for transportation of fresh produce, changing patterns of consumption and local diets were conducted. Fieldwork from 1993 to 2004, offers evidence on how local companies, family farmers and workers are very much under the control of external bodies, with tough grades and standards imposed on production and consumption, from the farm to the table. This approach was useful in providing an understanding of social change in the region, revealing that globalization depends a great deal on local development strategies.

The chapter is divided into four themes: the first discusses issues on production and consumption of fresh produce; the second, points to the organization of production, focusing on organizational strategies of producers and workers to attend to the standardization of food the third, focuses on organization of production and labour control pointing to facets

of work and expertise involved in the art of opening the ways to the flows of commodities and symbols around the world and the fourth is an attempt to relate local experiences and globalization, exploring relationships and exchanges among local experiences. The study concludes by identifying the various aspects and contradictions that arise in the field of relationships among actors and spaces and by taking into consideration parts of the newly emerging networks.

2. PRODUCTION AND CONSUMPTION OF FRESH PRODUCE

The transformation of agricultural practices have encouraged increasing levels of competition among those who participate in global circuits, easily observed in places of fruit distribution and in ports such as Rotterdam. Products from several parts of the world like mangoes are brought in from different continents, competing against each other in the markets. To succeed in this field of competition, a large amount of resources to be invested is needed, because as it is recognized that success in the markets is costly. According to Dunning and Hamdani (1997, p. 17): *markets are not a free good*; *they cost resources to set up*, *to operate and to maintain.* Some regions of the world were only able to integrate global market networks through state investments. Under this circumstance, one must understand that the role of the nation-state, even if a weaker structure (Bonanno et al., 1994), must be reconsidered. It is decisive in the establishment of new production regions and in the mediation of unfolding fields of dispute for fairness and justice.

The San Francisco Valley region became known by the specificity of its commodities (Storper & Salais, 1997, p. 29). It is clearly an example of a 'quality-led' region. Its land was first irrigated in the 1970s, being used for mass production and linked to contracted farms for onion and tomatoes. But by 1987, after failures and bankruptcies, production was shifted towards quality mangoes and grapes.

> The mangoes we export are about 40% of the total we produce. The grapes we export are about 40% of the total we produce. Of the total produced we export 20% in general volume. We know there are companies that export almost their total production. 98% of grapes and 92% of mangoes Brazil exports come from this region. Last year, 2003, we exported 124.000 tons of mangoes and 37.000 tons of grapes. (Producer)

Nowadays, this firm is developing new types of quality production, including organic fruits, vegetables and winemaking. There, the production of 'quality' fruits for export brought back other issues that were part of the

aims of the original project for the region: these included rural development income and employment based on the expansive market for grapes and mangoes, cheap labour and climatic comparative advantages of the region. The novelties of products and markets in which those commodities circulate have been used to enhance the role, relevance and meaning of quality standards. As an EMBRAPA technician commented, these standards are now required by external consumers, which at the local level, are translated into measures to evaluate the success of producers and labourers.

> The employees' health is demanded by HACCP, but just to protect the food and not the employees themselves. In Europe, for instance, in European norms, they worry about the environment, they worry about the employee under a social point-of-view as well as economic, and safety; not only safety regarding accidents, but safety also regarding wages, quality of life and conditions offered for the employees. So the European norm is more demanding in that sense. The American norm is a bit negligent with the social and environmental aspects. This is an interesting difference between HACCP and EUREP-GAP."

Although it may be said that many actors are involved in the tasks of producing and distributing commodities, there are some distinctions and divisions of labour among them, as to the degree in which they engage in the business. Therefore, while some actors – producers, workers – are more concerned about production strategies, others, including national governments and exporters, are involved in regulation and the practical aspects of trade: packing, packaging, wrappings, size, weight, as much as with the conditions of conservation and cooling and long-distance transportation of fresh products. For instance, when Petrolina Airport was remodelled and facilities were expanded, local state and national government financed the development of requirements of the markets for fruit export. The adverts on the inauguration flights of grapes to Europe were significant. Still, when commenting on the poor percentage of Brazilian fruits in the external markets compared to the country's agricultural potential, developers and exporters are still calling for more state assistance to enhance their competitiveness.

2.1. Quality Food: Production and Consumption

Given the growing array of fresh products in global market places, recent literature is changing the focus of academic interest from production to consumption. However, the relationship between production and consumption must continue in the research agenda (Goodman, 2002). Certainly, the demarcation of markets and definition of goods are derived from a field of

power, which operates in both in the spaces of production and consumption. Inequalities in these spaces interfere with the access to goods and citizenship. There is evidence that quality food develops along side persistent inequalities. Equally, given that there has been even more consumer awareness about the diversification and domestication of 'exotic' fruits and vegetables Friedland (1994), there have been growing concerns about health issues and risks involved. This contributes to increasing specifications and variety in shopping lists, which as Friedland (1997, p. 226) noted: 'requires the constant application of science and technology to the limits imposed by nature and space'.

Warde (1997) has explored several dimensions that pervade the production and circulation of goods, both in their practical and symbolic aspects – indicators of wealth and sources of exploitation. *In providing subsistence and in drawing the lines of social relationships* (Douglas & Isherwood, 1996, p. 39; Warde, 1997), food is a central subject of study in understanding these relationships in their twofold role. 'Quality products' are made, somehow, with much value added. The embodied values and the meanings which make it a 'thing' (Appadurai, 1999) make it therefore, not so 'neutral'. They bring together information on localities, territories and labour. As it is argued here, that implied in the making and consumption of these 'things', are the ways in which some people are brought in or expelled from the social circuits of the market and worlds of production.

Elsewhere, with colleagues (Cavalcanti, 1997; Marsden & Cavalcanti, 2001; Cavalcanti, Mota, & Silva, 2002), I have demonstrated that the 'quality' of commodities is evaluated together with other qualities such as those of labour and the environment. Men and women may experience the impacts of globalization in their lives in different ways. Facets of the gender division of labour are significant in the cases here examined (Mota, 2005). As one of the outcomes in a gender division of labour (Cavalcanti, 2004), women become the majority of the hired labour in fruiticulture, thus contributing to a certain feminization of it. As in the case of grapes in the San Francisco Valley's fruit-producing region, differing amounts of labour is required in the pre- and post-harvest times of trimming and packing. Given the conditions of employment in the region, as Branco (2000) stated, this division of labour contributes to women's empowerment. Quality standards intervene as well with management strategies and other labor processes, as observed in several Latin American agricultural regions of luxury goods (Cavalcanti, 1997; Bendini & Bonacorsi, 1998; Lara, 1998). Gender issues also play a role in the characterization of local production, as implied in the agenda of social movements around the world (Barrientos, Dolan, &

Tallontire, 2001). Under these circumstances, local and national levels of resistance to forms of labour control, and feminist and ethical trade activist movements in the West are now not only contributing to add value to commodities but also incorporate better uses and rewards for female labour in the South.

San Francisco Valley producers now recognize the effects of these social movements on the selling of quality mangoes and grapes, by advertising their firm as an equal opportunity institution, and stating their preference for female workers. Large farms bought by foreigners include adverts demonstrating their preference in employing female employees on a 50/50 basis. The prospect is for the continuation of a more proactive gender approach. This happens in the parallel context of attempts to cut labour costs in general through introducing new varieties in productions that are said to require less female labour.

2.2. Regarding Instances of Quality Control

According to the director of an agri-industry, computer and virtual programs are clearly introduced as tools and instruments of control in agricultural practices. They constitute ways of controlling jobs and to settle disputes about quality and contents of commodities. This is, however, causing dissatisfaction amongst workers and producers, as well as some displacement of the elderly and illiterate workers and their replacement by youngsters with university or secondary education.

Youngsters with secondary education and computing skills have the opportunity to enter fruit producing, replacing elder employees. Although the latter are competent in driving tractors, for example, they have insufficient educational training to attend to new requirements for traceability of products, as well, as registering all the practices performed in the grape field. Workers are also closely watched, numbered and ranked in order to allow the tracing of their participation in the making of a commodity. It is interesting to observe that this registering of workers clearly shows a paradox since there is clear evidence of the worker's short permanence in the job and instability in their contracts. Workers in fruiticulture often fluctuate and migrate through agricultural units and productive regions. That is how part of the fruit-producing culture and labour from the San Francisco Valley arrived at the Açu Valley, in the northern state of Rio Grande do Norte.

Producers, in general, have precise ideas of standards and goods demanded by the markets at different times. Therefore, they organize farm activities according to market requirements, although complaining of the

control imposed by private regulations on their daily practices. Management strategies and decision-making processes are 'quality' led, as are deployments of technology, labour and assessment of performance of particular workers. In the San Francisco Valley, the frequent comments on 'quality' or 'poor quality' refers to the accomplishment of workers, producers and exporters, together with an evaluation of the 'quality' of products that have actually been produced. This type of evaluation implies measurements according to standards and conventions. Tanaka and Busch (2003, p. 27) refer to similar processes in the case of Rapeseed in China.

External control on local production is introduced very early in the calendar for making commodities for export. Certification is clearly demanded from the outside. While Brazil is trying to add details to instruments and quality parameters, the national Safe Food Program only establishes weak connections with the Hazard Analysis and Critical Control Points (HACCP) – from the fields to the consumers' tables – revealing a distinction between the external and internal markets regarding quality standards.

According to information received in the field, courses and controls like those from HACCP are taking place because there is prospect for an increase in exports and a need to label changes in production to reduce the increasing threats of food contamination. In the words of a technician:

> USDA, FDA ... they know they will import food, in the future everyone will import a lot of food from Brazil, so they need to make sure that these foods that they are importing will not contaminate them, and now they have a more serious problem; this fear of terrorist attacks. And food can be a great vehicle for contamination, so they're afraid. They made new anti-bioterrorism laws, including imported food such as fruits.

Nowadays an exporter needs to have two types of records: one in the home country and another one in the USA. There are fears of terrorism interfering with the export agenda. A sequence of demands have to be met when a container leaves Brazil with fruits – 15 days before the container leaves. A communication has to be sent to the USA regarding the source of delivery. On the words of an exporter, 'after September 11, exportation for us got much worse'.

National research institutions start to play a decisive role in the disclosure of information and training of producers and employees. For example, discussing the impact of those requirements on their activities, a technician comments:

> The course for us down here, the course they offered, they paid for all the speakers expenses. They financed the whole course, paid for everything, including the reviews. We didn't spend anything on it. But when we multiplied the information we spent money, but these resources were obtained through many sources; our programmes, national

> programmes such as the organizations SENAI, SENAR and SEBRAE. The S's are financing this multiplication. All areas and state governments through state secretaries…the federal government through the Agriculture Department financing the PIF … ANVISA (National Agency of Sanitary Vigilance) and the Environment Department also take part in this.

Power and expertise develop along with disputes 'on quality'. There is a consortium of public and private institutions working for the production and distribution of 'quality' commodities. The Brazilian Agricultural Research Corporation – EMBRAPA – is engaged in research and the development of new products to meet distant consumer's expectations and retailers requirements. By monitoring Integrated Fruit Production (PIF), EMBRAPA is trying to develop an authorized type of certification as an alternative for the local smaller producers, and to compete with other certification bodies in the market. However, this is not an easy achievement considering the diverse demands from buyers and retailers. The classification of grapes, for instance, varies according to the markets to which they are sent. If they are shipped to some northern countries, they must not have any stains or traces of chemicals, whereas, to other countries, other standards and codes apply. Grading the grapes is also a way to grade markets and consumers as well.

Producers usually say that retailers are playing a key role in the monitoring of fruit quality at the expense of local producers. This is visible both in the fields and in the major retail-distributing centre in the city of Recife. In the fields, there is a strong feeling that each worker is closely 'watched', as is the producer. Agro-industry managers explain this as changing the work agenda as well as the workers' evaluation instruments, vis à vis the local patterns of production.

As for local consumers, even in the metropolitan area of Recife (3 million inhabitants), one of the directors of the local branch of a transnational corporation, stated that the staff follows CODEX ALIMENTARIUS as the international arbiter for food quality. The head of the food sector of the studied supermarket observed that they follow what CODEX states, and as a result, they carefully select their suppliers and personally inspect trucks and products that arrive at their gates. The Brazilian Association of Technical Norms (ABNT) has incorporated a large number of new food standards. More than 80% of the new norms concerning food were implemented in the late 1990s. They show how this standardization has become a matter of national concern, although these standards are unevenly applied to local sales. However, the competitive fight for quality food is beginning to influence national Brazilian codes and standards.

3. ORGANIZATIONAL STRATEGIES FOR EXPORT

3.1. Associations

To respond to the global quality definitions and market competition, producers of the San Francisco Valley have organized themselves into associations. VALEXPORT, the association of the San Francisco Valley Producers and Exporters, is a case in point. It works with several chambers that are mostly linked to issues related to grades and standards for export, such as SICVALE (Integrated Commercialization System of the Valley), GVV (Valley Wine Group), PIF, Fruit Fly Monitoring, Seedless Grape, LASP (Laboratory of Soils and Plants) and USDA (Exportation of Mangoes to the USA). To exemplify how those chambers work, in May 2004, those participating in the Fruit Fly monitoring Chamber were invited to attend a course on Sanitary Certification of Origin. They were also reminded that they *have to register their fruit fields*, *without which they would be prevented to export to the USA*.

The San Francisco Valley label came to be used by the producers of the San Francisco Valley so as to assert their presence and enhance their position in the global market. Membership in national organizations such as the Brazilian Fruit Institute (IBRAF) is another attempt to promote their products and region; one of the representatives of VALEXPORT was elected the president of IBRAF. The region was featured in a special issue of Fruit World (1999), an International Journal and in TRADE – Latin American (2002). These journals explored facets of the San Francisco Valley development by showing how fruits and vegetables are becoming major components of the Brazilian economy. According to FAO (2004), Brazil is now the third largest world producer of fresh fruits. As a result, producers have to adapt their packing houses and the fields to new regulations. VALEXPORT (2004) included a note on their homepage about the workers' protocols for 2004, referring to local conventions that are sensitive to labour issues. This constitutes an example of local concerns about labour rights. Apart from trying hard to be competitive in improving fruit's colour, flavour and presentation, Valley producers have also learned to advance or retard the fruit maturation phase according to market times and windows. This is a great advantage for the region. They are trying hard to follow specifications on production and labour control imposed through European Retailers Programme and Good Agricultural Practices (EUREPGAP), United States Department of Agriculture (USDA) and others (Van Der Grijp, Marsden, & Cavalcanti, 2005).

Talking on the impact of these demands on the region, a VALEXPORT representative exposes his worries for the next few years:

> Europe buys 90% of our grapes and 60% of our mangoes, and in order to continue sending our products to these markets, we have to attend to at least two demands, which is to be in an Integrated Fruit Production Programme, besides EUREPGAP.
>
> We began having some problems regarding mango exports in 2001. Besides having had all that energy rationing problem that substantially compromised the quality of our products, we also had market problems, which was a lengthening of the Mexican mango harvest – and Mexico is our biggest competitor.

In continuing to speak about Mexico's advantages, owing to its proximity to USA, he argued: "In Mexico, they are so close that they don't have the cost of marine shipment that we do. They are so close to the USA that they can have the product in there in 48 hours. It's all sent through highways, and they have many more than we do. They have 60 packing processing mangoes for the American market, so we can only enter that market when Mexico comes out. They generally come out in August, but this year their harvest was longer."

VALEXPORT membership is made up of independent producers whose farm size varies from 200 to 300 acres and cooperatives. There is another association, APROVALE, for those producers with plots from 5 to 40 acres. Other producers having one to three acres of mango, deal individually with the regional market.[1] To enhance competitiveness, there are other associative experiences in bringing together groups of producers that individually would not reach more rewarding markets. CAJ – the Juazeiro Farmers Cooperative – is a case in point (Pires, 2004).

The *Cooperativa Agrícola Juazeiro da Bahia* (CAJ) is specialized in the commercialization of *fresh* fruits and is established in the town of Juazeiro, in the state of Bahia, in the San Francisco Valley. Funded in 1994, the local community considers it the biggest and best-structured association of agricultural producers in the San Francisco Valley. It has 68 associates, most of them being Japanese descendants. Their main products are grapes, mangoes and custard apples, totaling a sale (according to numbers from 2002) of 3,425,000 boxes, aimed for the internal and external markets. CAJ's insertion in the market has brought to the region regular production inspection and control by demanding more international buyers.[2]

Producers and large enterprises are taking great care by introducing themselves as users of friendly environmental practices, as well as being sensitive to gender and social accountability. As one of our informants stated:

> 'good environmental practice and less and less use of pesticides are all practices that make it possible for the fruit to arrive in the markets together with records of all the processing involved'. Also, according to the informant, there are concerns about labor practices: 'For example, they want to know hiring conditions, food safety rights and in general that the Brazilian labor legislation is being obeyed.'

According to the same informant, retailers, especially the British ones, are requiring the adoption of these protocols from 2004.

In spite of all the barriers built by those standards, producers envisage participation in global markets as their future and are developing strategies to improve their level of competitiveness. VALEXPORT and cooperatives have promoted several occasions for talks and debates on 'how to be competitive in the external markets'. They have also organized visits to other producing and retailing regions in the United States and Europe. Together or individually, producers, directors of firms and senior *technicians have tried to improve their level of knowledge on export and consumption by visiting clients and stores*, *warehouses and supermarkets.* These are some examples of producers responding to the standardization imposed, in their words, *to reach and maintain quality is a daily struggle.* As a cooperative representative stated, in striving for quality grapes this cooperative is also trying to develop 'trustful relations'.

To continually assert themselves along the supply chain (Gereffi & Korzeniecz, 1994), sellers and buyers travel in opposite directions to inspect spaces of production and consumption. By doing so, they are, somehow, able to follow the path of products around the world. Producers or their representatives, head towards importing regions to evaluate their positions vis-à-vis other sellers and to meet clients to access levels of satisfaction regarding their products. Retailers, on the other hand, go to production sites to know more about external demands, to evaluate production conditions and to give feedback as to the changing 'quality' of products they expect to have in their markets or shops. The monitoring of marketing, production and consumption practices is part of the international flow. High-ranking professionals travel around the world along with high-value commodities in the name of 'quality'. Some of them may visit Valley producers.

3.2. On Retailers and Local Audits

New products arrive at supermarket national *gondolas*, multiplying product choices and creating choices for more affluent customers.

Aiming at attracting new clients, supermarkets (Wilkinson, 2002) try to discover and create commodities that will give them the possibility of

increasing their profits, conquering markets and restricting competitors. An aspect of this is visible in an established but conflicting manner. For instance, in the city of Recife, two of the major retailers in the world are asking clients to allegedly compare their prices. To attract the clients, perhaps, there is always a special space in the supermarkets for novelties: from the intrinsic components of the commodities, to other parameters such as those of class, religion, gender and lifestyle, shown on labels and wrappings. Thus, one might convey that through those commodities, retailers are building the ground for a more cosmopolitan and inclusive world, if one can manage to pay for them. If not, new fences of exclusion continue to be built.

If we look at the other parts in the supply chain, we may be surprised by the way in which standards and codes are negotiated.[3]

A retailer that is part of a worldwide network and that has been well established in Recife for a few years was selected for an analysis in order to study what is globalized in the segment. In other words, how local and global emerge from these daily experiences?

Silva (2002) demonstrates that the reception of products occurs in a specific area of the store, where analysis is undertaken that considers quality and quantity. The first evaluation carried out in the *Distribution Center* is detailed and requires the use of special equipment that verifies even sugar content. Such evaluation is performed by an agricultural technician. However, in some cases it is done by older employees with experience in the sector, or by a third party. When the cargo is accepted, it is unloaded in the climate-controlled internal area and then taken to the shelves; some are previously packed.

Employees frequently circulate among the goods; taking care of cleaning and the image of products in *gondolas*. By cleaning of the installations, the vegetables exposed are under the constant care of employees. They are in charge of collecting damaged goods and monitoring the freshness of the fruit and vegetables on the shelves. There was a programme called *The 5S Total Quality Program* to keep employees under control. That has recently changed. Now there are attempts to develop WAL-MART identity. Every morning employees are called to perform exercises, during which the name of the group they work in is constantly repeated. However, disrespecting labour laws, the group uses the so-called *hour bank*, which consists of registering all the extra hours put in by the employee and converting them in days off, not requiring payment or increase in salaries, as well as control of time used for resting or using restrooms. The new group in control, seems to be less sensitive to workers well being.

3.2.1. Transportation of Fresh Produce

Our research along the quality network incorporated the transportation sector. Retailers transfer the task of transporting perishable products to others. These must keep the same quality of the original good upon delivery. Once this conservation of food depends on the temperature of the truck, drivers have the final responsibility for maintaining quality, Dias (2003) analyses in detail the day-to-day of a transport company that usually carries fresh produce from production sites to supermarkets. He collected evidence of the precarious work relations that prevail in this field. Trucks and drivers are monitored 24 h a day, in order to guarantee consistency in the quality of products, deadlines and the certainty that the products do not lose the quality demanded to enter distribution centers of large retailers. Managers of these services share the same common tensions of agro-food globalization chains. They are alerted to their responsibility in the process of taking a quality product to consumers. They must register the duration of production and transportation of food to the *gondolas* with the retail managers who are also accountable for marketing. As Lien (1997, p. 11) states, marketing constitutes an empirical arena of interaction between local and global. Drivers share, somehow the anguish of meeting the time and priorities in the process of ensuring the 'PES' – *the first to enter must be the first to leave.* They develop strategies and practices that ensure a quick flow of goods; they are controlled, evaluated and judged according to ability, efficiency and speed that promote produce flow.

3.2.2. CEASA – CEASA/PE – Pernambuco Supply Centre S/A

In 1987, the federal Government passed *CEASA*'s shareholder control to the government of Pernambuco and from September 1988, it authorized this Supply centre incorporation by *CAGEPE-Companhia de Armazéns Gerais do Estado de Pernambuco*. In June 1996, the consolidating process led to the change of its corporate name to *CEAGEPE-Companhia de Abastecimento e de Armazéns Gerais do Estado de Pernambuco.* The number of changes in the name of that distribution centre reveals uncertainty about the role it should be playing in combining food security and quality aspects.[4] However, those producers, wholesalers and retailers have not been able to follow the new consumer tendencies that search for quality and differentiation of products. Thus, despite improvements with the advent of CEASA, they stagnated and became outdated.[5]

Work permissions distinguish those who display and sell commodities in CEASA. Special concessions are made for large retailers, such as the freedom to enter the premises on Sundays or at night, after the supply centre

gate is already closed, in order to organize trucks, so that they arrive on the schedule established by the supermarkets. For those who are selling their products only for small outlets, this condition is totally forbidden. The way the two categories of retailers treat the products are unusual; from the moment they arrive in CEASA premises to the way they are conserved and transported to redistribution centres.[6]

3.2.3. A Virtual Experience

In pace with competition among those participating in food distribution, supermarkets are developing new strategies to bring new and dedicated consumers to their establishments: from 24 h shopping, to Internet services.

Entering an online supermarket is as interesting an experience as entering a real shop. On the first page, prospective buyers have to register themselves. In order to access the page they need a password. If they are not yet registered, they have to type in their zip code, to see if the service applies to the region, class (by income) and levels of education. After the identification, the client may enter the shopping area. The list of commodities displayed is very unusual, since one cannot see the real product; clients, sellers and commodities are not meeting each other. However, there is a shopping list displayed according to the retailer's segmentation of consumers. There are also other options according to seasonal feasts; small families; babies; workaholics, vegetarians and so on. Based on this, there has been a certain surveillance of consumers. Internet adverts are also part of the strategies developed by organic farmers who are trying to find clientele for their commodities.

The short stories linked to the cases studied here, represent points, spaces and times in which global consumers and local producers enter the complex food network. Each one participates under certain conditions and comes in with different amounts of knowledge and expertise to compete on a daily field of food globalization.

4. ORGANIZATION OF PRODUCTION AND LABOUR CONTROL

As standards and private regulations control production and commodities in each of its phases, the prospects are for more and more external interventions in the daily lives of the local parts of food chains, the uses of the environment and in new ways to exploit the workers, as well as, in the culture and livelihood of the regional population.

In the San Francisco Valley for instance, workers talk about: (1) the *EUREPGAP* protocols as influential instruments in the changes taking place in the fields. (2) Also they are observed by retail representatives who want to see for themselves if the safety patterns are being implemented, the amount of chemicals used, social safety and labour rights attended. Several professionals, as we established, participate along a chain, bringing together wageworkers, family farmers, large producers and enterprises, transport company agencies and food safety agents.

4.1. Daily Working Strategies

In attempting to understand what is happening in these spaces, it is useful to look at ways in which the workload of those actors involved is organized around the clock.

At four o'clock in the morning, small farmers in the San Francisco Valley are preparing to go to the fields; workers must be up to take the truck that will take them to the fields. At five, those working on a Public Distribution Centre may be finishing their daily activities. At 6:30 a.m., a manager of a corporate retailer in the city of Recife is having breakfast to start his shift that may be finished by midnight. In the truck companies, work starts late at night for the following day. They may be waiting for a supermarket order for the early morning delivery. They will also be monitoring the trucks, drivers and the loads to be sure that they are following the procedures. Cooperatives are analysing market prices, competitors and external requirements for their commodities. Working 24 h a day, those participants in the globalization of food have in common the fact that their work is observed all day by others, based on codes, standards and conventions (Busch, 2000). They might not be aware of this, but they are all part of a supply chain, along which several responsibilities must be shared. Meanwhile, consumers may be traveling along the chain to choose, if they can, what they find more appropriate for their needs, concerns, lifestyles (Featherstone, 1995) and ethnic demands (Douglas & Isherwood, 1996). Finally, there is still another way to connect people to meet their demand for food. Internet services enable virtual shopping, from which consumers may have the opportunity to buy and retailers, on the other hand, will have the opportunity to sell and eventually trace consumers' demand and performance.

The rapid circulation of images and dissemination of risks, worries about eating disorders and information on 'not politically correct' practices about food contribute to develop public concerns about the origin and contents of food and food practices (Pires, 2003). The daily life on farms and retail

centers are organized to guarantee that consumers may have the quality they are looking for. Retail strategies to certify products are clearly defining levels and boundaries of freedom and power that actors participating in the activities hold. Consumers have a number of priorities and choices available, according to distinctions and identity aspects that make them citizens in the globalized world (Bauman, 2001).

Every worker in the fields now knows a great deal about responsibility in the fulfillment of consumer's expectations. Enterprises, and small and large farmers are aware of the fact that they are to be blamed in cases of 'quality' failure. This type of control on production and distribution was re-enforced after September 11th, as one export firm's representative states:

> We also had the September 11 problem, which with all the panic that the North American population was put under, people stopped consuming perishable produce and began consuming non-perishable produce and water, and started stocking up water and all that. We had a substantial decrease in the consumption of mango and other fruits.

When commenting on these new certifications and forms of control, the technicians alerted to the fact that Brazil has been developing the Integrated Fruit Producing Programme (PIF) as well as having to follow the codes and standards from abroad.

> In 2001, the region's integrated mango and grape production was already under development. In the opening of the course, PIF's coordinator made a presentation to show that work. Since then, EMBRAPA also did the same in 2002. We took part in a group of EMBRAPA researchers that developed good practices for some cultures. Mangoes, tomatoes and grains such as soy, corn and others. We performed this service on FAO's request, based on what we learned in this first course. Recently we have been taking part in a programme that is a partnership between EMBRAPA, SENAI, SENAR and all the other S' – Safe Food Programme. These safe food program participants are writing and preparing all the bibliographic material from the HACCP in previously non-existent areas.

> The HACCP always refers to the manipulation and transformation of food… We prepared a team here in EMBRAPA and are preparing courses to form HACCP multipliers in the field, so that they can offer HACCP training in their regions and implement HACCP in fruit culture. As I said before, HACCP originated in the USA because the astronauts' food could not have any contamination. It had to be in a sterile environment. So they used the production norms for astronaut food and introduced geriatric and baby food, subsequently extending to all the procedures of industrialized food.

It is interesting to observe how these controls are, little by little, introduced in the fields:

> Three or four years ago we started working with these things in the farm. You see it in the farms and in the packing houses they all have a neat and clean area, clean and tidy bathrooms with remote control sensors so that people avoid touching the taps, they all

> have toilet paper, sinks to wash our hands, and over the sinks there is antiseptic soap, alcohol and gel so that after washing the person can disinfect. (…) This in the big ones, especially those who export, because the small ones don't invest on this because Brazil still doesn't demand it. But starting last year supermarket chains came to us, interested in taking this knowledge to their suppliers, since they are starting to demand these precautions with cleaning and hygiene from them.
>
> To tell you the truth, nowadays Brazil has at least the functional structure so that a citizen can press charges if he feels harmed by a supplier. So if someone eats some food, a fruit from a supermarket, and is able to prove that he got salmonellosis or any other disease due to that fruit, then the supermarket is going to be sued. And the supermarket will then want to pass it forward.

Because of their position in the food system, retailers and associated corporations are among the powerful parts in the global agro-food system. Producers and workers in the San Francisco Valley are becoming experts in explaining the routine they have to follow to attend to FDA or USDA (United States Department of Agriculture), JIFSAN (Japanese Instrument for quality control), and EUREPGAP's (European Retailers Programme and Good Agricultural Practices) codes. They are also aware that their activities are risky. 'Exporting is risky; not exporting is also risky. Therefore, I believe we will be better off exporting to those who pay better prices', said an export entrepreneur.

Family farmers find it difficult to adjust to such external demands. One of our informants, a 41-year-old man, explains:

> All their production goes to the internal market. Usually to northeastern capitals such as Salvador, Recife, Maceió or it can go to Rio de Janeiro or São Paulo. If the market in Rio and São Paulo is empty, the buyers pay more for the produce we send there. When the market is full, we sell to closer areas.

Today there are many exportation restrictions: 'Grapes are exported. They have two windows in the market: one in April and May and another in October and November, so grapes are concentrated in four months per year…mangoes spread more, being exported the whole year. So structures begin to close as they predict difficulties.'

In relation to the conditions for exporting, our informant says that the cooperatives are restricting the entrance of new partners due to external demands in the market's present conditions. He stated:

> Nowadays they are restricting the entrance. CAJ itself is closing up. They say they don't want to admit to anyone else, that maybe next year they will open more vacancies, and so they become more selective. They ask 'what have you got? Have you got a packing house? Have you got EUREPGAP? Have you got any certificates? If you do, we'll enter' and so on…which means 'you have the profile we want'. It was easier in the past – when they wanted to, they could enter. Now it's different.'

Thus, the demanded certifications started to interfere in the running and participation of producers' associations, which became more selective concerning membership. These local stories play a part in the stories of globalization.

5. REGARDING LOCAL EXPERIENCES AND GLOBALIZATION

The literature on globalization has brought some interesting findings about the new features of global/local relationships. Not surprisingly, empirical studies have shown that globalization, or at least the social conditions of globalization, are based on specific territories under certain conditions: such as technical control of labour, territories and productive activities on the whole (Sassen, 2003).

There is clear evidence that more recent approaches to local development and pressure to integrate local production in the networks of food have implied a revised role for the State. State investments along with technological and organizational innovations have promoted once remote regions of the world to play a key role in building a platform for quality food for export. This is the case of fruit production (Cavalcanti, 1996, 1999b; Marsden et al., 1996; Raynolds, 1994, 1997).

As it becomes evident in the findings of our research, the globalization of consumption has also strongly impacted upon the modernization of local and regional spaces of production, contributing to this diversity and differentiation.

The development of fruticulture in the Valley brought together, in the same region, migrants of different origins: Italian, Spanish and Japanese descendants, as well as northeasterners from different parts of the region (Cavalcanti, 1999a). Regarding the Japanese, for instance, some descend from the first generation that arrived in Brazil in the 1920s to work in coffee production in the state of São Paulo.

One of our informants, a 72-year-old man, recalls that his parents arrived in Brazil in 1927, through what he called the first project of a migration programme supported by the Brazilian government. This project paid for the migrants' fares, since at that time Japan was undergoing a financial crisis. Those who came to São Paulo worked in coffee farms. Then they had some experience with silkworm's culture, subsequently moving to the state of Paraná in the south of Brazil. Finally, some of their descendants arrived in the San Francisco Valley, beginning the culture of grapes. The second

migration project was supported by the Japanese government, which paid for migrants' a one-way ticket. Arriving in the San Francisco Valley in the mid 1970s, most of the two hundred families that formed the *Cooperativa Agrícola de Juazeiro* – CAJ, were initially dedicated to grape producing and later, mangoes.

According to our informant, a Japanese descendant,

> 'The Japanese enters local culture, but not like the German, who mingles less'. 'Japanese culture is very different from other nations. For instance, unlike the Japanese who left the country with old passports, when my father arrived 90 years ago, writings said 'be a good son of the place where you are, get used to local customs'.

Also government funded, research technological innovation and development strategies have strongly contributed to the formation of those networks. The semi-arid research Centre of EMBRAPA, and CODEVASF – the Corporation for the development of the San Francisco Valley – both state institutions, are among the major players in bringing innovation and introducing new technological changes in the fruit production. Those changes, however important, are not the major elements of local transformation. The social (local, regional) structure also plays a significant role in shaping how external demands affect local development.

Recent changes in fruticulture, as commented early in the chapter, are occurring due to direct control of buying countries over local production. Buyers, through their representatives and technicians, are performing frequent visits to the region and its institutions. As it was observed in 2004, there was a group of technicians visiting EMBRAPA's regional Office. As their presence was questioned, it became known that a team was coming to evaluate a course that was offered in 2001. The course, *HACCP – HACCP*, according to one of our informants, was offered because:

> In a mango shipment sent to the USA, there was the suspicion that the mangoes were contaminated by Salmonella. There were some cases of salmonella in some American cities, and since they perform traceability, they came to the ship. The ship that had taken those mangoes suspicious of carrying salmonellosis came from Brazil. They thought these mangoes could have come from a local farm, so some verification projects were carried out and no contamination was found in Brazilian mangoes. But still, the FDA, (…) and EMBRAPA did a partnership and the first course was given…I was one of the students in that course. There were two EMBRAPA researchers, one researcher from Uruguay, two people from Argentina and the rest were from all over Brazil, from various Brazilian states, from various fruit cultures such as melons, papayas, bananas…other people that worked with other products for exportation and some employees from the Ministry of Agriculture, ANVISA and other Ministries.

This way of trying to answer to market demands is causing uneasiness among producers and workers elsewhere. On the one hand, in order to accomplish the GAP, Good Agricultural Practices requirements, producers in the Argentinean Alto Valley have complained about Brazilian safety standards for their produce. On the other, in the San Francisco Valley, producers blame European or US consumers for their strict rules on their commodities. As a representative of the Rural Workers Syndicate in Petrolina explained, workers may experience harder control and increase in their workload, and uncertainty regarding their permanence in the job.

'We are hired to work per hour, there is no specific duty specified in the contract, but the patronal here always sets goals for everybody to work on. That is the daily routine here in the valley. There is also a matter of temporary work for Petrolina when grapes are involved. The guys don't want to pay wages, so they make contracts on a 90 day basis. When the 90 days are up, they hire another employee so that they don't have to pay previous notice.'

For these reasons, as Goodman (2004) discuses *consumption circuits and their nature of integration with food production* are still providing researchers with new questions regarding the problems generated by this kind of interrelationship.

We can see from our case study in Northeast Brazil that, agricultural commodities and the commercialization of agro-foods have changed over the past 20 years (Raynolds, 1994, p. 143). Notable is the evidence that goods are locally, regionally and nationally produced and globally commercialized (Friedland, 1997, p. 231). As my colleagues and I recently wrote (Cavalcanti et al., 2002), the cultivation of mangoes and grapes in the San Francisco Valley and coconut for coconut water in the Platô de Neópolis are examples of the ways in which global consumption is transforming locations and agriculture schemes. In spite of the inelastic feature of food consumption, the expanding consumer demand for 'new exotic' commodities has created market opportunities for producers and nations that were originally excluded from the traditional commodity export markets. They have fulfilled their needs for foreign currency to pay their debts through the new counter-seasonal fresh fruit and vegetable commodities (Redclift, Lekakis, & Zanias, 1999; Redclift, 1998). It is possibly with this in mind that national governments began to give support to many of the developments required to create new sites of production, and also to make regions competitive in the new global market environment. The new production spaces, also become conflict spaces associated with the dispute for quality goods and labour control.

6. CONCLUDING REMARKS

The commoditization of grapes and mangoes in the San Francisco Valley results from a long process of learning about regulation enforcement made explicit through codes and standards. Although we may say that some of them are imposed through the EUREPGAP, and less through ethical trade, other conventions and standards have contributed to the growth of those commodities for export. This chapter has pursued a more comprehensive approach, which provides the basis for an understanding of the social networks linked through regulations, conventions, grades and standards. Accordingly, another complementary premise concerning the challenges faced by the workers is to respond to their external but local and material demands.

Producers in the San Francisco Valley know well the preferences of consumers around the world. Some countries would recommend certain sizes of fruit boxes, weight, and wrapping resources, others prefer to have commodities labelled in a singular manner, and so on. What this makes clear is that standardization is itself a process also used to guarantee the diverse singularities and identities of consumers, as well as, control of production places and labour.

Certainly, food chains are made up of several linkages. However, given the tight control established by grades and standards on each link in the network, and the forms of resistance from those affected, this probably contributes to making commodity life a dangerous and conflicting space. The new protocols have been harder on workers; registration and certification are making workers (registered) a number to be blamed if quality is poor. We observed that in the fields and supermarkets distribution centers, the ethnographic effort revealed how stressful the lives of workers, supermarket managers, owners and drivers of medium transportation firms can be. All of them are plugged into the networks of quality, *just in time* and other requirements in the provision of food.

The chapter selected several parts in the network, by focusing on their expertise or lack of it in dealing in the context of globalization. Of special reference were the State, wage labour, producers and retailers. Grading and standardization processes are a new thing for producers, workers, producers associations and cooperatives. As it is made explicit, some of the new regulations have been enforced by British retailers in the Valley since March 2004, while those in the Valley have been asked to attend to the Brazilian standards and certification now required by National and State Distributing Centers.

The chapter shows how the local response to external demands, reveal the revised role of governmental institutions and public resources so as to ensure the competitiveness of the country's production spaces in the European and American markets.

At the same time, it brought into specific focus the participation of various actors in their different time and spaces who contribute with their work and experience to assure a quality that is contingently built on a diversity of situations, and which produces certain types of homogenization and heterogeneities. As Appadurai (1997) puts it, these become marks of globalization.

NOTES

1. In December, 2003, APROVALE revealed that they were preparing to export fruits. Despite difficulties, new partnerships were expected with Dutch retailers. However, the retailer *Ahold* sold their unit in the region to another transnational group owing to business difficulties with other units along the chain. As Ahold left the region, producers were much affected in their market expectation. Interestingly enough, in the past five years there has been a great flow of buying and selling of supermarket chains. For instance, the Bompreço group – originally belonging to a local company that expanded from a small market into a supermarket chain present in most Northeastern cities – formed partnership with the *Ahold* group, which became their main shareholder, and subsequently sold part of their assets to *WAL-MART*. The other part was sold in April 2005 to another American group. The Bompreço brand however, survives through all these changes, suggesting that the corporations still need local support in order to succeed in incursions in national markets.

2. Since 1995, with the adoption of the Total Quality Program (TQP), the procedures related to classification and standardization of grapes were defined, involving weight, size and quality, the incidence or lack of stains and pesticides (Pires, 2004; Pires & Cavalcanti, 2000). These standards are certified by two technicians hired by the cooperative upon the delivery of the product to the CAJ. Through a 10% sampling system over the total volume, these technicians check if the products' standards correspond to those specified on the boxes. If any impropriety is detected, its reclassification to an inferior class is performed and the producer is notified. The various statements from technicians and managers reveal that the demands by the cooperative in this field have guaranteed credibility with national and international buyers.

3. While observing one of the distribution gates of that retailer unit, we noticed that technical instruments of several kinds were used to test freshness and sugar content of fruits. Also, the external appearance of fruits and vegetable is observed. This process, nevertheless, gives opportunity for interpretation of norms, as explained:

> The retailer team has all the standards for fruit and the list of possibilities that you can imagine, but they, let us suppose, may decide … they see that the produce does not meet the standards, but they try to reinterpret the standards without finding out if that

> interpretation is correct; what they do is talk to the client, the rest we can fix, talk to the client, this is the experience of X… .

These procedures reveal levels of inequality in the consumer sphere. Quality is a matter for interpretation; at supermarkets in the city of Recife, we have found out that quality of fruits and vegetables are ranked or follow the supermarket neighbourhood; middle or upper class areas, are granted with better quality food. The largest retailer in the city of Recife, for example, sells fruits and vegetables of different standards to its different stores according to their location, depending on whether it is in a lower, middle or upper-class neighbourhood. Their small units on the periphery of the city do not sell fruits and vegetables that the poorest families cannot afford. Retailers count on the poor assertiveness of lower-class Brazilian consumers in this regional context. When questioned about that, a staff member of the retailer says that they follow the *Codex Alimentarius*.

4. An ethnography of CEASA is being prepared by Wanessa Gonzaga do Nascimento (CNPq/UFPE). According to numbers from 2003, CEASA/PE occupies an area of 640,000 m^2, being 290,000 m^2 a commercial area. It has 34 commercial sheds that hold 1,284 stores or fixed boxes where 1,150 dealers are installed and 500 free boxes (with a unit area of 3 m^2). They receive a daily average of 300 dealers (the majority are small producers). The average flow of people in this central is of 25,000, while the monthly flow of vehicles can reach 10,000 for loaded trucks and 210,000 for utility and private cars.

5. A clear example of this new market conjuncture and difficulties faced by the majority of CEASA wholesalers is in the fact that only 15 of the 1,150 permanent dealers supply to big supermarket chains in the city and neighbouring regions. This is partly due to the fact that when trying to acquire better quality products, supermarkets began to directly interfere with production, shortening the chain, eliminating unnecessary mediations and reducing losses.

6. The amount of waste confirm the difficulties met by the majority of CEASA's wholesalers. This centre produces 600 tons of garbage per month, of which 400 tons are organic waste. The great villains of waste are handling, transportation and packaging used from production to distribution. Considering the number of families living in extreme poverty in the state of Pernambuco and the advance of the monopoly of big supermarket networks that begin to dictate supplying rules, CEASA is under the challenge of facing globalized economy while still caring for its main objective, which is to promote improvement in the quality of life of poor population segments. Some programmes have been implemented aiming to reduce waste or to use this food for poor consumers.

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SLOW FOOD'S PRESIDIA: WHAT DO SMALL PRODUCERS DO WITH BIG RETAILERS?

Maria Fonte

ABSTRACT

The paper deals with the transformation of local agrofood systems, in the context of the turn to ''the economy of qualities'' and the rural development paradigm. We will discuss a case study from Italy, specifically an agreement between Slow Food and Coop Italia concerning the Ark of Taste's Presidia, aiming at the protection of typical products and food traditions.

The agreement is analysed as a change of strategy, implying a transformation of the local agrofood system from ''local production for local consumers'' to ''local production for distant consumers''. The change is substantial and implies a restructuring of the entire local food network.

1. LOCAL QUALITY PRODUCTION AND THE GLOBAL FOOD SYSTEM

The theoretical questions dealt with in this paper relate to the transformation that local agrofood systems are undergoing in context of the turn to ''the economy of qualities'' (Callon, Méadel, & Rabeharisoa, 2002; Goodman, 2003) and the rural development paradigm (Marsden, 2003).

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In the "economy of qualities", the process of qualification-requalification of goods is the most important strategy of the economic agents and "one of the central issues in the dynamic organization of the markets" (Callon et al., 2002). In as much as qualities are the result of explicit, organised strategies, markets become "reflexive", i.e. "an explicit issue for multiple actors" (ibid.).

Demand economists differentiate between subjective qualities (*attributes*), as perceived by the consumers, and objective qualities or *characteristics* of the good in question (Lancaster, 1966). On the contrary, according to network sociology, all the product qualities (the material and immaterial ones) are relational characteristics, i.e. they derive from a process of qualification/requalification, which involve all actants, human and non-human, in the *network* built up by the product on its way from design to consumer. In this perspective, qualities are construed as a process of adjustment and interaction between demand and supply and their intermediaries (marketing professional, sale agents, etc.).

The local agrofood economy has recently attracted a growing interest among rural sociologists, economists and geographers.[1] Marsden (2003) considers it to be so important, that it is able to substantiate a new model called "the rural development paradigm".

The concept of "paradigm" developed by the sociology of science (Kuhn, 1970) and by the evolutionary economics (Dosi, 1988) is very useful in order to differentiate between systems of thoughts or technologies organised around different basic principles. In this sense, with reference to the agrofood economy, Marsden (2003) speaks of a productivist, post-productivist and a rural development paradigm. While the productivist paradigm organises production around fordist economic principles, post-productivism calls into question the organisation of space in the industrial societies, and exalts new functions and values for nature and the countryside as *loci* of consumption. Rural development, in its turn, implies a re-qualification of local resources leading to a differentiation, rather than to a standardisation of the food economy.

"Rural development" is conceived of as a way to allow local resources that are in the territory, but are little known and ill utilised, to emerge as economic resources. Co-ordination of economic activities points to the importance of horizontal linkages, trust, independence, tacit knowledge, artisan /natural qualities of the product and the multifunctionality of the agricultural activity (Becattini, 1987; van der Ploeg & van Dijk, 1995; van der Ploeg, Renting, & Minderhoud-Jones, 2000; Hines, 2000; Hinrichs, 2000; Murdoch, Marsden, & Banks, 2000; Bessière, 1998; Ilbery & Kneafsey, 1999). In the

rural development model, food production is organised as a short food supply chain (SFSC).

Marsden, Banks, and Bristow (2000) argue that in the SFSC it is critical "the fact that the product reaches the consumer embedded with information", not the distance covered or the number of times a product is handled. I would rather say that what really matters in the local agrofood system is the embeddedness of the food network in the territorial context. The local food system is a production–consumption network of local agents, to whom "place" matters. "Local" has then a double meaning: geographical as well as a socio-economic proximity. The territory (geographical proximity) is the cement, the support of a common history and a common belonging, that is solidified in collective values, norms, regulations and in co-ordinated economic activities (socio-economic proximity).

Since the sixties, the crisis of the traditional societies brings out-migration and depopulation of the rural villages. Local agrofood systems are pressured to change against risk of extinction. One common feature of their contemporary transformation is the de-localisation of consumption. Through the analysis of the case studies presented in this paper, I will try to consider the implication of this change for the local agrofood network. I will look at the Slow Food Presidia as an attempt at re-qualifying traditional products so that they acquire value for the "distant consumer", i.e. a consumer who does not traditionally belong to the territorial social network. What does the coming of extraterritorial actors into the local development stage imply for the added value of the production network, its organisation and co-ordination mechanisms?

I will also call attention to a paradox in the literature on local rural development through territorial, quality schemes (Goodman, 2004): while, on one side, the contribution of local production and SFSC is often circumscribed as "niche production", on the other side, when the possibility of extension of the model is considered, the *deflation effect* of its diffusion on quality products is stressed. "The logic of territorial valorisation governing AAFN[2]/SFSC development will produce 'label fatigue', that is a bewildering and counter-productive proliferation of competing quality schemes" (Goodman, 2004, p. 10).

While the limited contribution of local quality production as "niche production" is stressed, at the same time a "scaling up" of the model seems uninteresting, for it would bring prices down. Quality production is squeezed between a marginal role as niche production, on one side, and a loss of economic significance for rural areas as it tends to grow, on the other.

We will discuss these questions through the analysis of a case study from Italy, specifically an agreement between Slow Food and a big retailing firm, Coop Italia, concerning a Slow Food initiative, the Ark of Taste's Presidia. The Slow Food Presidia case gives interesting hints for reflecting on the problem of transformation of the local production system.

Slow Food is an international movement created with the objective of fighting the imposition of the "fast food" cultural/culinary model and defending a model of food consumption and production that combines "knowledge and pleasure". Coop Italia, organised since the beginning as a co-operative,[3] is today the retailing firm with the biggest food market share in Italy.

The agreement they signed aims at "the safeguard of typical products and food traditions, consumers' health and well-being, the promotion of projects for the education of taste in schools, the awareness of the necessity to deeply transform agricultural policy strategies in Italy and the willingness to guarantee small producers the means to continue their work".[4] It is based on a series of common initiatives, like the support for Slow Food's Presidia, co-operation for the promotion of typical products and an editorial production of six CD-ROM, called "Le Vie Consolari" (in English, The Consuls' Roads).[5]

The empirical work for this paper is based on qualitative interviews, carried out over the phone between March and June 2004, with a Slow Food manager responsible for the Slow Food–Coop Agreement; with a Coop Italia manager, responsible for the co-operatives' co-ordination, and with the people responsible for the management of the Presidia considered here.

In the next section, I will introduce the two actors (Section 2) and the terms and conditions of the Agreement (Section 3). Some considerations of the Agreement will follow (Section 4). Section 5 will provide some data on the Presidia and the other Agreement initiatives that will help to take into account the economic results of the Agreement; I conclude with a final discussion on the implications of the Agreement and its results.

2. THE ACTORS

2.1. Slow Food's Ark of Taste and Presidia

Slow Food is by now a well-known association (Petrini, 2001; Miele, 2002; Miele & Murdoch, 2002). It relies on about 80,000 members distributed

in 45 countries and is articulated in four different administrative units: *Arcigola Slow Food Promotion Srl*, that is responsible for the big initiatives, like the biannual exhibition "Salone del Gusto" (The Hall of Taste); *Arcigola Slow Food Editore Srl*, that is in charge of the editorial programme of the association; *Arcigola Slow Food Association*, in charge of recruitment and associates activities in Italy and *Slow Food International*, in charge of recruitment and associates activities abroad. Finally in 2003, *Slow Food Foundation for Biodiversity* was founded, with the objective to "know, catalogue and safeguard small quality productions and to guarantee them an economic and commercial future". The Ark of Taste and Presidia initiatives, which we will consider in much more detail on the following pages, are carried out under its umbrella.

In 2004, Slow Food had 32,000 members in Italy, distributed in 400 local structures, called "territorial conducts". It operates not only for the safeguard of the Italian eno-gastronomic patrimony (biodiversity of cultivation and food artisan traditions), but also for the protection of the historic, artistic and environmental places of eno-gastronomic "pleasure and knowledge" (coffee shops, patisseries, restaurants, artisan laboratories), for the valorisation of typical products, for the promotion of agrofood quality and the consumers education to "taste". In autumn 2004, Slow Food launched the first European University of Gastronomy Science, with two campuses, in Piedmont (at Pollenzo) and in Emilia (at Colorno, near Parma).

According to the official history, the Ark of Taste was born in 1996 in Turin, in occasion of the first Salone del Gusto. There, Josè Esquinas Alcazar, the General Secretary of FAO Plant Genetic Commission, speaking at the conference on biodiversity hosted by the Salone, "eschewed the expected academic material and told the story of poor farmers unwittingly engaged in the struggle to safeguard biodiversity. Thanks in part to Esquinas's contribution, the link between promoting *typical products* and the defence of *biodiversity* became increasingly obvious" (Slow Food (no date), p. 14, *Ark and Presidia*).

The objective of the Ark of Taste is: "to save the small agrofood quality productions, menaced by the industrial standardisation, by bureaucratically hyper-hygienist laws, by the big retailing industry, by a modernity that satisfies, with less than thirty plant 95% of food needs in the world, by a policy that intends to brush away biodiversity and by environmental degradation. It means to save an extraordinary economic, social and cultural patrimony, not-written, but rich and complex, made out of peasant and artisan heritage, old techniques and many competencies" (Arcigola, 1999, see also the Ark of Taste Manifesto in Appendix A).

The Ark of Taste is organised with a Scientific Committee (Slow Food experts, academicians and journalists) in charge of defining the criteria for the selection of products deserving to be saved and to enter in the Ark (see Appendix B). The Committee must also evaluate suggestions and collect information about the history, the transformation, cultivation and breeding techniques, the diffusion and the distribution and the commercial potential of selected products.

The Presidia was born from the success of the Ark of Taste project, as *an operative arm* of the Ark. While the Ark of Taste is fundamentally a database, Presidia promotes initiatives in order to save agrofood specialities on the verge of extinction. The intervention may vary according to the context, but it is always characterised as a small project, since Presidia deals with very small production niches. It may imply the organisation of a small pilot firm or laboratory, helping producers to find financial resources to buy technical means of production, searching for a new commercial channel with the involvement of local restaurants, or helping for the creation of micro-markets (like village markets) or any other promotional initiatives.

In 2000, at the Salone del Gusto, the first 91 Presidia were presented. In 2004, there were 198 (Milano, Ponzio, & Sardo, 2004; see also www.fondazioneslowfood.com/presidi).

2.2. Coop Italia

The Associazione Nazionale delle Cooperative di Consumo (or, in English, the National Association of Consumers Co-operatives) was born in 1957, in the aftermath of second world war (Coop Italia, 2005). The objective was to guarantee consumers better value for their money through the practice of collective buying. Savings came mainly from a cut on the middlemen costs.

In the sixties, following the economic developments of those years, a reorganisation of the retailing sector in Italy sees the shutting down of many small retailing shops and the development of the ''modern'' distribution. In this context, even the National Association of Consumers Cooperatives started a process of acquisitions and concentration. A *National Consortium of Consumers Co-operatives*, named Coop Italia, was created in order to centralise buying and marketing policies, trademark management and personnel training activities for all the member co-operatives.

In 1980 the Coop Italia No Food was constituted, as a new consortium. Just before the beginning of the new millennium, in 1999, the Food and the Not-Food Consortia were unified and reorganised according to the types

of retailing shops (hyper- or super- markets). Today the consumer co-operatives are organised in three territorial districts, based in Northern and Central Italy.

In 2004, Coop was the first retailing company in Italy for food and grocery distribution with sales of more than 11 billions euro. It associates more than 200 co-operatives, has about 6 million associated consumers and holds 18% of the food market share[6] (Coop Italia, 2004). Its selling points are diffused in 17 out of 20 Italian regions, but their presence in the South is very weak. There are not selling points abroad, except one in Croatia.

In the Italian agrofood sector, Coop has a very important role. It is not only the most important retailer, but also an important private label (Coop private label represents 20% of the total sales). It is estimated that Coop brings to the market food for 2.7 billions of euro, amounting to 6% of Italian gross agricultural production. This role is possible, thanks to the importance of the "fresh market" (meat, fruit and vegetables), which represents more than half of total sales. Coop has market relations with 315 agrofood firms and 13,200 farms, mostly, but not exclusively, Italian (Coop Italia, 2004).

According to the Coop manager we interviewed,[7] even if fully inserted into the market, Coop maintains its original objective, the *protection of consumers*, to which two new ones have been added: a much closer relation *with the producers* and an *ethical engagement.*[8]

With respect to producers, Coop looks for a "difficult equilibrium" between small producers needs and big firms demands. Coop's strategy in defence of its share of the market is articulated as a need to be "close to consumers and producers":

"Coop is not a small 'fair trade' shop. It needs both realities in order to grow: multinational firms, on one side, and small and medium producers, on the other. (…) But, in relation with big multinationals Coop is never passive, as the Del Monte case,[9] and many other small less known interventions, may show" (our interview with the Coop manager).

Coop's relationship with multinational supply firms is very ambiguous. While, as the interviewed manager says, Coop needs big multinational firms, it does not like to be associated to their interests. For this reason, in 2004, it took the very controversial decision to omit information on suppliers from its private label products. In the Coop management's mind, the Coop label should be enough of a guarantee for consumers. Consumers though did not like the initiative, which made food origin less transparent to them. A strong protest was started by the consumers associations, on the consequence of which Coop was convinced to give up its previous decision. This episode

well illustrated the conflicts of interests between transformation and distribution of agrofood companies and the last effort to constitute itself as the mediator of consumer interests.

In the aggregate, according to a Coop manager, quality production may compete with mass production. The market for quality products is still growing, even if the manager interviewed was unable to give us a percentage of sales (it is even difficult, he told us, their classification: how would you consider Parmigiano Reggiano?). The link to territory and culture is considered to be very important. The market for biological products is still deemed dynamic. Coop has its own line, ''Natural organic'', but offers also other firms' labels.

Finally, according to the Coop manager, the opposition between multinational and typical production, in the case of Coop, is a false one. ''Thanks to its initiatives, Coop manages to save many small producers from the menace of multinational acquisitions and may help them with information and technical formation'' (ibidem).

3. SLOW FOOD–COOP AGREEMENT

The Agreement concerned three areas of intervention: Presidia, typical products and an editorial initiative called ''Le Vie Consolari'' (The Consuls' Roads).

3.1. The Presidia Initiative

With the Agreement signed in April 2001, Coop became a supporter of the Slow Food Presidia Project and officially ''adopted'' 11[10] Presidia (Table 4), linking its commercial brand to their products. The Agreement will be illustrated next.

Coop acquired the right to use the promotional image of the whole project. (art. 2) and gained access to the information available to Slow Food, not only in relation to the adopted Presidia, but to all the Presidia presented at the Salone del Gusto in 2000 and the ones that will be activated until July 2002 (art. 3).

Coop can also publish material containing information on the Presidia for its associates and consumers, but authorisation from Slow Food is required before printing the material (art. 4).

For each of the 11 adopted Presidia, plus 20 more (to be decided later), Slow Food will provide Coop with a file with all the relevant information for

~~a~~ commercial utilisation of the products. The file will have information on (art. 5):

– commodity analysis of the product;
– organoleptic characteristics of the product;
– ideal selling condition (as for seasonality or other product characteristics);
– seasonality characteristics and selling calendar;
– quantities available for the market;
– quantities that may be reserved;
– territorial area of production;
– a map of locations where products may be conferred;
– production costs and
– indications on prices.

Slow Food will co-operate with Coop in occasion of the promotional initiatives (tasting and selling event) concerning the products of the 11 adopted presidia, plus the 20 more indicated in the art. 5 (art. 6). It will also recognise Coop in the role of supporter in the Ark of Taste scientific–technical committee (art. 7) and in a preferential relation as partner in any initiative regarding the Presidia Project (art. 8). Finally, the Slow Food Presidia Office will strictly co-operate with Coop, in order to guarantee the best opportunities of communication, promotion and eventually commercialisation that would emerge from the Presidia Project (art.9). In exchange for all that, Coop will pay Slow Food an agreed amount of money (art. 10).

3.2. Typical Products

Co-operation on matters of a typical product is not seen as a pure marketing operation. The "high cultural, economic and social value" of the Agreement is stressed.

The objective of the co-operation is to bring in the Coop supermarket shelves a selection of local, traditional, typical products of high-quality standards. Slow Food will provide Coop with a map of the best Italian typical production, while Coop, beyond selling them, will train its personnel, furnish information and organise taste assays, in order to "educate" consumers.

It will be Coop's decision whether to sell the selected products with a specific "quality logo".

Slow Food will carry out a census of the quality products and producers in Italy and give the results of the study to Coop.

For the different categories,[11] Slow Food will

(1) identify products and producers;
(2) compile a file with data on the physical and organoleptic profile of each product; collect information on the history, transformation, cultivation or breeding techniques, on the accessibility and commercial potentiality of the product and
(3) collect information and data through field visits, with interviews to the roducers, visits to the farms and product tasting.

The census will be carried out under the supervision of an ad hoc committee, created by Slow Food to this end.

Through regular visits, Slow Food will guarantee the quality of the products, ensuring that "volumes will not grow in a disproportionate manner with respect to the farms'/firms' capacity, to the availability of raw material and to the intrinsic nature of the products" (Programma sui Prodotti tipici: 3, Slow Food-Coop (2001a, b)).

While Coop will have the right to decide whether to qualify these products with a "quality logo", the Slow Food logo will never appear in the selling places.[12] On the other side, if Coop chooses a quality logo for these products, to apply the logo to products not signalled by Slow Food will require authorisation from the Slow Food expert commission.

While Coop may inform, in its educational and promotional programmes, that it is itself involved in a project for the identification of typical and traditional products and producers in co-operation with Slow Food, nonetheless it cannot say that "farms and firms whose products are sold in the supermarket are selected by Slow Food".

3.3. The Consuls' Roads

Finally a co-operation agreement is signed for a project elaborated by the Coop, called "Le Vie Consolari" (The Consuls' Roads).

The initiative consists of the edition of six CD-ROM, one for each of the old Roman consuls' roads (Via Postumia, Via Cassia, Via Flaminia, Via Appia, Via Aurelia and Via Emilia), with a section devoted to eno-gastronomy. Slow Food will co-operate in the editing of the eno-gastronomic section, providing information about each road with regard to

(1) presidia located in the area;
(2) restaurants selected in Slow Food restaurants guide;

(3) typical recipes of the area under consideration and
(4) typical speciality products of the area.

Only Presidia and Slow Food restaurant will, anyway, be indicated with Slow Food logo in the guide.

4. THE AGREEMENT AS A "CHALLENGE": TO BRING TYPICAL PRODUCTS IN THE SUPERMARKETS

For the Slow Food manager interviewed,[13] the Agreement is a "challenge": "to bring quality ("true" quality) out of niches to mass consumption". To this end, Slow Food is ready to "overcome an historical taboo and will launch a challenge to the great retailing industry: to bring typical products in the supermarkets" (Programma sui prodotti tipici. Preambolo: p. 1).

In this vision, quality production/mass consumption and, in the specific case, typicality/supermarkets are the antinomies that must be reconciled. That task needs

(1) *information and competencies about producers and products*, provided by Slow Food;
(2) *information and education of consumer*s, requiring the involvement of Coop.

While local consumers or tourists visiting the territory, where typical products come from, are best apt to "feel" the quality characteristics of the products, a *distant consumer* is not able to recognise the superior quality standards. For this reason, the main objective that the two partners must pursue is "to re-create culturally, but also visually, in the selling point, the original territorial context from which products come" (Ibidem, p. 2).

As Marsden et al. (2000) acknowledge, "information embedded in the product" will be able to operate the transformation from a system based on "local production for local consumers" to a system of "local production for distant consumers" (Fonte, 2002). We may think of this process as a disintegration of the local production–consumption system, in which one phase of the filiére is partially or totally delocalised. "To embed information in the product" is not a simple task; rather it requires a complete re-organisation of the production–consumption network, the calling in of new actors and new intermediaries, the transformation of the knowledge system, the requalification of the traditional, locally known product as a "certified" product.

"Local production for local consumer" is characterised by constraints of place and time (see Fig. 1) derived from a domestic form of co-ordination,

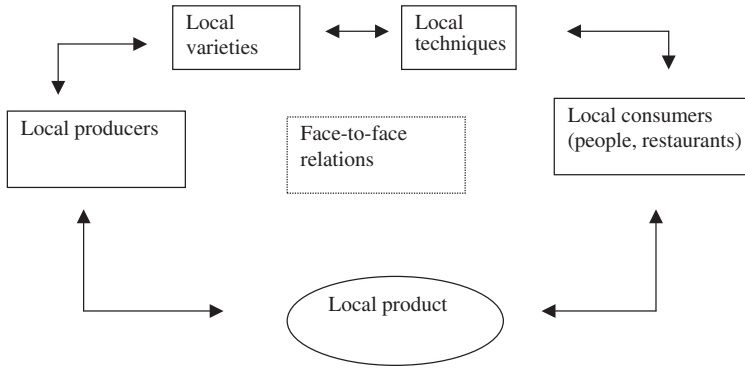

Fig. 1. Local Production for Local Consumption.

which imply "the necessity of being personally in the presence of others" (Boltansky & Thévenot, 1991). In a proximity market there is no need for certification, i.e. a set of objective, regulations and representation mechanisms permitting *to act at a distance* (Latour, 1987). Local products are not entirely separated from people; they are essentially crafts, which recall the skill of the artisan. Personal relations are pervasive. Social roles, as well as knowledge and relations, are not formalised. In the spatial context of the local territory, competencies are embedded in people, knowledge is tacit in form and trust remains very closely linked to personal relations.

The system is characterised by a short producers–consumers circuit. Physical proximity to production, direct or indirect knowledge of the production processes, common culture and habits give to local people a discriminatory capacity between different local agrofood products. Self-consumption is important and agricultural products are mainly final products. Consumption models and culinary culture co-evolve with the production system and are an integral part of the social community life. Typical products acquire special meanings as part of a meal linked to a social, religious or community occurrence. Being qualified by a local network of reputation and notoriety, local products require no formal system of certification (Thévenot, 1995).

These systems are more frequent in areas that remained marginal during the industrial fordist period of development, characterised, still today, by a negative demographic trend. In as far as depopulation does not stop, they risk extinction. In this case, local varieties, techniques and knowledges will be irreversibly lost. The capacity of the local community to survive may depend on its ability to open its economy and to transform the local agrofood system.

The new rural development dynamic opens up new opportunities for these areas. The persistence of community social relationships, of specific and always rarer cultural forms, multifunctionality of agriculture represent an appeal for people to go back, or to go and live there or only to go and visit these places. The small scale of societies and economies in question makes "just little" to be enough to change a negative trend and create opportunities of income for local inhabitants.

One common way of transformation of the agrofood economy is the delocalisation of consumption. In the attempt to stimulate a supplementary demand, the distant consumer is mobilised.

As in the previous one, in the model of "local production for distant consumers" the specificity of the product and techniques derives from their link to a territory, a tradition, a culture and a community. Specificity though, as local attributes or characteristics, cannot be immediately recognised and evaluated in the global market, by non-local people. These must learn how to value some characteristics they do not know. The certification system (as origin designation, geographical indication or traditional speciality) is the compromise, the "immutable mobiles", the intermediary between the local product and the distant consumer. Through the establishment of production regulations and procedures as well as the sensoryal characterisation of the product, it translates the specificity of products and techniques into general forms, that become meaningful not only to local but also to foreign consumers. The (territorial) network becomes longer, enrolling new actors (actants) human and not-human (experts, certification systems, new types of knowledge). The transformation implies a shift from a *domestic convention* based on face-to-face relations, to a civic/market convention, that necessitates "general forms", in order to communicate with *distant* people. It also implies a transformation of the territory (local system) as a "cognitive system", i.e. a codification of local knowledge and a re-definition of the mechanisms of replication, integration and creation of knowledge (Rullani, 2003). The translation of domestic, local, personal codes into "general form" is, in fact, a process of codification, i.e. transformation of *tacit* into *formal* knowledge.

The formalisation process concerns:

– *Production techniques*: informal techniques are codified in the production regulation ("*disciplinare di produzione*"), that specify all the steps of the production process, starting from the characteristics of raw materials to agricultural practices and transformation techniques, all linked to the local territory, culture and traditions;

– *A certification system*, that, provides information on the product through a label and acts as a mediator between the local producer and the delocalised consumer (Sylvander, 1995; Letablier & Delfosse, 1995).

The formalisation of production techniques and the elaboration of a certification system is not something that can be done by the "traditional producer" alone, who, by definition, possess mainly "tacit knowledge". New, individual and collective, actors enter the network, bringing in the "formal knowledge": technicians, experts, local institutions, that all operates and are implicated in the creation of the new "quality system".

"Quality systems do not imply the simple re-evaluation of tradition as an economic resource. Tradition is re-interpreted, re-invented (Hobsbawm & Ranger, 1992) in the light of new scientific knowledge and finally translated into the *codes* of the modern rationality. Traditions, local networks and associations become *new* economic resources (social capital) in the quality economy. Certification systems extend the rural network to new social actors, specifically to the *experts on quality*: scientists and researchers who establish the norms of production, technicians and professionals who control and protect the quality of the products or the production process, nutritionists who establish the dietary characteristics of food. Their function is one of mediation and translation between urban and rural culture; between scientific and empirical forms of knowledge; between local production and global markets" (Fonte, 2001, pp. 272–273).

In the specific case under consideration, Slow Food and Coop become the mediators/translators in the shift from a "domestic" to a "civic/industrial/market" convention, that will be objectified in the "certification" or label (a new *actant* in the network, as Callon and Latour would say; see Fig. 2). Slow Food mediates (translates, codifies) from the side of "the local producers" mobilising an army of experts that "collect" local information and translate it into formal codes; Coop, as a big retailing firm, mediates from the side of "the distant consumers", educating them and translating local values into market values. In fact, as specified in the Agreement, Slow Food will provide *information and competencies about producers and products*; Coop will work for the *information and education of consumers*.

According to Slow Food, the new model implies a change in the logic of the big retailing firm, away from a mass market, towards a universe of niche markets, territorially defined. Slow Food will verify regularly that "products' quality will be constant, volumes of production will not increase in a disproportionate manner with respect to producers capacities, raw material

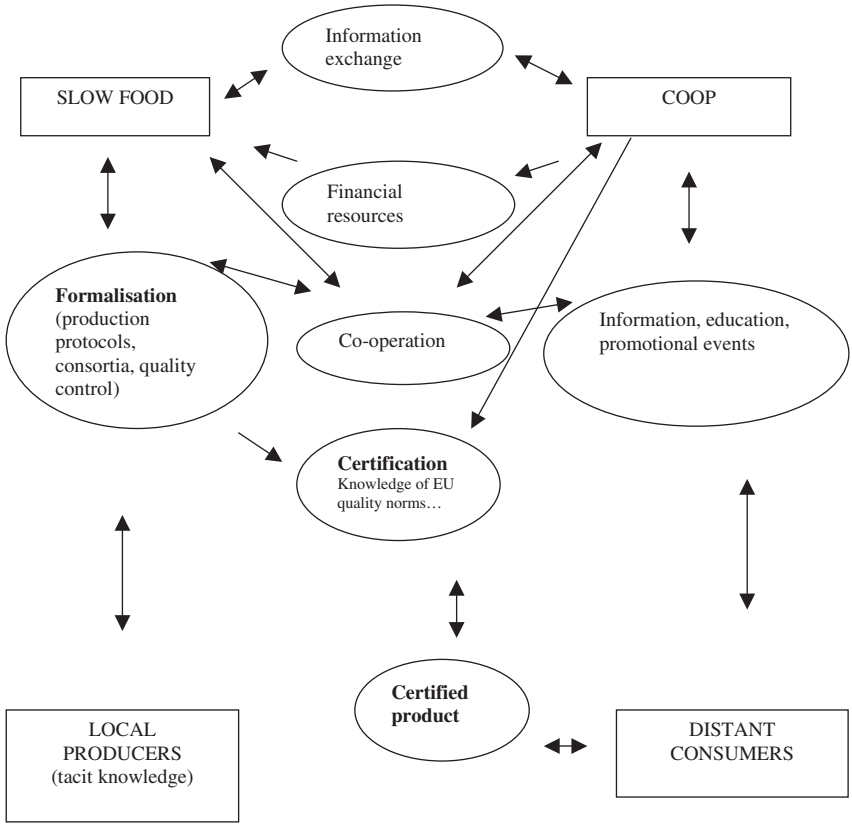

Fig. 2. Local Production for a Distant Consumer, According to the Slow Food–Coop Agreement.

availability and the intrinsic nature of the products'' and that will respect the seasonality of production (Program on the typical products, p. 3).

In the interview, the Coop manager stressed that the involvement in the Agreement responds to the firm's ethical objectives of safeguarding biodiversity and traditional methods of production, as well as of promoting the Coop image as a firm interested in the quality of food. Economic return is excluded as an objective, even if there may be one: ''this agreement has already sold for more than 775,000 euro, but, of course, most of the economic return is reinvested in initiatives regarding commercialisation, information and valorisation of the Presidia products'' (interview with the Coop manager).

Slow Food is positive about the possibility of Coop to free itself from a big retailing industry logic, adopting strategies more keyed to a localised model of development. The Presidia initiative goes in this direction: Coop, in dealing with small producers has to ''localise'' provisioning and distribution, to limit supply in function of space and time.

Slow Food has provided Coop with important means to do so: a network of operators, know how, training capabilities. To Slow Food, the Agreement has ''cultural, economic, social value''. It implies important changes for the same Association, which has to ''overcome a taboo'', learning to deal with a big firm, rather than with only small local producers and restaurants.

5. PRESIDIA AGREEMENT ECONOMIC RESULTS

Following the Agreement, Coop has not only adopted 10 Presidia, but is by now the main Slow Food partner in this initiative. It has financed the publication of a volume that identifies and provides information on the first 114 Presidia. It has organised eight events, for the presentation/promotion of about 40 Presidia products that have involved about 60 supermarkets and 200 employees. Coop quality experts have also been involved in the process of conforming the Presidia products to the UE hygienic regulation.

Slow Food provides Coop with a map of the best Italian typical products, while Coop trains its personnel on the characteristics of the ''typicality'', provides information, organises essays and events, ''educates'' consumers. Finally, the co-operation has led to the production of two series of CD-ROM: Le Vie Consolari and ''Voyage to the origins of Taste''.

The creation of an ''economy of qualities'' implies the reconfiguration of the social network and the territorial economy as cognitive system. Is this transformation effective in economic terms for the local economy?

To answer this question, we will first present the results of a study carried out in 2002 by Slow Food, Bocconi University and Il Sole 24 Ore[14] on a large sample of Presidia (Tables 1–3); then we will analyse the economic results of the 10 Presidia adopted by Coop. Information were obtained in June 2004, by the interviews with people in charge of each Presidium (Tables 4–9).

The survey carried out in 2002 (Corigliano & Viganò, 2002) considered a sample of 53 Presidia, representing, at that time, 56% of the total. They were representatives of the territorial distribution and the different typologies of products (fish, salamis, bakery products, cheeses, animal breeds, fruit and vegetables). Most of the Presidia were founded in 2000.

Table 1. Number of Presidia Farms/Firms and Employees.

Presidia	Year of Birth	No. of Firms/Farms		Employees	
		Year 1	2002	Year 1	2002
Fish (4 presidia)	2000		No changes		No changes
Salami (7 presidia)	2000		No changes (except for two of them, Mantovano e Biroldo)	86	96
Bakery products (5 presidia)	2000	27	27	120	128
Cheeses (12 presidia)	2000		No changes		No changes
Animal breeds (9 presidia)	2000	124	254	273	675
Fruits, vegetables and pulses (16 presidia)	2000	174	237	255	305

Source: Survey by Antonioli Corigliano and Viganò (2002).

Table 2. Variation in Quantities Sold and Prices (2000–2002).

Presidia	Variation in Q (%)	Variation in P (%)
Fish	Little changes	+39,3
Salamis	+53	+20
Bakery products	+36	+21,5
Cheeses	Big change	+28 (peak +80)
Animal breeds	+5 → +1100	+19
Fruits, vegetables and pulses	+80	No changes

Source: Survey by Antonioli Corigliano and Viganò (2002).

In the two years, since the Presidia foundation, the number of producers increased only in some of the Presidia typologies (animal breeds and "fruit, vegetables and pulses"); employees, quantities and prices increased more diffusely. Markets remain mainly local and regional, clients being local final consumers and local restaurants and shops. In many cases the constitution of a Presidium drew new attention to problems concerning the (organoleptic) quality of the product, as in the case of aging in the cheese production.

Table 3. Markets and Market Channels.

Presidia Categories	Market Channels		Markets			
	Direct Sales	Middlemen	Local	Regional	National	Export
Fish	Mainly	Only for the anchovies (20%)	Almost exclusively in the firm	Little	Anchovies (15%) Grey mullet roe (30%)	Grey mullet roe (10%)
Salamis	Mainly	No	Yes	Yes	15/33	4/33
Bakery Products	Mainly	Yes	Yes	Yes	Only for Lonzino (50%)	Only for Lonzino (25%)
Cheeses	Yes	Yes	Yes	Yes (mainly)	Yes	No
Animal Breeds	Yes	Yes	Yes	Yes	Yes	Yes
Fruits, vegetables and pulses	No	Yes	Yes	Yes	Yes	No

Source: Survey by Antonioli Corigliano and Viganò (2002).

In at least one case, producers have organised themselves in order to share a common store for this production phase.

Many producers stress the importance of the Presidia for ''being recognised'' and for the possibility to defend traditional production against industrial imitation, thanks to the establishment of a ''production regulation''. In the case of Salamis sector, a consortium existed before the constitution of the Presidium, but in the case of ''Cheeses'' (as an aggregate), out of seven consortia, five have been constituted under the Presidia stimulus. In the ''Bakery'' category, the Presidia have created an incentive to formalised relations between firms. The producers belonging to ''Focaccia di Genova'' Presidium participate in local markets, fairs and exhibitions collectively as a ''Presidium''.

In the case of Robiola di Roccaverano cheese, firms belonging to the Presidium produce the cheese utilising only raw goat milk. Thanks also to the involvement of the Comunità Montana (a local institution that represents mountainous villages in each Italian region), they managed to obtain a ''production sub-regulation'' inside the existing Consortium for the protection of the Robiola denomination of origin, (according to this regulation,

Table 4. The Presidia Adopted by Coop*.

Presidium	Description
Orbetello Grey Mullet Roe (Tuscany)	In Orbetello, the art of preserving fish was probably introduced by the Spanish. As early as the 16th century, they use to smoke eels and dress fish with escabece, a vinegar sauce. Still today a typical production of Orbetello is the anguilla scavecciata (eel in vinegar) and the anguilla sfumata (smoked eel). Bottarga (from the Arab botarikh, meaning salted fish roe) has always been produced, too. Tender and amber in colour, it is excellent, sliced finely with a veil of extra-virgin olive oil and a squeeze of lemon The Presidium was founded in *2000* *Responsible for the Presidium is Massimo Bernacchini* (*interviewed on June11th, 2004*)
Cinta Senese (Tuscany)	Long snout, black coat with a white band round the thorax; hence the name (cinta means "sash" in Italian). The only Tuscan pig breed to avoid extinction Thanks to breeding in the natural or semi-natural state, the meat is evenly veined with fat, hence its outstanding flavour and aroma. A whole range of cured meats are made with the various parts of the animal: lardo, rigatino, gotino (or guanciale), prosciutto, salame, capocollo, and so on The Presidium was founded in *2001* *Responsible for the Presidium is Paolo Montemerani* (*interviewed on June 4th, 2004*)
Salama for sugo (Emilia Romagna)	The salama da sugo, or salamina, as the Ferraresi call it, is a refined cure meat with something of an exotic flavour. It combines the potent aromas of the spices used with the sapidity of the pork and the fruitiness of the red wine. When it is ready for cooking, it is boiled on a string and wrapped in linen to prevent it touching the sides of the pan. A sumptuous old-fashioned speciality. To set off its strong almost pungent taste, it is served on a bed of mashed potatoes or pumpkin The Presidium was founded in *2000* *Responsible for the Presidium is Alberto Fabbri* (*interviewed on June 10th, 2004*)
Fabriano Salami (Marche)	A noble salami made by chopping the most prized part of the pig: prosciutto covered with a light dark brown mold, salame di Fabriano is hard and coarse. The meat is firm and flavoursome, deep red in colour and dotted with white lardons. When sliced, it is beautifully scented, without any hints of meat. In some cases, slightly smoked perfumes emerge. In the mouth, it is sweet with a persistent flavour with vanilla nuances The Presidium was founded in *2000* *Responsible for the Presidium is Domenico Battistoni* (*interview on June 8th, 2004*)

Table 4. (*Continued*)

Presidium	Description
Martinafranca Capocollo (Puglia)	The best cured meats in Puglia have traditionally come from Martinafranca. The pick of the bunch is capocollo, the name used in the South of Italy to refer to cured neck of pig. To counter the climatic conditions of the area of origin – unsuitable for meat curing – a practice has developed whereby the meat is slightly smoked, marinated at length in brine and soaked in mulled wine. The procedure, which serves to preserve the meat tasty and wholesome, also gives it an extra rich flavour The Presidium was founded in *2000* *Responsible for the Presidium is Michele Bruno* (*interviewed on June 7th, 2004*)
Val d'Ossola Mortadella (Piedmont)	The name "Mortadella" means "meat crushed or minced in a mortar". It is made of raw pork and a small amount of pig's liver. The pig's liver and the addition of *vin brulé* (mulled wine) give it its distinctive flavour. It is aged for about two months and eaten sliced with the local Coimo black bread The Presidium was founded in *1998* (the name is of 1949) *Responsible for the Presidium is Giovanni Sartoretti* (*interviewed on June 4th, 2004*)
Marzolina (Lazio)	This is a small cheese that was once produced only in March, when the goats had just started to give milk. That is why the cheese is named "marzolina" – after "marzo", the Italian word for March. The production of Marzolina was once on the brink of disappearance, but fortunately a cheese-maker passed her recipe on to other producers. Marzolina is shaped like a long cylinder. It can be eaten fresh, but tradition calls for a few days of aging. During aging, the cheese is rested on a wooden grate. The cheese can also be aged in oil in glass jars The Presidium was founded in *2000* *Responsible for the Presidium is Matteo Rugghia* (*interviewed on June 7th, 2004*)
The red onion of Cannara (Umbria)	Roundish with a bright red skin and coppery white pulp. The Cannara red onion plays a part in many of the region's most traditional recipes, from soup to *cipollata* (a rustic antipasto of onions, eggs and tomatoes). Sweet and easy to digest, excellent eaten raw in salads with olive oil and salt, and a fine accompaniment for meat and game. Thanks to its extraordinary sweetness, it is particularly good with liver, lamb offal and fois gras The Presidium was founded in *2000* *Responsible for the Presidium is Noé Pasqualoni* (*interviewed on June 9th, 2004*)

Table 4. (*Continued*)

Presidium	Description
Bronte pistacchio (Sicily)	This variety grows only on the hilly, volcanic soil of Bronte. Emerald green in colour with an intense, unctuous and resiny aroma. Harvested by hand in small quantities. Albeit superior in quality, the Bronte pistachio is not only struggling to withstand competition from less flavour but also less expensive nuts from Iran, Turkey and America The Presidium was founded in *2000* *Responsible for the Presidium is Nunzio Caugullo* (*interviewed on June 4th, 2004*)
Late-harvest Leonforte peaches (Sicily)	Leonforte peaches ripen in September, October and even as late as November. Wrapped in paper bags, they are protected from the wind and parasites and harvested only when perfectly ripe. Protected inside the bags, they ripen late and take on a bright yellow colour with red streaks. Beautifully scented, the flesh is sweet with a distinctive, slightly caramelised flavour The Presidium was founded in *1998* *Responsible for the Presidium is Pippo Privitera* (*Dr. Manna del Serv. Ass. Tecn. Reg. Sicilia*) (*interviewed on June 8th, 2004*)
Zucchina Trombetta (Liguria)	It is not anymore a Presidium since *2001*

Source: Data on the Presidia adopted by Coop, according to the interviews carried out in June 2004.

*Presidia characterisation data are available on the site www.fondazioneslowfood.it/eng/presidi/.

instead, Robiola may be produced with cow milk up to 85% of the total). The diffusion of the knowledge of this cheese has brought a flux of tourists, looking for the special Robiola of Roccaverano. ''Roccaverano was a ''marginal'' area and is involved now in a positive economic trend'' (Corigliano & Viganò, 2002, p. 25).

In the case of fruit, vegetables and pulses, the creation of Presidia has brought to the market products first only destined to self-consumption, saving from extinction many local varieties. In this case, commercialisation is mediated by middlemen, which is considered negative for the ''knowledge'' of the product.

Coop initiatives, like tasting events in the supermarkets, have been very important for some of the products, like the Leonforte Peaches, from Sicily.

Table 5. Numbers of Producers and Employees.

Presidia	Year of Birth	Producers – No.		Employees Per Family Farm/Firm (average)	
		Year 1	2004	Year 1	2004
Orbetello Grey Mullet Roe	2000	80	69 (1 co-operative)	1	1
Cinta Senese	2001	9	130	2/4	2/4
Salama for sugo	2000	3	2	3 stable + 4 seasonal	3 stable + 4 seasonal
Fabriano Salami	2000	4	4	2	2
Martinafranca Capocollo	2000	1	5 (butchers)	3	3
Val d'Ossola Mortadella	1998	1	1	2	2
Marzolina (The decrease of producers is caused by the menace of the wolves, who live in the nearby Abruzzo National Park)	2000	3	1 (100 goats)	2	1 stable + 3 seasonal
The Red Onion of Cannara (a farmers' co-operative is in the process to be constituted)	2000	5	5 (25 Ha)	5	5
Bronte Pistachio	2000	1	3	2	6
Late-harvest Leonforte Peaches	1998	70	80 (11 Cooperatives) (150 Ha)	3 + 3 seasonal	3 + 3 seasonal

Source: Data on the Presidia adopted by Coop, according to the interviews carried out in June 2004.

According to the results of our interviews with the people responsible for 10 of the Presidia adopted by Coop (Tables 4–9), the constitution of a Presidium did not bring a significant increase in the production. Production augmented only for the Leonforte late-harvest peaches (50% in six years, in which case Coop's role has been important), and especially for the Cinta Senese pig breed (in which case it seems that not only Coop, but the same

Table 6. Quantities of Product Sold.

Presidia	In the 1st Year of Presidium Birth (q)	2004 (q)	Variation In %
Orbetello Grey Mullet Roe[a]	5/12	5/12	0
Cinta Senese	1 (35 sows)	12 (500 sows)	+1100
Salama for sugo (the main increase has been realised in 2002, in occasion of the Salone del Gusto)	16	16	0
Fabriano Salami (seasonal product)	36	36	0
Martinafranca Capocollo	2.5	5.5	+120
Val d'Ossola Mortadella	5	4.5	–10
Marzolina	10	6	–40
The Red Onion of Cannara	1,000	1,500	+50
Bronte Pistachio (the decrease in production is due to the competition of the Turkish and Iranian pistachios)	40,000	30,000	–25
Late-harvest Leonforte Peaches	4,000	6,000	+50

Source: Data on the Presidia adopted by Coop, according to the interviews carried out in June 2004.
[a]The high variability is due to the characteristics of the product.

Table 7. Prices.

Presidia	In the 1st Year of the Presidium (€ per kg)	2004 (€per kg)	Variation in %
Orbetello Grey Mullet Roe	150	250	+66.7
Cinta Senese	—	—	Prices are 5/6 times above the average for a similar product
Salama for sugo (there is not a real selling price. The product is usually reserved by)	15	20	+33.3
Fabriano Salami	16.50	16.50	0
Martinafranca Capocollo	12.50	20	+60
Val d'Ossola Mortadella	16.50	16.50	0
Marzolina	7.5	10	+25
The Red Onion of Cannara	0.50	1 (loose) (1,50: woven)	+100
Bronte Pistachio (Pistachios are sold hulled, but not salted)	21	14	–33,3
Late-harvest Leonforte Peaches	0.95	2.75	+189.5

Source: Data on the Presidia adopted by Coop, according to the interviews carried out in June 2004.

Table 8. Markets and Market Channels.

Presidia	Market Channels		Markets			
	Direct Sales (%)	Middlemen (%)	Local (%)	Regional (%)	National (%)	Export (%)
Orbetello Grey Mullet Roe	80	20	50	30	20	0
Cinta Senese (The Consortium operates only for certification. The export is directed to Germany and Japan – the link was established through tourism in the area)			80	15	4 (to some Northern Italian cities)	1
Salama for sugo	100	0	100	0	0	0
Fabriano Salami (The national market is located mainly in the chief towns of Sicily, Lombardy, Piedmont and Lazio)	100	0	75	22	3	0
Martinafranca Capocollo	100	0	70	20	10 (several regions)	0
Val d'Ossola Mortadella (Regional and national market were reached thank to a presentation event organised by Coop. The export to Switzerland is limited by the high duties)	100	0	55	30	10	5
Marzolina	95	5	93	5	2	0
The Red Onion of Cannara (National markets: Rome general markets and only a small percentage to Verona through direct contact. Export to Monaco in Germany)	95	5 (wholesale store)	60	25	12	3

Table 8. (*Continued*)

Presidia	Market Channels		Markets			
	Direct Sales (%)	Middlemen (%)	Local (%)	Regional (%)	National (%)	Export (%)
Bronte Pistachio (A co-operative is active for transformation. National markets are mainly in some central/northern towns. The export is directed to Switzerland, France and Germany)	0	100	10	40	35	15
Late-harvest Leonforte Peaches National markets have expanded thanks to Coop and Esselunga campaigns	0	100	34	45	20	1

Source: Data on the Presidia adopted by Coop, according to the interviews carried out in June 2004.

Presidium is also not very active). The producers of Cinta Senese instead created a Consortium by themselves in 2001 and are applying for the recognition of a protected designation of origin (PDO). In this case producers increased from 9 to 130 and production from 1 to 12 quintals (or from 35 to 500 sows). Prices, instead, increased for most of the 10 presidia products from a minimum of 25% to a maximum of 189.5%, except in three cases: the Fabriano Salami, the Val d'Ossola Mortadella (where prices have remained the same) and the Pistachio from Bronte. In this last case both quantities and prices declined, by 25 and 33.3% respectively.

As we see from the Table 8, Presidia products are mostly sold directly by the producers in the local markets. Middlemen are important only in the case of fruits (the Bronte pistachios and the Leonforte peaches are entirely sold to middlemen), and we may think that the characteristics of the product (big quantities, perishable product in the case of peaches and industrial destination in the case of pistachios) are relevant here. Even when a small percentage of the product is directed to far away markets, personal links and sharing of experiences are important: it may be through emigrants or tourists that have visited the area and got acquainted with the product in the place of origin, as in the case of Cinta Senese or other products.

Table 9. Coop role in the Adopted Presidia.

Presidia	Presidia's and Coop's Role in the Local Production System
Orbetello Grey Mullet Roe	A co-operative existed before the constitution of the Presidium. Coop was supporting the costs of the presidium at the beginning, not anymore. The co-operative is looking for contacts with other big retailers. The objective of the co-operative is to improve the product's image and to respond to consumer's demand
Cinta Senese	The presidium has never been functioning properly. It is a failure, in spite of producers' availability. In 2001, producers created a consortium for the protection of the breed and are in the process of obtaining the PDO certification for the meat products. No direct contact with Coop exists
Salama for sugo	Coop's role is not deemed important by producers, since production is only available in small quantities for local markets. The local product is a "rarity", but it not dying out
Fabriano Salami	The presidium exists only on paper. Recently a production regulation has been signed. Relationship with Coop is good: it promotes the product, even if the product is already known
Martinafranca Capocollo	Butchers do not look for contacts with Coop, because they control their own market and want to differentiate their product from the circuit of big retailing firms. A production regulation is in the process of being approved
Val d'Ossola Mortadella	Coop has been very important in the promotion of the product, at regional and national level
Marzolina	No benefits from Coop, not even a financial help for the participation to the 2002 Salone del Gusto
The Red Onion of Cannara	Coop has promoted the product in several cities, but its role is not so important, since the product has its own market. The Presidium has several difficulties in co-ordinating the producers
Bronte Pistachio	No benefit from Coop. Only once Coop bought the product. Coop demands salted pistachio, while Bronte Pistachios are only hull
Late-harvest Leonforte Peaches	Few years ago, two producers' co-operatives existed, but their quality strategies were considered dubious by Coop, who interrupted any relationships with them. Today the best farms have formed a new co-operative, which aims at quality and good relationship with Coop. There are contacts also with Esselunga and others big retailing firms: they require high quality and reliability in order to charge high prices and to gain benefits. However, the role of Slow Food and the Presidium is highly appreciated by the producers

Source: Data on the Presidia adopted by Coop, according to the interviews carried out in June 2004.

Only in three cases is the role of Coop reported as very important (Table 9): Fabriano's Salami, Val d'Ossola Mortadella and Leonforte Peaches. In the first two, Coop had an important "communication" role; while with Leonforte Peaches there has been an involvement of Coop in the organisational matters of the co-operative, with regard to the quality standards. In other cases, Coop has contributed by paying the expenses for the participation of the Presidium to the Salone del Gusto (the Hall of Taste) in 2000 and 2002, recognised as very important event by the Presidia.

Coop's and even Slow Food's role is contested by some of the people interviewed, for not adding too much to the local knowledge of the product. According to the Cinta Senese consortium, the Presidium has never started properly, even if there was a producers' interest on it, and there was no contact of any sort with Coop. Notwithstanding that the consortium has done very well, number of producers, production and prices increased notably, and the breed was saved from extinction.

In some localities (Martinafranca Capocollo and Red Onion of Cannara) producers do not look for contact with Coop. They have their own market channels, thanks to the fact that the product is locally appreciated, and they cannot expand at the moment their production.

6. DISCUSSION: THE TRAGEDY OF INDUSTRIAL FOOD AND THE COMEDY OF LOCAL PRODUCTION

In the last 20 years in Italy, as elsewhere in the UE, there has been an explosion of the "typicality". In 2001, it was estimated that Italians spent 2,736 million euro for agrofood typical (protected denomination of origin, or PDO) products, with an increase of 5% with respect to 2000 (Ismea – Nielsen, 2001). Many macro and micro variables have been indicated at the origin of the phenomenon: the crisis of the Fordist model of production and of the Common Agriculture Policy (CAP), the conceptualisation of a European model of agriculture, that has inspired a new orientation of the CAP and specifically the 1992 regulations for the "protected denominations of origin", on one side; changes in the lifestyles and the emergence of a "reflexive consumer" (Beck, Giddens, & Lash, 1994), on the other.

The Slow Food initiative of the Ark of Taste and the Presidia is particularly interesting because it is directed towards very small typical markets on the verge of extinction: for Slow Food, stopping a typical product and its very last few producers from disappearing means saving an economic, technical, social and cultural patrimony, but also a local variety and then

agrobiodiversity. The ecological objective of defending biodiversity is strictly linked to a rural development objective.

The marketing of typical products presents, nonetheless, a big problem. While global food makes consumers choice easier (a Coca Cola is a Coca Cola all over the world), local food is more demanding: consumers of local food must be either local – i.e. knowing about food because they belong to the same territorial and cultural context – or reflexive – i.e. knowledgeable about different local territories, culinary cultures, traditions and tastes. Paraphrasing Umberto Eco,[15] we can say that, like the tragedy, global food appeals to universal tastes, while, like the comedy, local food requires a consumer well educated in different local culinary cultures.

As local ties are weakened by the transformation of rural communities and the depopulation of rural villages, proximity markets undergo a profound crisis. Hence the necessity to extend the consumption–production network to the "distant consumer". In the attempt to enlarge markets for local products, Slow Food strategy for the Presidia initiative focus on certification and promotional communication directed to inform and educate the distant consumers.

Up to 2000, Slow Food focused on strengthening the proximity markets, i.e., the networks of local producers, restaurants and final consumers. Its annual Guide to the Italian Osterie was edited in the frame of this perspective. There is no need of formal certification and communication.

Certification and communication are, instead, needed in order to make the quality of the local product known to a distant consumer. Through certification local products (derived from local varieties and local techniques) adopt a formal, codified language meaningful to non-local people, who, through promotion and communication, must be convinced to pay more for some "local" characteristic they do not know directly, but must learn to value. An expert system is created and mobilised by these processes, acting as mediator between the territorial and extraterritorial context.

The Agreement with Coop represents a change of strategy, a "challenge" as we have been told.

Introducing in the arena of typicality, the "distant consumer" calls into the play a "big actor": Coop is needed because, as an operator at the consumer end of the food supply chain, it offers the opportunity to communicate with many (reflexive) consumers, who may be "close" to some typical products and "distant" from others, expanding their knowledge of typicalities.

For the big actor, his involvement in the alternative food supply chain may respond to different strategies. It may position itself in a growing segment of a saturated food sector. Even if the absolute income, it may obtain from

alternative and typical food, is small, nonetheless, it may capture the entire market consumption share (alternative and not alternative) of the "hybrid" consumer (i.e., that one who shops both, in the quality and in the mass market), at the expense of other competing retailing firms (see Fig. 3).

At micro level, both, traditional producer and big actor benefit from this involvement. But the transformation of "proximity" or local markets, in order to enlarge the network to distant consumers, it is not without consequences for the local agrofood system.

Local agrofood systems may be conceived as a *territorially co-ordinated production consumption network*. They are based on family farms, express local knowledge learned through tradition and shared in the community, are variable as for local varieties, cultivation and transformation techniques. Production is often limited in space (the territory) and time (seasonal) and controlled by local producers; products are known by experience in the area (Angelini, 2004). The territory is not only a very important resource – its natural (geomorphologic, chemical, biophysical, etc.) characteristics constituting an important element of the product's "typicality". As in the industrial local production system, it is also the "connector" of the economic activities, that is the context in which information is stored, as relationships, institutions, governance structures and knowledge is replicated, integrated, created and openly exchanged (Rullani, 2003).

The de-localisation of consumption corresponds to a disintegration of the local agrofood consumption–production network. For some functions (consumption), the territory ceases to be the only connector and is complemented by the market. The complexity of the system increases, for the

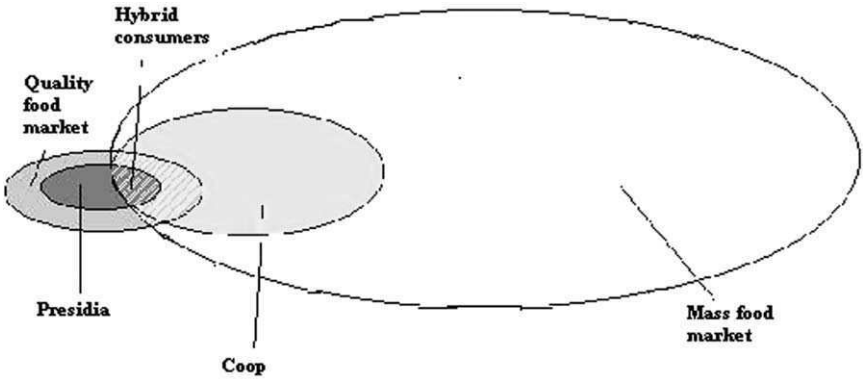

Fig. 3. The Space for Hybrid Consumption.

necessity to deal with different mechanisms of co-ordination. The risk for the territory (and its inhabitants) is to be relegated in a second order, as the ''economic connectors'' increase.

When local production is extended to a distant market, a supplementary demand is stimulated. Nonetheless, supply of the ''typical'' product remains limited by the nature of the technological process and the characteristics of the territory. So, for each single typical product, supply may be expanded only in same cases, and in any case only progressively and by a limited amount.

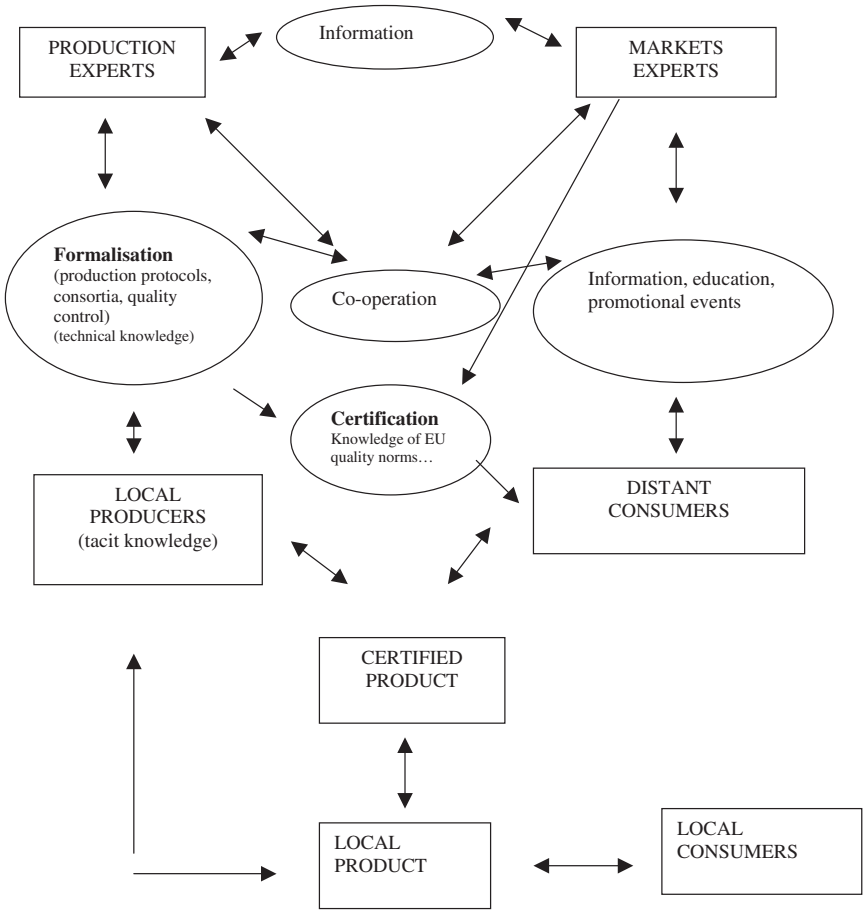

Fig. 4. The Glocal Food Production–Consumption Network.

The proportionality of demand growth to the supply capacity poses a limit to the marketing communication, beyond which the same basis of local, typical production (biodiversity and local knowledge; local control of local resources) is eroded (Angelini, 2004). If, for example, the necessity to satisfy demand that is too large is delegated to big players, uniformity is encouraged and local control of production may be lost. The formalisation process that leads to certification, furthermore, brings in to the network the experts on quality, scientists and researchers who may be able to work together with local producers, or, alternatively, may expropriate their tacit knowledge and their control of the production process (biopiracy/agro-piracy). The same certification system may represent a risk for small, local producers. The cost of certification may drive them away from the markets, while an excessive increase in the product price may discourage local consumers. The market would then entirely substitute for a personal interaction between producers and consumers, and the production–consumption link would not be co-ordinated by the territory anymore.

Local culinary culture is an important element of the territorial specificity of local food systems, which makes them different from other sectors' territorial production systems. In many instances, de-localisation of consumption may be necessary in order to save local production and agro-biodiversity, but as we have seen in the case of Presidia, the link to a distant consumer should be thought, where possible, as a complement, not a substitute for the embeddedness of the quality product in the local territory and the proximity market (see Fig. 4). Rural development policies should be then elaborated not only to accompany the opening of the territorial food production system, but also to strengthen and revitalise, local communities and their food culture, where possible.

7. CONCLUDING REMARKS

Slow Food Presidia is a very interesting and successful initiative in the local rural development. Even in such a small niche, we find a great variability of situations. Most of them are still struggling to survive and exit from isolation; others are experimenting a constant growth.

As testified by many producers' complaints, Coop's role is only generically promotional, rather than specifically or directly involved in the organisation of the markets. Its strategy is targeted to gain a competitive edge versus its big competitors, attracting in its stores the ''hybrid'' consumers, more than to sell Presidia products. At the same time, its role as mediator

between the local culture and the distant consumer is justified by the transformation of the local agrofood economy.

The wide promotion and diffusion of typical agrofood products, in recent years, is a consequence of the requalification of the local agrofood system, from a "local production for local consumers" to a "local production for distant consumers". Territory ceases to be the only "connector" of the economic activities and is complemented by the market. The local agrofood system is disintegrated; that is, the production functions (the *core business*) remain concentrated in the territory, but consumption functions are de-localised. This process implies the spatial extension of the production–consumption network and a new combination of tacit and formal knowledges. The territorial dimension of the agrofood network is circumscribed, and the requalification of the local food becomes an explicit issue of the new extraterritorial and old territorially embedded economic agents, in the new reflexive markets for quality food.

NOTES

1. See, for example, the special issues of two important specialised reviews: Journal of Rural Studies (2003) and van der Ploeg, Renting, & Minderhoud-Jones (2000).
2. Alternative agrofood networks.
3. From a legal perspective in Italy, the status of co-operative imposes one main constraint: profits cannot be redistributed between associates (if not in a small definite amount), but must be reinvested in the economic initiative.
4. Search with keyword "presidi" on the website www.Coop.it. Accessed on June, 8th 2004.
5. The Consuls' Roads are ancient roman roads that connect Roma to the Italian provinces. These roads are still in use in Italy.
6. The second food retailing company, as for market share, is CONAD, with 8%. Third is Carrefour. Italian food market is considered "laggard" as for market concentration in the food sector: the first three operators have a combined share of 32% in 2002, as in Greece, and less than Spain (44%) and all the other EU countries, especially northern countries, for which the concentration ratio of the first three retailing firms reaches 80% and more (Dobson, 2003).
7. Sergio Soavi, responsible for the co-operatives co-ordination.
8. Coop ethical engagement is expressed in many initiatives: adherence to fair trade, with a specific product line "Solidal Coop"; local international initiatives, as the involvement in a project for water provision in some African countries; national initiatives in defence of consumers, as the precautionary attitude toward Genetically Modified Organisms (GMO) or the recent initiatives against food prices inflation (after the introduction of the Euro, there has been in Italy, as in many other European countries, a steady increase in prices, mainly of primary products), directed especially to defend older peoples' income.

9. The Del Monte case is referred to a campaign started in 1999. An Italian NGO, Centro Nuovo Modello di Sviluppo, conducted an investigation on labour conditions in Del Monte pineapples plantations in Kenya, at that time belonging to the Cirio Group. The conditions were upsetting, for many aspects: hygiene, the use of very harmful chemical products, very low salaries and anti-union behaviour. Coop was then selling Del Monte pineapples with its own brand name, even if it had just obtained a SA 8000 certification (for social accountability). After some inspections in the plantations, Coop recognised the existence of an incompatibility of the labour conditions with the SA 8000 certification, so it was pressuring Del Monte Italia, in order to improve living and hygienic conditions and salaries and to introduce Integrated Pest Management (www.citinv.it/associazioni/CNMS/archivio/strategie/campagna_delmonte.html).

10. In 2001, one of these (the Zucchina Trombetta) was later dismantled, so the adopted Presidia became 10.

11. Wine and distilled/oil/bread, pasta, rice and oven products/meat/salamis/cheeses/fruit and vegetables/sweets and honey.

12. Finally Coop decided not to adopt a quality logo for Presidia products, since the logo would hide the actual origin and the name of the producers.

13. Carlo Fanti, responsible for the Coop Agreement.

14. *IL Sole 24 Ore* is the most diffused Italian economic daily journal.

15. I refer myself here to a journal article by Umberto Eco in which he was explaining the differences between the tragedy and the comedy.

ACKNOWLEDGMENTS

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Phone interview with the Coop manager Sergio Soavi, responsible for the co-operatives co-ordination (May, 2004).
Interviews with the people in charge of the Presidia adopted by Coop Italia.

Websites

www.slowfood.it (in Italian)
www.slowfood.com (in English)
www.fondazioneslowfood.it
www.Coop.it

APPENDIX A

Ark of Taste Manifesto

(www.slowfood.com)

To protect the small purveyors of fine food from the deluge of industrial standardization; to ensure the survival of endangered animal breeds, cheeses, cold cuts, edible herbs – both spontaneous and cultivated – cereals and fruit; to promulgate taste education; to make a stand against obsessive worrying about hygienic matters, which kills the specific character of many kinds of production; to protect the right to pleasure.

As spokesmen for culture, the food and wine industry, scientific research, journalism, politics and the institutions, we hope to persuade like-minded people to join us in the pursuit of these objectives. By way of a response to the alarm raised by Slow Food, we are launching:

An Ark of Taste to Save the Universe of Flavours

The Ark of Taste is the result of an idea conceived by Slow Food. Today, thanks to support from representatives of the world of culture, scientific research, the food and wine industry, journalism and politics, this idea has turned into a project aimed at safeguarding and promoting small-scale fine food purveyors who are threatened by extinction. The project embraces both the scientific and the promotional sides of the issue.

From the scientific viewpoint we undertake to: define methods and criteria for research, in particular, outlining the very notion of gastronomic asset, typicality; tradition and endangered products provide an ethnobotanical and historical characterization of cultivars; local breeds and products as a measure for the recognition of what is typical and/or traditional promote scientific training of experts in the field at a national level set up a networked data bank managed by a central body for collecting the data progressively obtained on cultivars, breeds, products, research, recipes, producers, restaurants and so on.

From a promotional viewpoint we undertake to: draw up and circulate a list of endangered products – known by the public at large and steeped in symbolic value – so that the struggle to defend them becomes as encompassing as possible; analyse these products from an organoleptic viewpoint, providing the names and addresses of the remaining producers, and advertise them through the mass-media and specialist publications so that the concept of protection goes hand in hand with that of economic return, invite

consumers to purchase and eat these products, convinced as we are that the extinction can be avoided only if they are fully reintroduced into the commercial/food circuit, identify within each region a series of inns or taverns – to be awarded special recognition – that will become active regional promoters of the Ark products, using them on a daily basis in the preparation of their dishes invite major restaurants to select a specific Ark product as their ''pet product'', protecting and introducing it in certain dishes and launch a campaign throughout Italy so that each municipality ''adopts'' an endangered product, thus promoting its production and consumption and implementing in the near future a pilot project on a regional or sub-regional scale with a view to verifying and adjusting methods, schedules and procedures for the realization of the overall project, promote projects aimed at teaching taste to young people right from school age, with a view to developing people's organoleptic faculties so that they can recognise quality products and draw the utmost pleasure from them prod national institutions into considering the safeguarding of these products – gastronomic assets in general, and not just those in danger – as a major goal for the economy and integral part of Italy's cultural identity associate with similar projects throughout Europe, convinced as we are that protecting typical and/or traditional quality food and agricultural products must become a transnational operation, given the fact that markets and strategies are growing increasingly globalised and standardised.

APPENDIX B

Criteria for Ark Products Selection

(www.slowfood.com)

I. Products must be of outstanding quality in terms of taste. ''Taste quality'' is defined in the context of local traditions and uses.
II. The product must be linked to the memory and identity of a group, and can be a vegetable species, variety, ecotype or animal population that is well acclimatised over a medium-long period in a specific territory (defined in relation to the history of the territory). The primary material of the foodstuff must be locally sourced unless it comes from an area outside the region of production, in which case it must be traditional to use materials from that specific area. Any complementary materials used in the production of the product (spices, condiments, etc.) may be from any source, and their use must be part of the traditional production process.

III. Products must be linked environmentally, socio-economically and historically to a specific area.
IV. Products must be produced in limited quantities, by farms or by small-scale processing companies.
V. Products must be threatened with either real or potential extinction.

JUST VALUES OR JUST VALUE? REMAKING THE LOCAL IN AGRO-FOOD STUDIES

E. Melanie DuPuis, David Goodman and Jill Harrison

ABSTRACT

In this chapter, the authors take a close look at the current discourse of food system relocalization. From the perspective of theories of justice and theories of neoliberalism, food relocalization is wrapped up in a problematic, and largely unexamined, communitarian discourse on social justice. The example for California's localized governance of pesticide drift demonstrates that localization can effectively make social justice problems invisible. The authors also look at the EU context, where a different form of localization discourse emphasizes the local capture of rents in the value chain as a neoliberal strategy of territorial valorization. Examining Marsden et al.'s case study of one of these localization projects in the UK, the authors argue that this strategy does not necessarily lead to more equitable forms of rural development. In fact, US and EU discourses are basically two sides of the same coin. Specifically, in neoliberal biopolitical form, they both obscure politics, behind either the discourse of "value" in the EU or "values" in the US. Rather than rejecting localism, however, the authors conclude by

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arguing for a more "reflexive" localism that harnesses the power of this strategy while consciously struggling against inequality in local arenas.

Why is localism "good"? Why has "the local" become a key tool in the fight against global economic injustices? Why, amidst a deluge of anti-globalization messages on bumper stickers, are we enjoined to "act locally"? Why does current policy guidance proclaim "local governance" as the solution to our current ills? In other words, is "the local" the foundation for salvation from the current pernicious impacts of the now globally organized capitalist system: mega-sized shopping chains and the 'Walmart effect', McDonaldization of lifestyles, loss of civil society, ineffective central bureaucracies, economic disarray, individual and group disempowerment?

The idea that localization movements will overcome, or at least ameliorate, these perceived ills is particularly evident in both the food social movement discourse in the US and in rural development discourse in the EU. In a previous work (DuPuis & Goodman, 2005), we described how the ontology of localist social movements fails to deal with inequalities in local politics and power. In this chapter, we will begin by looking more closely at the ways in which localism can and does lead to unequal and unjust outcomes. To do this, we will draw upon two major frameworks: theories of justice and theories of neoliberalism. This examination will show that US localist discourse is wrapped up in a problematic communitarian discourse of social justice, which equates justice with action commensurate with a community's "just values." Using the example of California's local governance of pesticide drift, we will show that moving an issue to the local level can serve to make social justice problems invisible and thus disempower marginalized people. In other words, empowering the local may simply exacerbate local inequalities.

EU discourse, for its part, emphasizes local capture of rents in the value chain as a neoliberal strategy of territorial valorization. In this case, rural development policy seeks to empower local food producers in order to achieve "just value", while relying on market forces to achieve greater equality. Drawing on a case study by Marsden et al., of a local beef cooperative in the UK, we will show that this strategy does not necessarily lead to more equitable forms of rural development.

Despite their differences in terms of both explanation and implementation, both the US and EU discourses are basically two sides of the same coin. In these imaginaries, localized processes and institutional mechanisms of food provision signify 'resistance', which is then equated with social justice or more equitable participation in global value chains. This

conflation of territoriality with progressive social organization has been roundly condemned in the agro-food literature, particularly in critical deconstructions of 'defensive localism' (see, for example, Hinrichs, 2000, 2003). Building on this critique, we go on to suggest that the relocalization of food systems is compatible with, and may reinforce, ideologies of neoliberal political economy and governmentality. Specifically, in neoliberal biopolitical form, they both deny the politics behind either "value" or "values."

We therefore join a number of other observers who have recently noted that localization as a social movement does not necessarily make food systems more just and, in fact, can perpetuate and exacerbate local inequalities. They have acknowledged with David Harvey (1996) that the local is not an innocent term, observing that it can provide the ideological foundations for reactionary politics and nativist sentiment (Allen, FitzSimmons, Goodman, & Warner, 2003; Hinrichs, 2003; Hassanein, 2003; see also Swyngedouw, 1997). On the other hand, we are also sympathetic to a number of US and European scholars who have made strong, empirically based arguments on behalf of localism as a tool for resistance to the global food system (Holloway & Kneafsey, 2004; Hassanein, 2003; DeLind, 2002; Lyson, 2005; Murdoch & Miele, 2002; Kloppenburg, Hendrickson, & Stevenson, 1996), showing that relocalization has in some instances led to better, more equitable food systems. In this vision, grassroots local food democratic processes create community values which resist the universal instrumentalist juggernaut of globalization and the accompanying processes of agricultural modernization (Hendrickson & Heffernan, 2002; Hassanein, 2003; Lyson, 2005; Marsden & Smith, 2005).

Our purpose, therefore, is not to "bash away" at localism but to more thoroughly understand localism's ambivalences and ambiguities in relation to justice and equality and remake a local politics that takes these into account. In the second part of the paper, therefore, we will attempt to "redeem" the local by thinking through what a just localism might look like. The first step is to recognize the political in the local. An examination that brings politics back in shows that localism is a powerful but politically contradictory strategic tool. By working in full recognition of the contradictions of the local, a "reflexive localism" can lead to more effective and just social action and more effective rural development.

THE US: LOCAL AS JUST VALUES?

Popular US rhetoric against globalization is filled with calls for a return to the local. David Korten, in the extremely popular book, "When Corporations

Rule the World'' details the rise of global business hegemony and then presents the following solution.

Initiatives throughout America are seeking to counter the trend toward corporate control and ownership. Some 3,000 community development corporations across the country support local business development. More than a thousand family farms in the U.S. and Canada have contracts with local residents to provide fresh produce … . These and countless related initiatives are the proactive side of the living democracy movement, demonstrating the possibilities of local democratic control within a framework of commitment to creating healthy, ecologically sound communities that work for all (Korten, 2001, p. 319).

Other popular authors on the US progressive Left, such as Francis Moore Lappe and Anna Lappe's (2002) *Hope's Edge*, WorldWatch's Brian Halweil's (2004) *Eat Here* and Gary Nabhan's (2002) *Coming Home to Eat call* for the rebuilding of ''foodsheds'' (see Kloppenburg et al., 1996) and the making of local ''food democracy'' (see Hassanein, 2003). Joining them are the ''New Agrarians'' who testify that food relocalization, ''offers useful guiding images of humans living and working on land in ways that can last. In related reform movements, it can supply ideas to help rebuild communities and foster greater virtue'' (Freyfogle, 2001, p. xviii). From this viewpoint, a local agriculture is a sustainable and just agriculture – just societies and local healthy ecologies are inextricably linked.

What, then, do we make of the extremely detailed and convincing descriptions by historians such as Lizbeth Cohen and Mike Davis, of how Americans have historically used localism as a tool for exclusion, not community, for greed, not virtue? Cohen's history of US consumerism (Cohen, 2003) shows how localism has been put to work in the service of inegalitarian local agendas in many different arenas, particularly housing, finance, and schooling. ''Localism has a long history in the United States,'' she states (p. 228), but argues that only after World War II did localism become the main tool for the creation of ''stratified communities with mass suburbanization'' (p. 230). Cohen's study of local ''home rule'' policies focuses specifically on the State of New Jersey, but her words echo those of Carey McWilliams (1935), Don Mitchell (1996), Mike Davis (1992) and other California Studies scholars who have shown that maintaining local control over land use planning, housing, and agricultural practices has enabled large scale farmers and white middleclass suburbanites to monopolize control over the State's natural resources. Both Cohen and Davis point to the inequities involved in the localist practice of ''upzoning'': ''a strategy of requiring substantial plots for home construction to preserve high property

values but also to cap the municipality's population and thereby control the cost and demand for social services'' (Cohen, 2003, p. 231). In New Jersey, the result was the creation of ''two societies: a sparser, wealthier and better serviced New Jersey, on the one hand, and a denser, poorer and overburdened New Jersey on the other'' (p. 231). Those who benefited from these distinctions justified and naturalized them through a discourse of ''home rule'' local control and the universalization of Northern European notions of moral living often presented as fostering greater community solidarity and public (particularly children's) health (Shah, 2001; McClintock, 1995).

The Case of Pesticide Drift

Harrison (2004) shows that the inequalities of localism hit close to home in the case of California agriculture, where a highly devolved pesticide regulatory structure exacerbates the problem of human exposure to pesticides while maintaining growers' power to pollute in counties dominated by agricultural production. Harrison examines the problem of pesticide drift – the off-site airborne movement of pesticides away from their intended target – and the accompanying debates about how well regulatory agencies protect the public from the associated acute and chronic health effects of exposure to drift. Through analysis of regulatory structure, discursive framings and local politics, Harrison's study explains the contradiction between the minimal regulatory response to the issue and activists' allegations that pesticide drift is a daily, systemic problem affecting the long-term health of thousands of Californians on a daily basis.

California's historically devolved set of political institutions dates from turn of the century Progressive Era ''direct democracy'' reforms. These reforms worked against centralized agencies and legislative processes and favored decision making through local county agricultural boards as well as commodity commissions that are usually territorialized to particular production areas and water commissions covering single watersheds. As a result, water, land use and agricultural management have been in local hands for over a century (Starr, 1986; Pincetl, 1999). Likewise, California's pesticide regulatory system is a highly devolved network in which a tremendous amount of responsibility is granted to county agriculture commissioners.

The San Joaquin Valley, at the southern end of the Central Valley, has long epitomized California's industrialized form of agricultural production. The devolved, local regime of control enables powerful agricultural groups in the State to continue to pollute resources and to play down the worker and community health effects of pesticide use, thereby also reinforcing the

industrial agriculture regime. It is the township and county level control of agricultural resources and regulations that allows California's growers to keep pollution issues "in house", hidden from public view, and disconnected from similar problems in other counties. This is particularly the case in counties dominated by agricultural production with large populations of politically disenfranchised farmworker communities.

Agriculture continues to be an economic entry point for new, undocumented immigrants, and researchers estimate that 45–52% of California's 800,000 farm laborers lack documentation (CIRS, 2001). In general, being "illegal" means that individuals are rarely likely to assert their rights or seek damages in terms of fair wages, benefits, working conditions, on-the-job injuries or exposures to pesticides. Consequently, the local politics that drive pesticide regulation and other social services disproportionately and notoriously reflect the economic interests of the dominant agricultural elites, while sidelining and rendering invisible the concerns of the poor, noncitizen, marginalized farmworker communities. In short, 'local' politics effectively represent the interests of a 'productionist local' over a 'reproductive local' of farmworker communities. Lake and Disch (1992) have similarly noted ways in which industry and regulatory interests converge, particularly when regulatory scalar 'fixes' particularize pollution debates and thus serve the interests of the regulated.

Regulatory protection of growers' interests has deep historical roots. Although the state's devolved pesticide regulatory structure prioritizes 'local' needs, these have historically been defined solely in terms of crop protection. Researchers have shown that local pesticide regulatory action has historically been motivated to protect farmers' economic interests, to the detriment of ecological or public health concerns (Baker, 1988; Nash, 2004).

Furthermore, in her analysis of regulatory discourse, Harrison shows that the ways in which regulators frame the issue of pesticide drift justifies this devolved regulatory system and obscures the full extent of the problem. Pesticide regulators and agricultural industry representatives frame pesticide drift as a series of localized, isolated 'accidents' occurring within an otherwise protective system, thereby maintaining the local governance of pesticide regulations and justifying minimal regulatory response to this problem (Harrison, 2004).

The consequences of such discursive exclusions are physical and significant: by privileging the rights of growers as producers, the framing of drift as 'accident' justifies regulatory agencies' failure to take meaningful action on an egregious public health problem. In this way, farmworker concerns over worker safety, pesticides and housing never scale up to become a

statewide concern. Localism thereby maintains the invisibility of farmworkers' concerns – an invisibility which is a direct result of the historical race-based and locally implemented economic exploitation of farm labor in California (McWilliams, 1935; Mitchell, 1996). On the other hand, localism does have the power to give communities with more prosperous and politically powerful residents the ability to maintain stronger control over local agricultural resource use.

These exclusionary and disempowering forms of localism are clearly counter to the stated "food security" goals of local food movements which are explicitly concerned with the equitable distribution of healthy, nutritious food. Yet, by unreflexively accepting localism as the main tool of anti-global resistance, local food activists may be playing into the hands of interests with less egalitarian goals. As a consequence, the social justice consequences of local food movements may be unconscious and implicit, involving as much what these movements fail to do as what they do. For example, a recent study of 37 local food organizations by Patricia Allen and colleagues demonstrates this lack of reflexivity toward social justice issues. Survey responses showed that farmworkers have disappeared "from the framing of social justice in food" (Allen et al., 2003, p. 73). In the entrepreneurial, individualistic political culture of neoliberalism, changing the food system for these organizations "means increasing the diversity of alternative markets, such that consumers have more choice, rather than making deep structural changes that could reconfigure who gets to make what kinds of food choices" (*Ibid.*, p. 72). Another study of community food organizations (Slocum, forthcoming) illustrates how the whiteness of this movement leads to inevitable inequalities: "Community food work promises to build a more just food system, but it fails to act on the complicity of white middle class privilege with institutionalized racism extant in the food system and the community food alliance."

In other words, despite the fact that localism has becoming a darling of the US progressive Left, the movement itself is not necessarily progressive. Localism is a major tenet of neoconservative political movements as well. In many cases, localism enables politics to fall into the hands of neoliberal, faith-based social service groups, which hold a strongly conservative agenda. For example, according to the current US Department of Education website, the current neoconservative administration's "No Child Left Behind" Act, "gives communities and parents increased local control and more opportunities for faith-based and community organizations to aid in improving student academic achievement" (http://www.ed.gov/nclb/freedom/faith/faith.html).

One way to measure the extent to which localist food organizations are progressive or conservative, albeit by proxy, is by examining the presence of

food policy councils at the state level in states that voted Democrat or Republican in the last presidential election (the "Red State, Blue State" list). The Drake Agricultural Law Center website describes food policy councils as explicitly localizing institutions that "convene citizens and government officials for the purpose of providing a comprehensive examination of a state or local food system. This unique, non-partisan form of civic engagement brings together a diverse array of food system stakeholders to develop food and agriculture policy recommendations" (http://www.statefoodpolicy.org/). The Drake website heralds these new organizations as "playing a role in building a better food system – strengthening food democracy." The concept of "food democracy" – greater empowerment of all in creating a better food system – is a concept generally found in more progressive food system reform discourse (see, for example, Hassanein, 2003). Yet, as Table 1 shows, there are as many food policy councils in conservative "Red" states as in progressive "Blue" states. In other words, food policy councils are not necessarily associated with progressive food democracy movements, in part because localization is a concept that is appealing to both sides of the political spectrum in the US. As we will show in the next section, this is a feature it shares with European localist food politics.

Of course, it is just such alliances – between groups with different interests but some overlapping agendas – that makes politics work, especially in the US where people must work out political differences within a two-party

Table 1. Location of U.S. State Food Policy Councils by State Political Emphasis.

Food Policy Council State	Support in 2004 Election
Arizona	Red
Connecticut	Blue
Illinois	Blue
Iowa	Red
Kansas	Red
Massachusetts	Blue
Minnesota	Blue
New Mexico	Red
North Carolina	Red
North Dakota	Red
Oklahoma	Red
Oregon	Blue
Utah	Red

Red = Republican/Conservative, Blue = Democrat/Progressive.

system. The success of the food localization movement – community food organizations and food policy councils – are an example of what de Tocqueville noticed in the America of the 1830s, about how the US system requires people with different agendas to work together in order to further their agendas. However, these alliances become problematic when people do not go into them with their "eyes open" – when they assume that everyone in the organization shares the same idea of "the local." The ambiguous history of American Agrarianism does not help, with its ontology of rurality that sees the city as working along Tonnies' "gesellshaft" lines and the rural areas as functioning along more trust-based "gemeinshaft" lines (Goodman & DuPuis, 2002). Unfortunately, in the progressive/left version of agrarianism, the city becomes emblematic of a "gesellshaft" of industrial capitalism, while a conservative agrarianism sees the city as emblematic of a degenerate, criminal modernity. The idea of the local as drawing upon community-based, trusting "hometownedness" – a re-assertion of the rural pastoral – can represent either democratic yeomanry or economic and/or racialized exclusion (see Garcia, 2001; Cloke & Little, 1997). Yet, because the agrarian framework presents the rural pastoral as the source of community, it assumes that a politics that links to rurality must be intrinsically just.

We have also argued previously that the split between production (the country) and consumption (the city) in food studies (Goodman & DuPuis, 2002) has kept the urban influence on food politics largely unexamined. While this lacuna may have been of less significance in earlier studies of rurality, it becomes particularly problematic in the study of the re-localization of food systems, which are characterized by relationships both within and between the urban and the rural. For example, the local politics of farmers markets are as heavily influenced by urban interests as they are by rural interests, a point made clearly by New Yorker journalist John McPhee (1994) in his book, *Giving Good Weight*.

Ever since the eaters moved out of the countryside, food politics – whether the "urban-rural food alliances" of the 1970s and 1980s (McLeod, 1976; Belasco, 1993) or today's "food policy councils" – have been based in urban social movements. Nearly all sub-state local food policy councils – The Kansas City Food Circle, the Toronto Food Policy Council, etc – are named after the city that contains the consumers, not the region that contains the producers. Again, this suggests that we need to draw on urban political sociology if we are to understand local food systems. Yet, this literature is largely, and sadly, absent from this discussion. Better analysis of local urban–rural politics will result, we believe, in less reliance on

normative – "gesellshaft/gemeinshaft" explanations and will, we argue, lead to a greater realization that the relocalization of food systems requires a remaking of power relationships within and between urban and rural areas, in order to realize the truly "trust and care based" system envisioned by localists.

EUROPE: LOCAL AS JUST VALUE?

In Europe, the turn toward the local has been stimulated by the 'turn' to quality in food practices, following in the wake of episodic food 'scares' and heightened health and food safety concerns. These concerns have created a wider range of farm-based livelihood opportunities for producers who can adopt quality conventions, which emphasize territorial provenance in localized socio-ecological processes. This analytic architecture is built primarily with meso-level concepts, including quality, embeddedness, trust, network and, more recently and problematically, regional cluster. These shifts are described as the 're-localization' and 're-embedding' of food systems, whose institutional expressions are designated as 'short food supply chains' (SFSC) and 'alternative agro-food networks' (AAFN). Such categories are used as invocations of the local and the socio-material practices and processes of place-making. These representations and their supporting constructs – quality, embeddedness, trust – privilege certain analytical categories and trajectories, whose effect is to naturalize and occlude the politics of the local and of the new economic forms whose emergence configures a 'new rural development paradigm' for some observers (Ploeg et al., 2000).

The primary aim of this quality 'turn' of SFSC/AAFN scholarship is to delineate 'alternative' food practices and their 'economies of quality' rather than their politics. In addition, analyses of interactions with extra-local processes and spatial scales tend to be approached mainly from the 'inside' of agro-food supply chains and networks. That is, the analysis typically is centered on the internal dynamics of 're-localization,' rather than the power relations of surplus value creation and the rent-seeking behavior of off-farm, downstream actors.

Of course, there are some exceptions to this broad generalization, though these also lend it weight. For example, in a recent paper on food supply chain relationships in the UK, Marsden (2004) focuses on the struggle to control the meanings of quality and thus be in a position to delineate the "competitive 'spaces', boundaries and markets" (p. 130) between 'conventional' retailer-led commodity chains and 'alternative' SFSC. In these competitive

dynamics, "the construction of food quality has become more embedded" (p. 147) in the strategies actors deploy as they seek to configure the distribution of economic and political power in food supply chains in their interest. In this struggle for "competitive control of quality", the large multiples, buttressed by "a supportive state", hold a forbidding advantage over actors in SFSC due to "the continued institutional and regulatory dominance of retailer-led food governance" (Marsden, 2004a, b, p. 144).

This attention to power relations across the spaces of food supply chains is long overdue and hopefully it will lead to detailed empirical work, paralleling the research on global value chains (Kaplinsky, 2000; Institute of Development Studies, 2001).[1] However, this does little to attenuate the general neglect of the politics of scale, space and place in the literature on AAFN/SFSC, which stands in vivid contrast to the lively current debates in human geography. Indeed, the quality 'turn' literature takes the ontology of the local as given, not as a category to be explicated. This stance is difficult to understand when "The proposition that geographical scale is socially constructed (is) an established truism within contemporary human geography" (Brenner, 2001, p. 592, original emphasis). AAFN/SFSC scholarship has failed to problematize the socio-spatial practices of scale construction, whether the processes constituting the local or the dynamics of interaction between local forms of socio-spatial organization and extra-local actors and institutions (but see Marsden & Smith, 2005, on the production of new quality food 'spaces'.)

Several recent review papers by leading contributors can be used to reveal the main theoretical perspectives and framings of the local found in AAFN/SFSC scholarship (Ploeg et al., 2000; Marsden, Banks, & Bristow, 2000; Ploeg & Renting, 2000; Renting, Marsden, & Banks, 2003). The theoretical optic used to appraise case studies of AAFNs/SFSCs in these contributions derives from a policy-driven agenda based on a particular diagnosis of the problematics of rural development in Western Europe. These problematics are defined by the process of decapitalization of farms and rural areas engendered by the imperatives and structural tendencies of industrialized food systems, and manifest in the historical decline in the share of farm-based activities in the value stream of agro-food systems. In these circumstances, Marsden et al. (2000, p. 424) suggest that "two questions need to be answered by rural development theory. First, what are the mechanisms needed to capture new forms of value added? And secondly, how relevant is the development of short food supply chains in delivering these?"

To exploit new opportunities for value added generation, producers are encouraged to 'short circuit' industrial chains by building "new associational

networks'' and creating ''different relationships with consumers'' through engagement with ''different conventions and constructions of quality'' that evoke ''locality/region or speciality and nature'' (Marsden et al., 2000, p. 425). With ''their capacity to re-socialize or re-spatialize food,'' SFSC are in a position ''to redefine the producer-consumer relation by giving clear signals as to the origin of the food product'' (p. 425). This reconfigured relation plays a key role ''in constructing value and meaning'' since the identifiers of quality and provenance embedded in the product enhance its differentiation and thus its potential ''to command a premium price'' (p. 425).

Marsden et al. (2000, p. 425) conclude that ''All SFSC operate, at least in part, on the principle that the more embedded a product becomes, the scarcer it becomes in the market.'' In other words, SFSC valorize those qualifiers of 'the local' and its socio-ecological attributes – terroir, traditional knowledge, landrace species, for example – that can be translated into higher prices. In this instrumental context, 'the local' becomes a discursive construct and is deployed to convey meaning at a distance, and thereby becomes a source of value. From this perspective, the local and SFSC are empirically and theoretically defined primarily in the form of economic rent arising from the enhanced valorization of local resources. Rural development and social change accordingly are conceptualized in terms of market-led processes within a neoliberal political culture of entrepreneurship, choice and consumer sovereignty.

Moreover, as Buller and Morris (2004) observe, these approaches also emphasize the potential gains arising from the economic exploitation of attributes of territoriality hitherto beyond the value form. Commodification now encompasses aspects of the conditions of production and farm labor processes previously seen as positive environmental externalities, including landscape conservation, wildlife habitat and sustainable farm environments. As these socially valued externalities are 'internalized' by the discourse of quality, ''new forms of commodification permit a shift in the values attributed to the various 'products' of agriculture enterprise'' (Buller & Morris, 2004, p. 2). As these authors suggest, the line between market-driven and state-led mechanisms of environmental services provision in farming areas is being redrawn since ''the incentive for food producers to positively manage the environment comes directly through the harvesting of market benefits'' (Buller & Morris, 2004, p. 3).

These analyses usefully remind us of the dynamism of valorization processes. However, they fail to explore the driving forces behind the reconfiguration of space and scale and the new forms of commodification of territoriality. The local as a political–economic arena and socially constructed

scale of accumulation remains an opaque category, conceptually and empirically. Territoriality, a cipher for the local, similarly is black boxed, figured by landscape, habitat or craft knowledge in ways which naturalize the social relations underlying its production and reproduction.

In order to address these limitations, attention should focus on the conception of the local as a naturalized, fixed spatial construct, and the explication of its contemporary importance by recourse to the questionable binary of local 'resistance' to globalizing capitalist logic. To counter charges of reification and reductionism, it is important to explore the social and political processes underlying the prominence of the local in the current conjuncture of late modern capitalism: Why the 'local' and why now?

Efforts over the past decade to 'spatialize' French regulation theory, building on the ontological premise that scale is not given 'in the order of things', offer one possible avenue to explore (Peck & Tickell, 1995; MacLeod, 1997, 1999). For example, Jessop (1999, 2000) on the 'hollowing out' of the nation-state and changing 'spatio-temporal fixes' and Swyngedouw (1997) on 'glocalization' and the discursive deployment of 'scalar narratives' seek to understand the contemporary significance of nonstate governance and articulations between subnational, national and supranational scales of governance and economic activity. As Whitehead (2003, p. 285) observes, this work involves "an appreciation of the *relational* fluidity of scale and the ways in which scalar discourses are being exploited to meet certain political and economic ends (and) reveal(s) the active role of scale in the geometries, choreographies, and constitution of social power" (our emphasis). In short, the socioeconomies and discourses of the local need to be situated analytically within the current dynamics of scalar and spatial structuration processes. A related but explicitly actor-oriented analysis of scale and uneven spatial development is advanced by Cox (2002), who emphasizes the role played by 'territorially based coalitions' in defending and enhancing "the flow of value through local social relations" (p. 95). These coalitions articulate local positions and interests within the changing geographical division of labor and consumption.

Significantly, these formulations directly confront bounded conceptions of 'local' places and bring out the importance of social struggle and contested political economic processes in the *contingent* social construction and scaling of the local. These contemporary theoretical currents starkly expose the naturalized, static and reductionist conceptualizations found in the AAFN/SFSC literature. To engage the local, it is critically important to detail actors' socio-spatial projects, analyze their distinctive spatialities, power relations and social consequences, and situate these at the interface with current processes of scalar and spatial restructuring.

AAFN/SFSC: Individual Accumulation or Shared Development?

Some authors (Ploeg et al., 2000), discern elements of a new paradigm in an emerging constellation of European rural development practices and their potentially synergistic effects. These practices comprise the production of quality foods and specialty products, new modalities of food provision incorporating new producer–consumer relationships, such as localized SFSC, and different forms of commodification of environmental and territorial 'public goods.' However, it has been suggested that this agrarian-based rural development literature fails to subject farm-level innovation and multi-product value-added strategies to critical sociological analysis. That is, it does not ''systematically engage issues of power within the farm enterprise, as variously configured by social relations of production, domestic labour, gender relations and patriarchal property structures. Beyond the farm/household, the ways in which these strategies will mitigate such long-standing rural problems as income inequality, low paid employment, rural poverty, social exclusion, and more general questions of uneven development (also) receive negligible attention'' (Goodman, 2004, p. 7).

The effectiveness of farm enterprise synergies and the exploitation of economies of scope as the 'prime movers' of a paradigm shift also have been interrogated from other perspectives. As several contributors have suggested, SFSC and other new rural development practices are likely to accentuate rather than mitigate uneven development due to spatial inequalities in the distribution of the requisite capacities and resources. Thus Buller and Morris (2004, p. 13) observe that ''once territoriality becomes a component of value, it also becomes a commodity in itself, to protect and exploit, a source of differentially commodified relationships, leading to, in Marsden's words (Marsden, 1999, p. 507) 'new rural geographies of value.' The dimensions and expressions of this new competitive territoriality of value, and its implications for processes of rural development, are only just beginning to be explored.''

The key question here is whether farm-centred AAFNs/SFSCs will be catalysts of sustained rural development rather than accumulation strategies for select groups of enterprises. At the theoretical level, this issue of the developmental role of AAFNs/SFSCs as sources of local value-added and regional competitiveness has been addressed most directly by Terry Marsden and his colleagues. These linkages are explored in their study of the Llyn Beef Producer's Cooperative in north-west Wales, which commands premium prices in two new supply chains established to market its natural, grass-fed beef. In the construction of the socio-economic relationships

underlying these SFSC, "we can see how new equations between space, nature, quality, value and product come together. This does not occur automatically" (Marsden et al., 2000, p. 435). Moreover, the prospects of replicating the success of Llyn Beef are remote because its supply chain relations are like "unique 'forks of lightening;' they occur intensely across spaces in one vector, but by definition they are difficult to replicate in identical form elsewhere" (p. 436). Reflecting on SFSC more generally, it is suggested that, "their role in creating new forms of rural development will be to increase the distinctiveness of space and diversified agricultural relations" (p. 436).

Marsden et al. (2000) conclude by identifying two possible avenues for further theoretical development. One of these is consonant with the argument advanced in this chapter, namely, the importance of taking account of "the power struggles operating in the development of new food supply chains. Theoretically, we need to begin to assess how local ecologies, social relations, and forms of evaluation become implicated in differing production systems" (p. 436). The second avenue is associated with the observed distinctiveness and uniqueness of SFSC in their localized space-time equations, which is at the root of "one of the most significant paradoxes of the new rural development paradigm" (p. 436). To paraphrase, since the new rural development initiatives "are all – by definition – dependent upon a distinctive evolutionary trajectory," how can they "collectively make a major spatial impact?" (p. 436, original emphasis). In order to address this paradox, it is suggested that "we need to progress theoretically the concept of rural development clustering" (Marsden et al., 2000, p. 436, original emphasis). In effect, as these authors concede, the role of AAFNs/SFSCs in wider rural development processes remains very much an open question.

LOCALISM AND NEOLIBERAL GLOBALIZATION

As a number of authors have noted (Jessop, 1999; Lovering, 1999; Lawrence, 2005; Dean, 1999) the embrace of localist forms of control "are experiments in sub-national regional governance that are themselves a response to wider problems in managing global capitalism" (Lawrence, 2005, p. 3). Relocalization can be seen as part of the restructuring of government toward "governance": the devolution of decision making to local networks of self-governing actors, coordinated through multi-layered institutional structures. Students of this radical institutional change are divided between the optimists, who see the devolution to regional governance as a new form of

participatory democracy (Fung & Wright, 2003) and pessimists who suggest that this relocalization of decision making is not necessarily democratic or empowering; it can lead to greater inequalities between regions (Sanderson, 2000; Gray & Lawrence, 2001; Bauman, 2004), the further marginalization of certain groups through new exclusionary practices (Morrissey & Lawrence, 1997), and a loss of previous welfare state safety net guarantees (Geddes, 2003; Allen & Guthman, 2006).

Recent interrogations of neoliberalism have demonstrated that the perceived 'globalization' and the accompanying weakening of national social and environmental protections are only one part of the broader neoliberal political economic ideology, whose practice has relied on the concomitant *upscaling* of power and *downscaling* of responsibility:

> In the asymmetrical scale politics of neoliberalism, local institutions and actors were being given responsibility without power, while international institutions and actors were gaining power without responsibility: a form of regulatory dumping was occurring at the local scale, while macrorule regimes were being remade in regressive and marketised ways (Peck & Tickell, 2002, p. 386).

From this more critical perspective, relocalization appears to be not in resistance to neoliberal globalization but an intrinsic part of it, because it has "endorsed and fostered the self regulation of individuals and communities which, at the regional level, equates to the acceptance of programs, techniques and procedures that support market rule, productivism and global competition" (Lawrence, 2005, p. 9). In other words, relocalization can be part and parcel of what Dean (1999), using Foucault, calls "neoliberal governmentality" – the creation of neoliberal political subjects.

A comparison of food relocalization as a social movement with the history of urban environmental social movements in the United States makes the ambiguities of the local clear. As environmental historians have repeatedly noted, local problems often remained unresolved until they were moved up to a broader geographical scale:

> Although most waterworks and sewerage schemes originated from perceptions of local needs, extra local units of government and business often became involved in their financing and engineering and in the resolution of land and water rights disputes. In the battle for clean air, local government again formed the first line of defense. Yet metropolitan if not national, solutions would have to be imposed before any permanent victories were won in reducing air pollution (Platt, 2005, p. 13).

In both Europe and the US, in city after city, historians cite the *de*localization of air pollution governance – for example with the establishment of the Environmental Protection Agency and national Clean Air Act legislation – as

the benchmark for the beginning of effective air pollution policy (see articles in DuPuis, 2004).

We would argue, then, that the two rationales for relocalization described above – localist communitarian "values" and locally appropriated market "value" – do not necessarily represent a stand against the forces of globalization. In fact, they are often deployed to further a neoliberal form of global logic, a refashioning of agricultural governance that plays on both left ideals of political participation and right ideals of non-interference in markets (see also Allen et al., 2003). This dangerous political bargain can lead to the dismantling of hard-fought rights for state protection, either for the protection of individual health and welfare or for protection against crony capitalist state-industry alliances.

REFLEXIVITY AS JUST PRACTICE: REMAKING LOCALISM

As the above discussion shows, localism is not an "innocent" term: it can be utilized to reinforce both local economic and cultural inequalities and the exploitative relations of global neoliberalism. Notably, our case study of AAFNs/SFSCs suggests that social resistance efforts can unintentionally absolve the state of its important social and environmental responsibilities, and that they can fail to confront problems that extend beyond the realm of the market. However, despite the serious issues we have raised here, we are not interested in arguing for the abandonment of localism, community empowerment or food democracies. We agree with neoliberal theorists who emphasize the importance of multiscalar resistance (Peck & Tickell, 2002, p. 401). However, such work will also need to interrogate deeply embedded and naturalized notions of privilege. Harrison's work on pesticide drift made this point clear, by showing that an agricultural system that is protective of the health of all people will need to confront the industry's exploitation of vulnerable, race-based immigrant labor groups.

In this section, we will explore how to rebuild localism along more just lines, through a more "reflexive localism" which pursues local empowerment in ways that maintain conscious awareness of potential injustices at this territorial scale. To do this, we will look more closely at theories of social justice currently under debate and examine how local food movements do or do not fit into the terms of this debate.

There are a number of well-known and well-argued current perspectives on social justice today. The "Theory of Justice" conversation in philosophy

is based primarily on Enlightenment ideas of universalism, rationality and the ''public sphere'' as the arena for decision making about the common good. Post-Enlightenment ideas of justice critique notions of universalism, rationality and ''the public'' as exclusionary and based in the idea of the ideal citizen/subject as white and male (Scott, 1988; Lipsitz, 1998). We cannot cover both conversations in toto. Instead, we will focus on how these theories deal with the tension between the universal and the particular and how localism can work reflexively within these tensions.

Enlightenment Notions of Justice

In the Western intellectual tradition, most thinking about theories of justice began with the Enlightenment rejection of traditional monarchistic and theocratic authority in favor of democracy. Utilitarians Bentham and Mill critiqued the authority of the church and the monarch as ''perfectionism'': as *a priori* determinations of the right way to live. According to this critique, perfectionism was undemocratic, denying the individual's own reasoning and ability to determine right living. Adam Smith argued that involvement in market relationships was the way in which individuals created universal social welfare (or ''wealth'') on a day-to-day basis. From this perspective, the market facilitated individualist democratic decision making about what life each person chose to lead, by enabling individual preferences to be fulfilled.

Both political liberals and Marxists formulated trenchant critiques of the utilitarian perspective, although from very different positions. Marx decried utilitarian notions of market-based individual freedom and democracy as bourgeois ideology and argued that the economic relationship between labor and capital in fact created inequality. Political liberals, on the other hand, took a more positive stance toward the abilities of democracy to create a system of equality under capitalism. Nevertheless, liberals critique utilitarian notions of market democracy as individualist and a-social, arguing that social justice comes about through a civil society in which people democratically make decisions about ''the good life,'' generally through national electoral processes.

Despite these differences, utilitarians, political liberals and Marxists all agree that perfectionism is a problematic form of politics. Marx argued that the good society would come about through the struggle between capital and labor. Political liberals argue for the amelioration of capitalism by egalitarian democratic processes which temper inequalities (Rawls, 1971, 1993). In Europe, this process is often envisioned as carried out through a more social-democratic form of civil society (Habermas, 1999).

Recently, these Enlightenment notions of justice have come under critique from post-Enlightenment communitarians, feminists, post-colonial and critical race theorists who argue that universalist notions of justice are exclusionary, making a particular group, namely Western white male citizens, into the universal category, thereby mystifying the privilege this group enjoys in modern society (Lipsitz, 1998; Omi & Winant, 1986). Post-Enlightenment theorists argue that concepts of justice must include considerations of group autonomy, including racial, ethnic and community "group differentiated rights." These philosophers argue for a more "particularist" form of social justice against the "universalist" schemes of political liberalism.

Communitarians "are united by the belief that political philosophy must pay more attention to the shared practices and understandings within each society" (Kymlicka, 2002, p. 209). Proponents of communitarian forms of social justice, such as Michael Walzer (1983), Michael Sandel (1982) and Charles Taylor (1994), argue for community-based autonomy, in which communities are free to make their own decisions about what a good society is and how to go about making that society. Unlike egalitarian liberals, who define the good life as equal political representation within a "neutral state", communitarians base their notion of social justice in the "politics of the common good" which

> Is conceived of as a substantive conception of the good life which defines the community's 'way of life'. This common good, rather than adjusting itself to the pattern of people's preferences, provides a standard by which those preferences are evaluated. The community's way of life forms the basis for a public ranking of conceptions of the good, and the weight given to an individual's preferences depends on how much she conforms or contributes to this common good (Kymlicka, 2002, p. 220).

Communitarian concepts of social justice are therefore based on mutually agreed community notions of "the good life" embedded in relationships of trust. In many of these communitarian schemes, "tradition" is redeemed from the Enlightenment critique to become a source of mutuality rather than a form of authority. In many, if not most, cases, communitarians tie their notions of a good society to a good place. In other words, justice and territory go hand-in-hand.

In response to these ideas, political liberals sometimes charge communitarians with perfectionism. And, in fact, some autonomous groups, like the Amish, could be seen as reflexively perfectionist, since they define their "traditions" as the good life voluntarily chosen by members of the group. Unreflexive perfectionism, on the other hand, leaves a group open to the pitfalls of white privilege. Slocum (forthcoming) argues that, in fact, community

food organizations do not look reflexively at the perfectionism localism can engender.

Slocum bases her argument in critical race theory and feminism. These critics treat inequality not simply as the result of market-based relationships, but also as part of the culture of middle-class white male politics, including the democratic politics of reform. Historical case studies of the US welfare state, for example, show that these government policies favored white middle-class male interests through their "possessive investment" in the benefits of these policies, including access to education, housing and business finance (Cohen, 2003; Lipsitz, 1998). Yet, white middle-class men are the "unmarked category," in that their possessive investment in social benefits to which they have privileged access is represented as a universal right, making their particular interests "the norm," or "the perfect" ideal: the unquestioned and naturalized view of the good life (Frankenberg, 1993; Lipsitz, 1998).

In food studies, the relationship between white reform politics and food reform becomes evident in the history of pure food movements. For example, DuPuis' (2002) analysis of the rise of American milk drinking, *Nature's Perfect Food*, shows that the effects of an inegalitarian perfectionist politics have been part and parcel of the development of the industrial food system. Middle class, white urban consumers became a powerful political force, which lobbied for "pure" and "safe" food. They allied with developing large-scale industrial processors and state regulatory interests to organize the food system as clean and sanitary. DuPuis argues that the rise of industrial food was not simply the product of the logic of capitalist production relationships, it was also brought into being by the political power of one particular group: privileged white middle class consumers.

A number of contemporary scholars have been attempting to formulate a theory of justice which both takes into account reflexive notions of equality while maintaining rights of group or territorial autonomy. For example, several influential scholars have argued for the concept of "reflexive," or dialectical, equality (Benhabib, 1996; Young, 2000; Beck, Giddens, & Lash, 1995). These philosophers see reflexivity as a way to escape a politics of perfection, which both hides and perpetuates hegemony. The challenge, therefore, becomes the ability to create social projects that make society "better" while not reinforcing traditional particularist inequalities.

Reflexive egalitarians see all truly democratic politics as intrinsically open or "imperfect," the product of negotiation and contestation between all social groups in which the best result is an agreed upon, reflexive bargain that does not necessarily reflect one consensus view (Young, 2000; Fraser, 1990).

Rather than a naturalized notion of purity which defines the creation of a better society as convincing "the masses" of their interests through a "politics of conversion" (Childs, 2003), reflexive egalitarians see democracy as embedded in a "politics of respect" and "recognition" (Childs, 2003; Taylor, 1994; Fraser, 1990).

From the perspective of reflexive egalitarianism, the perfect politics of imposed standards, whether it is "pure," "natural," "local" or "organic," denies the politics behind the definitions. As Guthman (2004) has shown the maintenance of notions of "good" food as "pure" food, certified and labeled as meeting particular standards, plays into the hands of food corporations by making sanitized, labeled, certified and well-sealed packaged products the preferred choice of fearful consumers. Labels and standards are a-political in that they cut off any negotiations about what food should look like in the future, since the goal – the perfection – has already been defined. Ideas about "good food" that are embedded in middle class, generally white, reformism (or "social movements") – whether they are the sanitarians of the turn of the century or the Slow Food advocates and the organic supporters of today – therefore propagate a notion of perfect food which denies the multiplicity of political interests behind the food system.

New Beginnings: Redeeming the Local

We have argued here that localism represents for many people the social justice politics of today. However, this is not in fact the case. Local politics are not intrinsically equitable and democratic and moving decision making down to the local level may not be broadly empowering and participatory, especially in local contexts of extreme inequality. This is true whether one is speaking of localism as a source of community values or as a local capture of economic value.

Nevertheless, we recognize that localism is a powerful tool, particularly when the goal is to increase public health through increasing the availability of fresh food, while, at the same time, increasing farmer income. We do not deny the relationship between the current globalization and industrialization of the food system and the increase in nutrition-related health problems such as obesity, and we recognize the injustice of this system. However, we have argued here that the sort of "politics of the adverse" that a simple localism represents may not rectify the injustices that globalization brings about. As our case studies illustrated, locally-devolved control of agricultural policies can reinforce inequalities in those places.

In the place of this simple localism, we need a reflexive localism that works to understand and work against local inequalities. To become reflexive, food localism movements will need to undergo significant changes in practice. First, movement actors need to become more aware of the ways in which their efforts fit into a broader rural–urban (and suburban) community engagement. In particular, they need to recognize the extent to which current regional politics entails the forming of local boundaries (in terms of housing, schooling, shopping, etc.) that involve inter-jurisdictional struggles over resources, particularly between wealthier and less wealthy neighborhoods. Localists need to recognize the ways in which this type of boundary setting between the places of the poor and the places of the well-off are a significant part of the story of injustice today. Local food movement activists must refuse to make alliances with defensive localists, or else their efforts will only serve to perpetuate this trend.

Even more, a just and reflexive food localism will work not to erect economic boundaries between a particular "here" and the global "there" but to engender and deepen their connections with the people who live nearby. For instance, localism could incorporate the broader goals of the "New Regionalist" and "smart growth" movements, which attempt to reunite inner city and surrounding suburban interests (Pastor et al., 2000; Drier, 2001), as a way to put reflexive justice into practice. New Regionalist movements emphasize political inclusion of all people for a region-wide equitable system. It goes beyond the "value-chain" idea that those who sell and buy are the only people worth thinking about.

Like the fair housing and inclusive community movements, reflexive, 'New Regionalist' food politics would do more than just respond to environmental degradation and loss of livelihood experienced within industrial economies. It would address the ways in which racial notions of purity and privilege helped to usher in the industrial food system we have today. In the same way we need to realize that white flight and localist "upzoning" contributed to urban sprawl, and localist education policies contributed to the maintenance of an undereducated underclass, we need to understand the ways in which privilege, class and status struggles contributed to the rise of the industrial food system that has ultimately threatened the health of the entire population (DuPuis, 2002).

A 'New Regionalist' approach would conceive of local food systems as products of political relationships that cross categories of economy and identity. Food system relocalization could also contribute to the New Regionalism movement by moving it one ring beyond the suburb. Ideas about "smart growth" and intelligent planning then become part of larger

housing, nutrition and economic development policies, which would include active partnership with rural hinterlands.

By situating food re-localization politics as part of this larger 'New Regionalist' context, one is able to see how local food policies can fit into a more inclusive metropolitan regionalist politics that seeks to promote a more equitable distribution of regional resources and social services, across the board. For example, policies to reduce childhood obesity, such as school lunch reform, will be ineffective without thinking about how it fits into the overall problem of school funding (Guthman & DuPuis, 2006, forthcoming; Allen & Guthman, forthcoming). This more inclusive policy would reveal how local food inequities are tied to inequalities at higher geographic scales, such as federal school lunch policies.

From this more reflexive, non-perfectionist viewpoint, true reform of our food system requires that we muck ourselves up in the imperfection of political contestation over food. We need to validate diverse and "situated" (Haraway, 1991) knowledge and recognize the complexity of definitions behind ideas like "organic" and "local." This is particularly true when some members of the food system advance schemes to make food more accurately reflect monolithic notions of "community values" as if all communities were defined by a consensual, monolithic set of values. This is not to deny the importance of community or the power of local food to solve social problems such as hunger and obesity. However, to move toward a reflexive, egalitarian localization of food systems will require more than a process in which a few people define what is "good" food and then try to convince the rest to grow it and eat it. Instead, re-localization of food systems, to be equitable, will require the creation of new processes of inclusion and "transcommunality" (Childs, 2003) that have not yet been part of the discussion (Slocum, 2005). Needless to say, in order to overcome inequalities of access it will be necessary to go beyond the creation of farmers' markets and CSAs and explore more democratic food provisioning processes, including public procurement policies, consumer cooperatives and community food schemes.

A reflexive and imperfect open politics could lead to a food social movement which goes beyond the creation of "perfect food" – whether defined as "pure," "safe" or "healthy" – and brings us closer to dealing with how local food inequities are tied in to inequities at higher geographic scales, such as food industry monopolies, USDA agency capture, nutrition policy, subsidy policy and dumping, food deserts, food imperialism, obesity, food aid issues, etc. This reflexive politics can include re-localization as one powerful tool in the ongoing struggle over the food system – combining a "not in my backyard" politics of environmental justice with a "not in my body"

(DuPuis, 2002) politics of boycotting and a ''yes in my body'' politics of boycotting – but within a more realist perspective of local and global power. Reflexive justice brings activism back to the imperfect politics of process and away from the perfect and privileged politics of standard setting. Rather than creating an alternative economy for the homogenous few, reflexive localism could work across difference, and thereby make a difference, for everyone.

NOTES

1. This approach brings in power relations insofar as it analyses the differential ability of actors to occupy high rent activities or nodes in the chain, control governance functions and position themselves to benefit from systemic efficiency gains through supply-chain management.

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EXPLORING DIMENSIONS OF QUALITIES IN FOOD

Egil Petter Stræte and Terry Marsden

ABSTRACT

Within the agri-food sectors of Western countries, there is an increasing interest in alternative food, i.e., organic, local and regional food, artisanal food, short-supply chains, slow food etc. Innovation in food processing is a significant element both in alternative food and conventional food strategies. Alternatives are based on competition on qualities rather than price. A main question in this chapter is to address how alternative qualities are embedded into food products? This question is explored using a study of two alternative cases within the dairy sectors of Norway and Wales. A model of the different modes of designed qualities of food is developed and discussed to explore the complex issue of quality. We find space and technology especially relevant as dimensions of qualities. Our conclusion is that there is a need to nuance the discussion about quality and food. Firms may develop as hybrids within a conventional vs. alternative perspective, and a strong emphasis on the conventional and alternative as a dichotomy tends to give a static and restrictive perspective.

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INTRODUCTION

A main business strategy undertaken in agri-food sectors in Western countries is to increase productivity through the whole value chain so as to strengthen the capability of competition. One of the focuses is on reducing costs to keep prices low. This is a strategy within the dominant agri-industrial paradigm (Goodman & Watts, 1997; Ward & Almås, 1997; Friedland, 2001; Marsden, 2003).

Another and more recent strategy, or rather a variety of strategies, involves increasing the value-added through the diversification in production. This emerges when opportunities for growth within the industrial paradigm are limited or even destructive, like price falls at farm gate, decreased number of farms, and decreased profit rates for the industry as a whole. Other factors also influence the rise of diversification; *inter alia*, a questioning of food safety related to the dominant agri-industrial model; development of new conventions of quality related to food; and policy concern on finding new ways to strengthen local rural development. These substrategies of diversification (for example, organic food, local, regional, artisanal, or short-supply food chains) are linked together as an expression of what may be a significant alternative to the agri-industrial paradigm; an emerging paradigm of rural sustainable development (Marsden, 2003).

This chapter aims to contribute to an improved understanding of these alternative processes of restructuring in the agri-food chain. There is a growth of studies related to these alternatives; but within rural sociology and geography, these have been mostly concerned with the empirical description of new alternative processes and cases. There has been less reflection about the innovative and strategic aspects – in the sense of assessing what all these alternative cases might add up to. On the other, when other sub-disciplines focus on innovation and regional development, they are usually less concerned on agri-food themes, and more on manufacturing and high-tech industries (for example, Porter, 1992; Utterback, 1994; Nonaka & Takeuchi, 1995; Storper, 1997). If they are studying agri-food, then the agri-industrial model is often the focus. Hence, if these alternative processes of development are increasingly taking place, within a wider and highly competitive agri-industrial context, there is a need to know more about the innovation process that is promoting.

Dairy farming and the industry are well represented for the two mentioned main strategies; competitive agri-industrial and diversification into "alternatives".[1] Competition on standard volume products and commodities, like main types of cheese (Gouda, Cheddar), liquid milk, butter, and condensed milk powder is largely governed by a question of price and

volume. Driving forces in this price competition are the corporate retailers, an increasingly concentrated dairy processing sector, exporting countries, and differential governmental deregulation of producer-based cooperative systems. These competitive processes have tended to unevenly weaken the dairy producer, and to intensify the cost-price squeeze, which they experience (Schwarzweller & Davidson, 2000).

It is in this increasingly competitive context that we explore the new counter-movement elements of quality innovation within the dairy sector. We focus on processes of diversification; and especially how new qualities are becoming embedded in dairy products to make them distinct from conventional products. The specific question we seek to address is: *How do dairy firms embed alternative qualities in dairy products?*

To answer this question, we first discuss some key theoretical aspects of conventions and quality. Our methodological approach is to study processes of innovation in firms and their evolving relations to their social and natural environments. We then explore comparative case studies from Norway and Wales, using primary and secondary data collected mainly through tape-recorded interviews conducted in 2003. Articles in newspapers and Internet sites are also used. A short summary of an analysis of the milk value chain and the related infrastructure in Norway and Wales – the competitive context for the cases – is presented here before the cases. The analysis allows for the development of a revised model of quality innovation focusing upon what we term *specific modes of designed quality*. This allows some progress to be made in furthering our understanding of the processes of innovation now operating between, and within, the conventional agri-industrial and alternative agri-food realms.

CONVENTIONS AND QUALITIES

Developing new products, or adding new qualities into products, as practiced both in conventional and alternative food strategies, are important types of innovation. Innovation is seen as an interactive process, and the respective innovation systems are characterized by a certain degree of inherently autonomous development (Lundvall, 1992, 2002). This dynamic must be explored further to understand the processes, and here we can gain some assistance from the theory of conventions – based on aspects of institutional economics, the sociology of markets, and economic geography.

Conventions represent "a sort of 'agreement' about what is to be done – in the sense that what each person does meets the expectations of the others

on whom he or she depends'' (Storper & Salais, 1997, p. 16). This ''agreement'' is a convention that includes a group of actors. Nevertheless, it is not a necessarily formal or formulated agreement but rather a kind of cognitive tacit knowledge. Action based on certain conventions does not need any spoken justification in most everyday-situations. Justifications can be found in different ''orders of worth'', like among the spheres of the industrial, market, and domestic (Boltanski & Thévenot, 1999). Conflicts arise when the practices involving conventions that belong to different ''orders of worth'' actually meet.

The French inspired theory of conventions has also been applied to the agri-food sector (for example, Wilkinson, 1997; Murdoch & Miele, 1999; Murdoch, Marsden, & Banks, 2000; Parrot, Wilson, & Murdoch, 2002; Marsden, 2003; Freidberg, 2003; Renard, 2003; Stræte, 2004; Ponte & Gibbon, 2005). The theory was originally applied to other more highly focused industrial sectors (Storper & Salais, 1997; Storper, 1997; Favereau & Lazega, 2002). Within certain systems, like the agri-industrial sector, there develops certain conventions (associated with, for instance, the industrial, the market, the civic, or the domestic world, Boltanski & Thévenot, 1999); these in turn provide part of the context for alternative innovation processes.

Whilst the theory of conventions has influenced the debates on food quality, there remain disputes on how to understand quality food. Alternative food strategies are often linked to quality, compared to industrialized commodities, where price have a more crucial influence (Marsden & Arce, 1995; Banks & Bristow, 1999; Murdoch et al., 2000; Ilbery & Kneafsey, 2000; Goodman, 2003). Quality is thus relative, constructed and complicated to analyse, and there is a need to explore more deeply its relation to food production and consumption. Morris and Young summarize the most common aspects of food quality to be: method of production, place of production, traceability, raw materials/content, safety, nutrition, sensual attributes, functional, and biological (Morris & Young, 2000, p. 105). As basis for an analysis of how these and other aspects of quality are embedded into food systems, we stress three key conditions.

First, we want to emphasize *the socially constructed nature of foods* (see Arce & Marsden, 1993). Even the physical and technical aspects of food are constructions, and often disputed, such as the discourse on food safety. From other disciplines, we can borrow concepts like promotion, marketing, design, and standardization that emphasizes that quality is socially constructed.

Second, we aim to *problematize space as an important element* related to the discussion of quality, especially in terms of the incorporation of regional

or local qualities into food products and the consumers' experience of food. Regional food, for instance, involves food products connected to a certain region, based on qualities communicated to consumers through, for example, brands/labels, design or narratives. These qualities may be related to geographical origin and history, or to the particular characteristics related to the certain product. They represent a new kind of regional embeddedness, which is not, however, simply built upon localism. Rather, it also attends to the growing mobility of post-modern life (see Urry, 2002); through linking regional identities and materialities with "at a distance" consumption and marketing frameworks. It is a need to problematize both production and consumption of regional and local food. Some of these geographical origins are regulated through specific standards established by producers, governments, or third parties.

Examples on standards with spatial elements are the French *Appellation d'origin contrôlèe* (AOC), the labels of *Protected Designation of Origin* (PDO), and *Protected Geographical Indication* (PGI) found in EU regulations. The latter has its similar layer in Norway (*Beskyttede betegnelser*).

Regional and local food categories are often applied synonymously, but we regard *regional food* to be distinctly connected and identified to a more extensive territorial area. Typical local food, on the other is, for example, cheese from a single farm processor, while dairy processing milk from several dairy farms would be typical regional food (assuming that their products may be identified to a respective place or region).

Third, *we will emphasize the applied technology in food processing* as an element in the construction of these new forms of food quality. Technology here is understood in a broad sense, including physical artifacts, knowledge and related systems of innovation. In the paper, we explore how these aspects are linked to the construction of quality.

However, there has been a lack of theoretical work on quality and food until recently (Morris & Young, 2000; Parrot et al., 2002). First of all, all products can be defined through qualities. In fact, according to Callon, Méadel, and Rabeharisoa (2002), the only way to understand products is through characteristics of qualities. From this follows the possible *dimensions of qualities*, which are needed to organize or categorize food products. These innumerable dimensions are a basis for our perceptions of a product.[2] One dimension discussed is space, or rather; to what degree and in what relation a given food product is associated with particular places or regions; or as some authors call it, the degree of local embeddedness (Ilbery & Kneafsey, 2000; Murdoch et al., 2000; Parrott et al., 2002; Winter, 2003). This dimension can be considered on a scale, from strong local

embeddedness towards more or less placelessness, where place has very little relevance in the social construction of a product.[3] Related to this dimension of space, a food product, we argue here, in addition to being materially *from a certain place*, must also be promoted or marketed from the place to create a local embedded *design of the product*.

A comment is necessary here with regard to the concept of embeddedness. A territorial localization does not necessarily imply a sociocultural embeddedness to the local territory. We will argue that several kinds of embeddedness must be included in relation to food to be able to categorize a food product as locally embedded. Food may here be considered as an actant in a Latourian sense. As we shall see in our case analysis, different types of embeddedness thus set variable conditions for the development of conventions.

Connected to specific modes of designed quality there are specific conventions. Hence, we can postulate that in evolving alternative food chains we witness *first* the variable development of social, technological, and territorial *embeddedness*, which then, *second*, creates new *types of conventions*, through which, *third*, specific *designs and modes of quality* are then developed and promoted. We apply *design* and *modes* here to separate from the ''worlds of production'' approach. Design stands for how the product and the production are expressed to the surroundings and the actors involved, i.e., what ''story'' it tells or wants to tell. Mode stands for the bunts of conventions that belong to specific categories of quality.

This is a different and more dynamic application of conventions than applied in Storper and Salais (1997), or in Murdoch et al. (2000). Here we want to emphasize the significance of the consumer and marketized perception, and their influence on production, producers, and technology. We *argue that the modes of qualities of a product are constituted within and therefore dependent upon the* relations *between consumers and producers*. It is thus not possible to understand quality of food by studying the product alone, rather it needs to be seen in its productive, transparative, and marketized context.

Hence, in addition to the spatial dimension there is a technological aspect related to standardized versus specialized quality. This technological dimension concerns how the product is processed (material), and how this processing is marketed (design and packing). Here we can define *standardized technology* as focused on hygienic and technical quality, while more *specialized technology* is related to, for instance, organic and artisanal production methods.

Our two dimensions can be related to each other as shown in Fig. 1. Together they constitute four *different modes of designed quality*. These

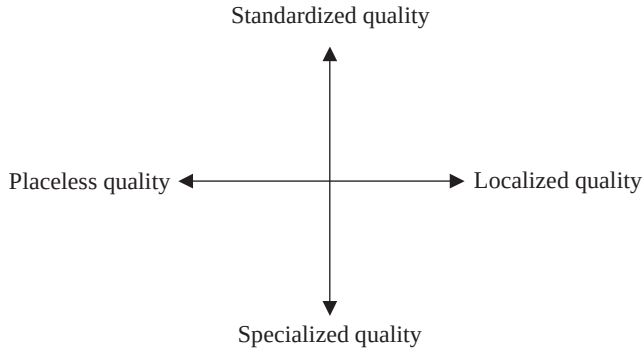

Fig. 1. A Model for Modes of Designed Quality of Food Products in Producer–Consumer Relations.

modes may be viewed as expressions or applications of conventions. Elements in this model are dynamic. We will further specify this model through the foregoing analysis. It provides four dynamic and *ideal types of designed quality*, which we will explore below. It also suggests that innovations and evolving food firms can move in and between these types as they develop over space time.

We can argue that production structure and infrastructure constitute bases for systems of innovation that are arenas for development and innovation processes in food sectors. Specific conventions evolve in these arenas or in parts of them. Regarding food products and especially the increasingly intense competition between agri-industrial and alternative food strategies, dimensions of qualities become more important. In the proposed model, we have, drawing from conventions theory, outlined separate modes of designed quality that are related to two different dimensions; spatial quality (local/placeless) and technological quality (standardized/specialized).

We now turn to an empirical analysis, giving a description of the spatial and competitive context for our two cases. Here, it is analytically important to situate such cases in their different national spatial and competitive contexts.

THE STRUCTURE OF MILK SECTOR: THE SPATIAL AND COMPETITIVE CONTEXT

The milk sectors in Norway and Wales set the context for the two firms in the case analysis. In general terms, we find most of the same elements in

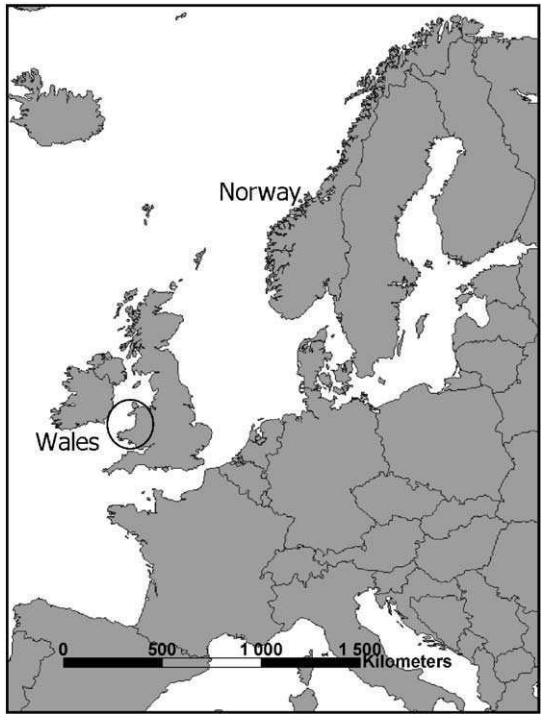

Fig. 2. Northern Europe with Norway and Wales.

the milk sector in both countries but with some significant relative differences (Fig. 2).

Both Norway and Wales have typical grasslands and climate conditions suited for milk production. Hence, dairy farming is the most important agricultural sector in both countries. Similarities can be found in terms of both value and the volume production of milk (approx. 1,500 million litres).

A common main development is the decline of conventional dairy farming over the past decade. First, there is a remarkable similarity in both Norway and Wales from 1991 to 2001 regarding in relative decline of cows (−15 per cent), decline of dairy farms (−33 per cent), and increase of average size of herd (about +27 per cent). The total milk and average production per cow are in real terms fairly similar. In both countries structural changes (of intensification and concentration), at least in relative terms, have been similar. In broad terms then producers have been facing (albeit from different

starting points) the same competitive pressures – what we have termed elsewhere as "the race to the bottom" – that is strong "cost/price squeezes" and a continual pressure to invoke the economies of scale in the production of standardized products.

Despite this common and contemporary trend there is, second, a significant difference, in real terms, in the numbers of holdings, and especially in the average farm size. In Wales there were 4,000 dairy holdings with an average herd size of 66 cows (in 2001); while in Norway there were almost five times as many holdings (almost 19,000 dairy holdings) with an average herd of 15. Norwegian dairy farming has preserved its small-scale nature compared to Wales, and also compared to the average of 29 cows in the European Union – EU15 (Rustad, 2004). A main reason why Norway has managed to maintain small-scale dairy production is a (national and non-EU) political objective to support and protect agriculture and domestic food production. Farming has also been protected by import restrictions and trade barriers, thus avoiding international competition.

In Norway, dairy farmers sell milk directly to the processor, and mainly to the dominant processor – the farmer co-operative Tine. This company, and its subsidiaries, purchased 99 per cent of the milk produced by dairy farms in 2002. Figures from Wales for 2002 are not available, but in the UK as a whole the comparable figure was 50 per cent purchased by farmer-owned co-operatives. In addition, the Norwegian co-operative processes most of the milk purchased, while in the UK, farmer-owned co-operatives control less than five per cent of the processing.

In Wales, the first-hand (post-farm) trade of milk is now more differentiated. There are milk purchasers, mainly farmer co-operatives (Milk Groups), and dairies purchasing milk directly from the farm. In Norway, the position of the co-operative is thus much stronger. The processing structure (dairy companies and plants) is also different. On the one hand, the plant structure seems to be more geographically scattered in Norway (due to the geographical conditions), but on the other, the organizational and functional concentration is more concentrated and stronger in Norway. In the UK the abolition of the former nationally based cooperative – the Milk Marketing Board and "Milk Marque" – in 1994 led to the progressive fragmentation of a privatized system of dairy processing and manufacture (see Banks & Marsden, 1997; Marsden, 2004). The competition authorities in the UK have also been influential in restricting the growth of the Milk Groups, whilst allowing the relative concentration in the processing and retailing sectors. From the farmers perspective these are major reasons for the relative decline and continual downward pressure in farm-gate prices.

Despite these significant and different institutional and competitive geographies of dairying, the broad macro-developments and innovations in dairy farming and processing in Norway and Wales are moving in the same direction. There is, on the one hand, a mainstream agri-industrial development where there is an intense competition on price although it is more intense in Wales/UK than in Norway. The dairy processing industry is under pressure from both corporate retailer chains to reduce the price on milk products and especially liquid milk; and from producer pressure from dairy farmers to increase it. From our comparative analysis we can thus recognize that being dependent on standard commodity products like liquid milk and standard cheeses, combined with a fragmented industrial cooperative structure (as in Wales), is leading to a weaker position for producers and manufacturers in relation to the retailers (Stræte & Marsden, 2003).

A consequence for dairy farmers and the dairy industry is declining income, farm closure and farm amalgamation. In the UK, several dairies were in serious economic trouble (summer, 2002) and many dairy farms were closing down. In the spring of 2003, British farmers demonstrated to raise the milk price (Farmers Weekly, 2003). When dairy farming is important to many rural districts, its survival is closely linked to rural development. The stronger position of cooperatives in Norway has provided better-protected conditions for dairy farmers even though the same structural changes as in Wales can be observed.

On the other, there has developed an alternative local food market, whereby there is a dimension of value-added quality involved, and less of a focus on price alone. One of these alternative strategies in dairy farming, in both countries, is to convert to certified organic farming.

This holds the same relative position compared to conventional farming in both Norway, with 2.2 per cent organic land of total agricultural land, and Wales with 2.3 per cent (in 2002) (BFJ, 2003; DEFRA, 2003). Both countries have relatively less extensive development of organic farming than in several other European countries (like EU-15 with 3.3 per cent in average in 2002) (EU, 2004).

More broadly, the main dynamics in the change are, first, a decline in number of farms involved in conventional bulk milk dairy farming (as a continual response to the treadmill effects of the agri-industrial model). Second, a struggle for the development on farms and with processors to increase "quality" value-added, in both countries (between farmers and between regions); third, changes in the institutional structures: subsidies/support, market regulation, infrastructure, and uneven diffusion and maintenance of cooperative development.

Dairies operating in the Welsh context have (at least theoretically) a larger and more international (EU) market of milk and milk products, compared with the mainly domestic and protected Norwegian case. In Wales for instance, the ratio between the volumes of domestic production compared to domestic consumption of actual products was about 2:1 in 1998, while the comparable ratio in Norway was just 1:1 in 2000.

From a theoretical perspective, we can see from this that there are certain institutional and economic conventions established within the mainstream dairying systems in both countries. These conventions are challenged, in varying degrees, by the development of counter-strategies related to alternative food. Innovation and development of these alternative food strategies are, however, still dependent on how the overall system, markets and consumption included, is capable of learning and adapting to the competitive contexts outlined here. We analyse two significant counter-strategies below. These focus on the *development of new spatial and social forms of embeddedness*, *conventions*, *and designed qualities as theoretically outlined above.*

CASES OF REGIONAL RESPONSES OF INNOVATION

Our two cases of dairy companies are chosen because they both emphasize, in different ways, speciality in processing, local territorial embeddedness (at least at certain stages in the development), and can elucidate on their development into SMEs (Fig. 3). The development and evolution of each is analysed. The next section then relates these to our theoretical framework of designed quality outlined above.

Fig. 3. Case Rørosmeieriet in Norway and Rachel's Organic in Wales.

From On-Farm Processing Towards a Nationwide Brand: Rachel's Organic Dairy

The development of Rachel's Organic Dairy is a story of how a family at an organic dairy farm, north of Aberystwyth on the west coast of Wales, developed their small farm-based dairy to a processing factory, processing products with distinct qualities. In 2003, it employed 85 persons and produced well-known brands for organic products throughout the UK.

In 1952, the family farm became the first certified organic dairy farm in UK; but it was not until the early 1980s that commercial processing started. The evolution of Rachel's Organic Dairy can be divided into three phases: first, *processing on-farm*, second, *processing off-farm*, and third, *new ownership and expansion* of *branding*.

The first phase, *processing on-farm*, started in 1982 by adding value to the farm's milk through processing cream. Two years later organic yoghurt was introduced. This product became a success and there was an expansive period with an increased demand and by 1990, their products were distributed UK-wide. They had also introduced their first comprehensive design profile. Simultaneously they strengthened their *local profile* by opening the farm to the public (visitors and trails), showing their production, opening a farm shop, and articulating "their story" to the public. The couple was now not only early organic dairy producers, they were innovating through opening up the production system to the public, and demonstrating their distinctive form of local embeddedness. Organic and being local were fundamental qualities of their production.

Milk production on the farm was in 1984 about 250,000 l with only 9,000 l utilized in farm-processed products. The rest was sold to the Milk Marque (the nationally based farmers' cooperative which was set up after the abolition of the Milk Marketing Board). In 1989, there were six employees at the farm dairy in addition to the family. In the late 1980s, they realized that the demand from the market was much larger than the farm could supply, so they started to make plans to develop the firm.

They decided to build the new plant off-farm. Even though the farm was the financial guarantee for the new investments, the plant was built off-farm because it would be more able to expand so as to meet the growing market demand; and it would be more flexible to sell if there was a downturn. Therefore, in 1992 a new plant was set up in nearby Aberystwyth. When they moved the production, there were 13 employees involved in addition to the family. In 1992, they produced 300,000 l of milk at the farm and all of

this was sold as an organic product. So far, they did not need to buy milk from other farmers.

The former farmer and owner explained: ''We were at the right place at the right time, to expand. The UK was very much behind the rest of Europe in consumption of yoghurt and they had this BSE-crises which was bad for the conventional farming but well for organic … we saw the opportunity and went for it. And it worked.''

After a period of consolidation in a new plant, they again started to look for opportunities for market expansion. In 1998, they introduced a new and black design brand profile (Fig. 4). Packaging was also re-designed and marketing was more aggressive. They expanded and diversified their range of products. Once one product was in the store shelves of the retailers, they had the opportunity to bring in others.

From then on, they had improved links with the supermarkets, employed new staff, became a well-known Welsh company, and they were widely acknowledged as ''doing something unique''.

The business at that time went well and the company made profits. The owners were looking to further expand production in order to meet the costs of the development of their processing plant. At this time they felt that they ''had enough'' of borrowing huge amounts of money. So they decided they needed a partner or some wider business collaboration. *Horizon Organic Dairy* (an American agri-business firm) offered to buy the company; and the owners sold Rachel's Organic in 1999.[4]

This sale represents phase three of the development: a change in ownership and the branding expansion. At that time, there were many pressures in the business for the aging owners (they were both in their late 50s). They decided to sell the company – ''with provisions they [Horizon] had to stay within Aberystwyth for at least four to five years, so they could understand a bit more of the value of that'' (farmer/owner). The entrepreneurs and former owners continued working as consultants for Rachel's Organic Dairy. The production stayed organic but the designed quality of being local started to crack.

Fig. 4. Brand for Rachel's Organic Dairy.

From a Conventional Dairy Plant Towards a Local Niche Milk Processing Firm: Rørosmeieriet

The case of Rørosmeieriet (i.e., "the Dairy at Røros" in English) is a story about how a conventional plant within a rather big dairy company changed its ways of working with standard products and became a specialized dairy with a unique ownership, organization, size, and strategy of innovative production. It created a new embeddedness, both socially and spatially.

Røros, a small town with 5,600 inhabitants in a mountain region in the middle of Norway, had a longstanding dairy processing plant owned by a regional co-operative – a part of the group of Tine co-operatives. In 1998, nine employees worked at the plant and received 7.5 million litres of milk for processing from dairy farms in the region. The need for structural rationalization to reduce costs was strong within the regional co-operative. In June 1999, the board of the regional co-operative decided that the existing processing at the dairy at Røros should close down during the first half of 2000.

Since 1995, the dairy had also processed organic milk; developing a special local traditional kind of curdled milk ("Tjukkmjølk").[5] The dairy processed mainly standard volume products, but with this new type of production they were also introduced to niche and specialized production.

During the 1990s, a new and "good atmosphere" had developed for cooperation between employees at the plant and farmers on organic dairy farms in the region. A strong local alliance was developed between organizations and activists focusing on food, health, and environment, and they ideologically and politically supported local processing of food. Later this organization developed a marketing label and profile for locally produced food (*Mat fra Fjellregionen*, i.e., food from the mountain region). This new atmosphere of cooperation laid a solid foundation for the search for new business activities in the plant.

A new innovation project started in June 1999 with participation from among others employees at the plant, farmers, and the regional Tine dairy co-operative. Later, national actors also contributed to the process of establishing the new dairy. In January 2001, the project resulted in the establishment of a new company, Rørosmeieriet AS (Ltd.), in which a regional dairy co-operative, employees at the plant, dairy farmers in the region, a local investor, and a local transport agency all became shareholders.

The main business aim for the new company was to combine traditional and heritage food with modern processing methods (i.e., embedded products and revised conventions), i.e., food with qualities distinct from their former

standard production. Their idea was not to process food in an exactly artisanal and traditional way, but rather to be inspired by old traditions. Their raw materials were, and still are, mainly organic milk from organic farming. They intend to develop and produce exciting products (such as curdled milk, local variants of butter, a gourmet sour cream, and local unique variants of fresh cheeses, and they have plans to develop a mould cheese) of high quality and consumer variety. In addition, they promote raw materials from their mountain region.

In spring 2003, they produced four different regionally based products, and in addition processed organic liquid milk for Tine. There were five employees and one to one and a half million litres milk were purchased annually.

A distinct feature of the development work at the dairy at Røros is the far-reaching network and platform that has been gradually established. The core group was local, both among employees and farmers. They have also been able to mobilize resources outside the region. For example, the Minister of Agriculture became involved in the project and intervened at a critical stage in the process. The philosophy in the Røros project also harmonized with a new national programme for value-added in food production that was launched in 2000.

Røros is then a local counter-strategy creatively operating against the broader consequences of rationalization on the conventional dairy supply chain. Through generating and re-organizing local resistance, the closure of the plant has been avoided. This counter-strategy included:

- Developing specialized and locally variant products that are distinct and more socially and spatially embedded than the standardized ones.
- Simultaneously making use of a national label for these foods.
- New alliances with farmers with organic production.
- Processing organic products for other firms.
- Being seen to and practicing ecological methods and conventions (being more ''internally ecological'' in the production and not only in the product).

This counter-strategy was developed as a combination of business, political, and ideological interests. Amilien, Torjusen, and Vittersø (2005) show how a combination of local embeddedness and traditions and organic is expressed through the sour curdled milk product ''Tjukkmjølk''.

Local farmers producing organic wanted a dairy to process their products and their employees wanted a job for the future; the dairy co-operative politically wanted a concrete result of their programme of developing

their organization and processing; also, the Minister of Agriculture wanted a concrete flagship for his programme for value-added from food. Moreover, the local ideological alliance (*Mat-helse-miljø-alliansen*) wanted local processing of food. The objective for this local alliance is to stimulate production of "safe" food to improve human health, be environmentally friendly, and create new activity in rural districts; their answer is local food.

This complex combination of interests and mobilisations made it possible to defy established conventions and economic thresholds associated with the prevailing agri-industrial context outlined above.

LOCAL EMBEDDEDNESS, MOTIVATION, AND OWNERSHIP: A COMPARATIVE ANALYSIS

Embedded Innovations

For the owners of Rachel's Organic, innovations around organic farming formed the basis for their development and activity. "Organic is what it is all about for us … all we have done has been on basically being organic" (former farmer/owner). At the same time, they held a strong relation to their local place in Wales. Their entry to farming was related to long family traditions. Before starting farming in the 1960s, the female farmer and owner had a strong feeling of belonging to a farmers' way of living. She grew up on the family farm and showed interest for the farm, and has always liked working with cows. Before the pair took over the farm, they lived close to London but they had a strong feeling of returning to Wales: "being Welsh, our own culture" (former farmer/owner). Hence, a strong identity to the local and home was present, i.e., a part of the local embeddedness, and was a basis for why "being local" became a designed quality for their business.

Later on, at the beginning of milk processing on farm, milk quotas limited the opportunity to grow despite pressure from a growing family of three children who were all interested in farming. In organic farming, there is also a limit in that 80 per cent of the breeding stock should come from the farm, and that gave less flexibility. So at this point the family faced a dilemma: What should they do to make a living for the expanding family of the future? An occurrence initiated the start up of milk processing. During a snowstorm in 1982, the farm was blocked and milk could not be delivered to the dairy. The family started to process milk to cream and into other products. The motivation was to make more value-added, and the blockage provided the final prompt to change production strategy in ways that could

enhance their own family activities and careers on the farm. This partial coincidence of circumstances thus prompted a process of re-embeddedness and re-localization as an active family development strategy.

At Røros, the same forces were present but in different ways. A group of farmers (producing organics) cooperated and convinced employees at the plant that organic and local processing was a strategy of "survival". "We, who were employed at the plant, were not especially "ecologically" conscious at that time, but we saw an opportunity to survive" (former manager). Moreover, the local farmers were there to push them forward. Later on, they also focused on processing local raw milk, and applied processing methods inspired from local and regional traditions. This was a fundamental part of their strategy. They did not want to simply produce parallel products. Rather, they wanted to contribute to a better diversity and distinctiveness of products in the market, and avoid direct price comparisons with other products. This was an astute type of competitive marketing and product design. In short, it was not the same, not parallel, but *distinctly different*.

In both of the cases explored here, there were a combination of strong motivations, and an existing local embeddedness from which to develop an alternative pathway. In this sense, as we theoretically explored earlier, the embeddedness is variably both territorial and socio-cultural. "We did it through a belief in what was right, and for us it has always been right, and you know, it is nice to sit here today and say 'yes, it worked'; but it only worked because of our understanding and commitment through the strength of the family" (Rachel's former farmer/owner). We look at these comparative issues in more detail below with regard to: (a) learning and knowledge creation; and (b) design and marketing.

Creating New Connections: Learning and Knowledge Creation

The family behind Rachel's Organic is in many ways self-learned. "Our education has been through our practical experience" (former farmer/owner). Neither of the pair had formal education related to food processing. Working together with the older generation was definitely seen as the most important source for learning organic farming and in next turn to develop organic as distinct designed quality.

When the family, early in *phase one*, wanted to process milk on-farm they met a challenge. None had before produced organic yoghurt, so how should that be done? The wife started to test out – devise a recipe or formula to

produce yoghurt organically. She worked at her kitchen to devise recipes in a typical learning by doing way. There was nobody else to contact to get help, so she started to test, failing and learning. Time and temperature are the two most critical factors. She recorded notes so as to be able to repeat tests that seemed to have worked out well. This situation is radically changed today, where there are R&D centers to do tests and to give formal guidance and support.

Later on, in *phase two*, they started to employ people. They wanted to employ locals. Some were educated – "degree people". Up to a certain stage, they had none of these people. "But then we needed more professionalism in our company, so we had to bring in people that were formally trained, formal education, higher education" (former farmer/owner). The first one was a marketing person, the second a food processing technician.

> What I found interesting as the firm grew and we started to employ formal educated and well trained individuals, a classical example was our first quality controller, technically educated in manufacturing, food processing. < ... > She had the ability to put down on paper very clearly, and explaining things in detail in a very concise way. However, when I said to her we better do so and so, she would need to have it technically explained why we had to do it that way. And it takes time to do that. ... But she is still in the company. She didn't understand organics in the beginning, but now she is so totally convinced and committed to the whole ideology and philosophy behind what organics is. And you need that now in a big company to bring people back to basics (former farmer/owner).

This example illustrates a situation where the alternative meets the conventional, as represented by the formally educated controller influenced by the established system. This meeting is a sort of *confrontation of conventions and practices*, which has to become resolved if the further development of the business is to be achieved.

With this also comes *a fear of convergence and potential devaluation* of the "real product". The former owners feel there is a danger of organics becoming too commercial. "There is a rush to cut corners – in terms of quality" (former farmer /owner). They trained the new quality controller, themselves. "You need the one's like her now to *stay with the principles*, because if you weaken the principles, you are no better than the other companies" (former farmer/owner). The former owners are now afraid of this, as they say "there is a rush into various things and they are cutting too many corners". There is a pressure to cut costs and lower the standard, "But I think you have to higher the standard ... you must always retain the *integrity in the product*" (former farmer/owner). There is a rush of organic products into the market and people are buying it, the market is growing rapidly – "If we are going to grow beyond and become a player in the future

of the food market, as opposed to a niche, then we have got to maintain integrity of what is organic .... We can't just water down the principles to make life easier'' (former farmer/owner).

There are, therefore, continual constraints, tensions, and boundary concerns between developing and maintaining the special (organic) quality related to the food products. These constraints become visible when the alternative innovators meet representatives from the established innovation system – for instance, organic qualities versus conventional qualities. When Rachel's professionalized their staff, these ''meetings'' (of convention) occurred.

Rørosmeieriet had the same constraints and ''meetings'' but in an opposite way. They had to *un-learn standard knowledge*, and started to search for knowledge and practices from farm processors, aging farmers, and combine this with their relations to professional institutions (R&D).

Doing something special therefore implies being different from the conventional or standard. For many actors in the conventional infrastructure this may not be considered as special, but rather representing a lack of experience from reality – a sort of eccentricity. This may be ''frustrating for all parts'' as an informant from the R&D sector put it. This mechanism is a kind of socialization into conventions of the mainstream. On one hand, newcomers obviously have to learn some basic ways of processing food in a safe way. On the other, this learning implies more than learning to process safe food, it implies a way of accepting how things should be done (a sort of conventionalisation), which in turn may tend to dilute the diversity. Un-pasteurized milk is an example on this. In the conventional system, this use of milk is considered as a possible threat to health and should be avoided, while for others, especially farm-processors, it adds sensorial qualities to milk products.

New Designs and Marketing

During its *first phase* of development, Rachel's Organic became more conscious about their relation to consumers; they wanted to tell a family story for the consumer. This story is also told on their homepage:

> The pioneering origins of Rachel's Organic Dairy really began with Rachel's <...> grandmother, <...> the first ever woman Dairy Technologist at Aberystwyth University, Wales. <...> ''I hope my grandmother would approve,'' says Rachel. ''She instilled in us all a fundamental belief in the miracle of nature and the importance of good husbandry to produce wholesome, nutritious food. She never wavered from her beliefs and neither have I'' (Rachel's Organic, 2003).

In 1987, they introduced new packaging and a new image for their brands. This was a huge success. ''The packaging is the first there to appeal you, not the product'' (former farmer/owner). The sales doubled in one year after the launch of the new profile. Before the new packaging, they had only ordinary generic pots with paper labels. Communication with markets and consumers is fundamental to develop, or construct, distinct qualities. Later on, the packaging was modified several times. Among others they introduced the words ''pure and natural'' on the packaging. They did so because their sales flattened. At that time, the organic label was associated with being very expensive. It was very difficult to obtain permission to use the words of ''pure and natural'' according to Trading Standards regulations; however sales took off again (1993/94) as a result of achieving this new addition, and they managed to develop the promotion of qualities and positive consumer responses without changing the actual material quality of the product.

They were now (late in *phase two*) adopting a new phase in the development of milk processing. They were selling into three supermarkets, negotiating with other supermarkets, and ready to grow further. This involved enrolling external people to evaluate their practices and packaging techniques.

They discovered a company in Denmark, which had an improved recycling packaging process, a new yoghurt pot design, and a new design profile was developed with help from a company from Cardiff. They created the now well-known brand and package (Fig. 4). The sales took off after the introduction of the new black pots design in January 1998. The organic products themselves again were not changed. The recipe was roughly the same as in 1986, 1996, and in 1999. Nevertheless, other design qualities regarding the products were developed. The colour of black broke the conventional image of dairy products and the packaging was better for recycling. These efforts emphasized qualities of being both exciting and environmentally friendly. After the sale of the company in 1999, the new owners wanted to use the brand design as a more generic brand for organic products in UK. The designed quality if organic remains strong while the quality of ''being local'' is thrown in the background.

Rørosmeieriet had two similar stages of design development, but the discussions between professionals and local activists seem to have been much more contested. Professionals emphasized the local relations and wanted to promote the name of the place, giving less emphasis on organics as a specific production and marketing feature. They also wanted a more modern rather than romantic design. ''Ideologists'' want to promote the

Fig. 5. Generic Label Promoting Food From Røros, First Introduced by the Company Rørosmeieriet AS.

Rørosmeieriet as

Fig. 6. Brand for the Firm, Rørosmeieriet.

organic, but so far, the "professionals" are in the lead (see Fig. 5 and 6). There is, therefore, a tension between those actors who want to project the qualities of organic and fundamental local ecology, and those who want to professionalize and generalize production and marketing. Both groups emphasis localism, but they disagree on how important the qualities and conventions of organic are in the design. In our terms, then, there is a tension here between the spatial and the technological dimension of qualities that needs to be continually overcome.

Both cases of design and marketing innovation illustrate the role of constructing a story and biography of the processor *and* the products in order to continue to generate consumer demand. It is not so well developed at Rørosmeieriet as at Rachel's, but it is gradually developing (Rørosmeieriet, 2003). A significant difference is that Rachel's Organic has *personified* the story while Rørosmeieriet, to a higher degree, emphasis the *local embeddedness* and the *collective* relations to Røros as a special place. As we will see, these adjustments have some important consequences in the development of design qualities. Rørosmeieriet is related to a certain place *both in processing and in marketing*, while Rachel's have loosened their local relations and produced generic brands. There may be less emphasis on territorial embeddedness. This observation may also be reflected in the sphere of distribution. Products from Rachel's are distributed and sold all over the UK, while products from Rørosmeieriet, after a period relying on local sales, have developed a regional distribution, supplemented with "satellite sales" in other parts of Norway. There are then subtle differences in the ways in which the two cases *use social and spatial re-embeddedness*

as a factor in both production and marketing. In conclusion, we see how these processes are a key dynamic in the evolution of such firms.

CONCLUSIONS: TOWARDS A MODEL OF MODES OF DESIGNED QUALITY

Regarding the debates introduced about mainstream and alternative food strategies, we can argue that our two empirical cases from Norway and Wales do not fall easily into either ideal type. While they are certainly alternative to the conventional systems both in origin and development, they are *pursuing more complex pathways*, which such static dichotomies do not fully explain. Both are evolving from different sides of the dimension from local to "placeless" quality (Fig. 7). Rachel's has moved from being a localized farm processor, and Rørosmeieriet has moved from being a plant within the more standardized and "placeless" agri-food industry. They are both examples of successful regional SME; and we can call this category regional food, or "semi-industrial", as one of our informants called it. There are also considerable dangers of being "stuck in the middle". On the one hand, they have to operate in the conventional agri-industrial "world" of conventions, where the classic commercial economy (of scale) claims from supermarkets, banks and other corporate players dominate. In our terms

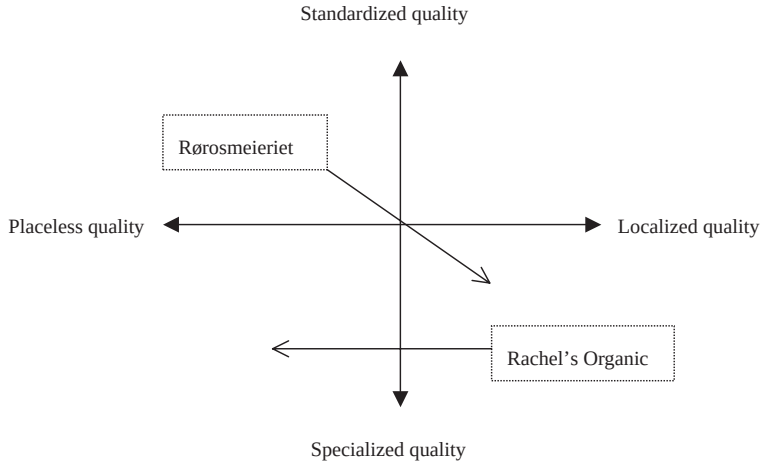

Fig. 7. Examples of Changes in Modes of Qualities in Food Promotion.

we would call this a mode where standardization and placelessness are dominant designed qualities (Fig. 7, up and left quadrant). On the other, their products are linked or anchored to local qualities that are more embedded in local alternative food and farm-based processing. Hence, the arrows of development identified in Fig. 7 are transgressing these agri-industrial and alternative worlds.

These dualities and tensions are shown in the underlying philosophy at Rørosmeieriet. They want to base their products and processes on inspiration from *unique local traditions but not on true copies. They see that they have to modernize traditional recipes to satisfy industrial claims and consumers' preferences*. Their challenge is to construct the image of being special and alternative. Farm processors may do that by opening their farms to consumers, while Rørosmeieriet is only able to show a modern industrial plant, which does not give an artisanal and traditional impression.

Hence, by focusing on the development of such firms, we can argue that the alternative food strategies presented here are not simply dichotomized as the conventional discussion about standardized food versus alternative or local food may suggest. Our two cases show this dichotomy, but its abstract relevance is in a way misleading, or at least insufficient to explain our empirical findings. Rachel's Organic has innovated from a mode of qualities containing organic specialties and local processing towards a more "placeless" design built upon a personalized story. The raw milk comes still from dairy farms localized in the area of origin and is still organic but it is no longer bounded by this area. Dairy farms may easily be replaced – or rather their number enlarged – with dairy farms from other areas that may be closer to the larger markets in England. By recently selling the firm, the managerial power is transferred from the local Welsh area to the American company. In addition, the brand *Rachel's Organic* will increasingly be applied as a generic brand for organic products in UK.

Rørosmeieriet is an example of the opposite trajectory – from a standardized and generic production towards a more concerted attempt to be local and specific. This firm has become embedded in a regional movement for the promotion of local food. The movement has roots in environmental and ideological interests. Their regional identity is defined territorially and the brand is publicly protected. They are conscious about both the socio-cultural and territorial aspects of embeddedness in their work in designing qualities. However, this strategy is not total. To survive in the prevailing "business world" they have to combine other strategies as well, like producing milk for consumption on behalf of their former owner, i.e., placeless

is then in reality a part of their business but this is not a part of their promotion of quality.

We see from these cases, then, that we need to understand *several* dynamic dimensions of quality. Fig. 7 shows how dimensions of space (local/placeless) and technical processing (standardized/specialized) can be applied to our cases and in which directions of qualities they are evolving. For other firms other dimensions may be more focused.

Also, the *staggered process of survival and growth* makes these firms innovate in complex ways through bringing together – over time – aspects of space, quality, and specialized techniques. Combined strategies, and what Porter (1992) calls "stuck in the middle" strategies may work in practice. They involve, as Porter suggests, a departure towards destandardisation and the generation of variety; but they do so in different ways *according to the specific local and social embeddedness of the firms and the actors involved.*

Rachel's would probably have survived comfortably with their original local strategy; but the largest growth came when they exited this strategy. Rachel's Organic and their former owners would hardly now say that they are detached from the local embeddedness; but in our terms, they did so in two ways. First, when they profiled their products more as organics and less from their local area; and second, when they sold the company on to others who also wanted to use the brand as generic. Products from Rachel's Organic do still have special qualities by being organic (see Fig. 7), but the embedded localized qualities are not so important anymore. It should be emphasized, however, that this is as much *about the innovative design or promotion of the products* and not only the production and processing itself, which is still localized in the area of Aberystwyth. Our description of the case shows how the modes are influenced and modified during the different phases. Hence, even though the firm still can be considered belonging to the alternative strategy within agri-food, the designed qualities have changed, not as an exposed strategy but rather as a consequence of their expansion.

Rørosmeieriet would definitely not have survived if they had not exited from their strategy of standardized mass production. On the other, they would not survive if they had made a total change of strategy to the local. Their product design emphasizes *both* being organic *and* coming from Røros. In addition, they process organic milk for consumption but without promotion for themselves as a dairy. That is why Rørosmeieriet, in Fig. 7, is shown by a movement from the standardized/placeless to localized/specialized sphere. The business demands force them into this combined strategy. Rachel's combines strategies in a similar way when they process for

supermarkets' private labels. Such firms, in terms of innovation of design and marketing, develop then as *hybrids of strategies and qualities*.

Such innovative firms must build their business and develop gradually and incrementally; and as the cases show, there is a significant degree of contingency and trial and error in this evolution. Their base of capital is usually too small for a large investment in R&D. This gradual development is paralleled in the development of their knowledge base. In both the cases, the firms had to create new relations and/or experiments with product development. They could not find the relevant competence in the conventional innovation system. Both capital and knowledge were scarce resources.

However, these counterstrategies as they "scale up" imply a continual risk of being incorporated into the conventional system. While there are hybrid strategies and qualities associated with product development, design and marketing – as these two cases show – there are also important key distinctions between the overall conventional and alternative systems. It may seem that these business factors force small firms into the conventional "worlds" where standardized quality is the rule. There is thus a risk for these firms to become "locked-in", i.e., locked into the conventional system of business where supermarkets, debts, volume, and consultants become the rule.

When Rachel's expanded, they were caught up in a more conventional organic system. The commercial success for Rachel's may move it away from being a local/regional counter-strategy and instead being progressively "locked-in". This may not represent a complete loss for the local/regional interests and embeddedness. There are many examples of companies that have "scaled-up" but still have activities left at their "birthplace". *Our point here is that the quality dimension is changed and the character of the local anchoring is weaker*.

An important question here regarding alternative small food firm development is how to support alternatives to maintain "lock-out" rather than being incorporated into the conventional system with the risk of being "locked-in"? There is a need for external institutional support (Marsden & Smith, 2003) in this regard, with development agencies and cooperative structures potentially playing a key role in fostering small firm development around specialized and localized conventions of quality. This suggests the need to foster alternative systems along the lines that Lundvall (2002) and Storper and Salais (1997) suggest, which foreground local and ecological conventions and practices.

Large firms are better positioned to build a base of capital to invest in R&D but they are often embedded ("locked-in") into standardized

conventions and less capable of diversifying into alternative food. In the general competitive and spatial context of Wales, it seems that dairy co-operatives are too weak and competition too tough to diversify within other dimensions of quality. Informants emphasized that Wales is lacking "heavy" economic actors to force alternative innovation more widely.

Three wider implications can be identified following this conceptual and comparative analysis of these successful and alternative food firms who have managed to develop a significant scale as well as an embeddedness around their design qualities.

First, there is a risk that existing conventional food systems continue to "force" and lock-in alternative actors into conventional rules and conventions, even after they may have established what seem to be a viable (and embedded) niche in production and product design. This may lead to less plurality of qualities of food, and thus restrict and inhibit the growth of such diversified options. One way to avoid this uniformity and mono-conventional pressure is to develop real and *distinctive alternative food systems*, which can stimulate and legitimate alternative food strategies based on other modes of quality than standard. A less comprehensive initiative may be to stimulate a plurality *within* the existing innovation systems.

Second, our academic debates and discussions about quality food need to be more nuanced and refined such that they deal more effectively with the dynamic complexities, struggles for distinction, and degrees of placeless and localized food qualities, and the evolutionary tensions between specialized and standardized quality parameters (Fig. 7). More specifically, the local and the significance of place need to be analytically separated from other dimensions of quality. In this paper, we have separated spatial qualities from processing and/or technological qualities.

Third, we need to consider the hybrid evolution of food firms, rather than be satisfied with categorical and static ideal types as ends in themselves. Hybrids are demonstrated in this analysis as a mix of strategies and qualities found in firms and food *over different phases of space-time development*. This hybridism occurs when the different spatial dimensions and designs of qualities are explored, and when we follow the development of firms over time.

These implications and findings may not necessarily be specific to firms and alternative economic development within the food sector; and they may have a salience in the emerging wider debates concerning the creation of alternative economic spaces more generally (Leyshon, Lee, & Williams, 2003). Hence, the theoretical and empirical approach on modes of designed qualities introduced here may also have relevance for other economic

markets that are becoming diversified, and not solely dominated by price competition.

Further attention is needed in exploring the sustainability and "scaling-up" problems of alternative food firms; for instance, how can alternative firms be supported from within existing systems; and at the same time, how can they protect this spatial and social quality parameters which make their food products special? How can the contingent process – outlined here – of relating aspects of local embeddedness, innovations in quality conventions, and product designs be fostered; and under what conditions are such contingencies seen to be more conducive? These are some of the key questions which need to inform the broader agri-food and rural development debates; and the significant role such re-socialized and re-spatialized food firms hold in shaping more complex and contemporary forms of rural and regional development.

NOTES

1. By dairy industry, we understand a company, firm, or plant processing any kind of products based on milk (including cheese making, yoghurt, butter, ice cream etc.).
2. Callon et al. (2002) give a valuable discussion on how qualification of products defines the products.
3. Callon et al. (2002) emphasize that qualities must be related or positioned to other qualities to give meaning. Applying *dimensions* of qualities are then potentially fruitful.
4. In 2004, the American-based Dean Foods Company bought Horizon.
5. This product was in 2004 accepted for the Norwegian version of label PGI (*Beskyttet geografisk betegnelse*).

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ALTERNATIVE FOOD NETWORKS IN THE SOUTH WEST OF ENGLAND: TOWARDS A NEW AGRARIAN ECO-ECONOMY?☆

Roberta Sonnino and Terry Marsden

ABSTRACT

Reflecting on recent questions concerning the meaning and implications of food ''re-localization'', in this chapter we utilize the concept of ''embeddedness'' as an analytical tool to deepen and broaden the investigation of the relationships between food and territory. After pointing to some limitations inherent in the conventional use of the concept of the embeddedness, in the first part of the chapter we suggest a more holistic approach that takes into consideration its implications in the wider political, natural and socio-economic environments in which food networks develop and operate. In the second part of the chapter, we apply this holistic approach to the analysis of three alternative food networks in the South West of England: Cornish clotted cream, Steve Turton meats and West Country

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Farmhouse Cheddar Cheese. By focusing on the different dimensions of the territorial embeddedness of these networks, we attempt to show that their real distinctiveness comes from their variable ability to reconfigure (''re-localize'') the time-space and the spatial relations around them. Through this actively constructed process of re-localization, we argue, alternative food networks in the South West are signalling the emergence of a new agrarian eco-economy that is vertically (i.e., politically and institutionally) disembedded and horizontally (i.e., spatially and ecologically) embedded. As we discuss in the conclusions, this further complicates the competitive relationships between the alternative and the conventional food sectors, while also providing new insights into the likely sustainability of these networks and their contribution to rural development.

INTRODUCTION: RESEARCHING THE ALTERNATIVE FOOD SPACES

Despite a recent plethora of case studies on the development of alternative food networks, the literature on these emerging trends remains theoretically fragmented. In fact, a central element of this literature has been concerned with understanding a highly contested (but largely unproblematised) *re-localization process*, whereby alternative food networks variably recapture rural space and are beginning to challenge the larger and more conventional food system. However, thus far this process has been by no means critically analysed and clearly understood. This can have two major negative consequences on both theory and practice associated with the emergence and development of alternative food networks. On the one hand, as we have recently argued (Sonnino & Marsden, 2006), there is a danger that untheorized notions of re-localization can be interpreted as continually marginalizing the real effects of alternative food networks – almost by definition. In reality, the literature shows that, in a few cases, new socially based economic and value-adding networks are, often in a clustered fashion, beginning to occupy significant areas of rural space and regions (see, for example, Marsden & Smith, 2005). On the other, as DuPuis and Goodman (2005) point out, a normative, ''unreflexive'' localism, grounded on a fixed set of norms or imaginaries, tends to neglect the potentially unjust politics of the local and to propose solutions, based ''on alternative standards of purity and perfection'', which are ''vulnerable to corporate cooptation'' (DuPuis & Goodman, 2005, p. 360).

In short, there is a distinct – and increasingly recognized – need to build a more robust and critical approach to the analysis of "re-localization" as potentially a sort of elision between the local and the social (see Amin, Cameron, & Hudson, 2003) and part of a new agri-food paradigm. In other words, drawing again on DuPuis and Goodman's (2005, p. 368) argument, to fully understand re-localization and its real and potential impacts, agri-food researchers should not treat the local as a "context" that is automatically conducive to the emergence of new economic forms based on "alternative" social norms. Rather, they should more actively engage with the socio-spatial practices of scale construction and theorize the contested processes that constitute the local.

To contribute to meeting this need, in this chapter we attempt to progress the concept of "embeddedness" as an analytical tool to deepen and broaden the investigation of the relationships between food and territory. Reflecting on recent questions concerning the alternativeness of the emerging food trends (Watts, Ilbery, & Maye, 2005), we focus on three local food networks in the South West of England and attempt to show that the real alternative nature of these new "economic spaces" (see Leyshon, Lee, & Williams, 2003) is associated not just with the character of the foods themselves or with the wide variety of ethical or ecological stances taken by their participants. While these may be specific features of alternative food networks in certain cases, we argue that in the South-West region the degree of "alternativeness" is actively *created* and *constructed* through the development of embedded social, ecological and economic relations which imply sets of re-constituted ("re-localized") spatial relations. As we will show, such relations are carved out and shaped in a highly competitive context through new arrangements, conventions and organizing mechanisms. In short, the real distinctiveness of alternative food networks comes from their variable ability to reconfigure the *time-spaces* and the *spatial* relations around them; in this sense, many of the actors involved are *active geographers*. As we shall see, however, this does not mean that they are completely separated from the powers, conventions and competing geographies of the conventional sector, especially with regard to the marketing of their products.

The chapter first discusses embeddedness as an analytical tool to conceptualize alternative food networks. By pointing to some limitations inherent in the conventional use of the concept, we suggest a more holistic approach that takes into consideration its implications in the wider political, natural, socio-economic and cultural environments in which food networks develop and operate. Such a holistic approach, we believe, helps to understand how alternative food networks emerge and to assess their development

potential. In the case of the South West of England, a focus on the different dimensions of the territorial embeddedness of three alternative food networks signals the emergence of a new agrarian eco-economy that is vertically (i.e., politically and institutionally) dis-embedded and horizontally (i.e., spatially and ecologically) embedded. As we will discuss in the conclusions, this further complicates the competitive relationships between the alternative and the conventional food sectors, while also providing new insights into the likely sustainability of these networks and their contribution to rural development.

CONCEPTUALIZING ALTERNATIVE FOOD NETWORKS: "EMBEDDEDNESS" AS AN ANALYTICAL TOOL

In recent years, a number of agri-food researchers has utilized the concept of embeddedness to refer to the quality "turn" by both producers and consumers away from the global agri-food complex (Goodman, 2004). As Holloway and Kneafsey (2004, p. 267) describe it, this dynamic is "a form of resistance to the disembedding forces of globalization" based on the development of niche food products that appeal to consumers on the basis of their ecological, moral and aesthetic qualities. Such qualities, they continue (Holloway & Kneafsey, 2004, p. 267), "are in turn embedded within producer–consumer relationships in which notions of trust, regard, authenticity and "connectedness" are given prominence".

In general, the concept of embeddedness in agri-food studies has been utilized to refer to the renewed relationships between food production and local ecologies resulting from consumers' pressure on producers and processors to provide safe and nutritious food after a long stream of health scares (Murdoch, Marsden, & Banks, 2000, p. 111). For the most part, however, such relationships have been assumed, rather than critically and empirically analysed. Using Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI) designations as illustrations of an "alternative geography of food" in Europe, for example, Parrott, Wilson, and Murdoch (2002, p. 256) posit a too simplistic distinction between the food cultures of the "north", which are mostly oriented to economic efficiency, and those of the "south", in which food qualities are associated with territorial, social and cultural embeddedness. Similarly, for Barham (2003), embeddedness is simply *inherent* in label of origins systems. As she explains, "by insisting upon a strong link in production to the ecology and culture of

specific places'', such systems ''re-embed a product in the natural processes and social context of its territory'' (Barham, 2003, p. 130). In France, for instance, the presence of an ''appellation d'origine côntrolée'' (AOC) label on a product reflects the successful completion of a multi-level process of negotiation (from the local to the state level) that ultimately creates a product ''strongly embedded in the natural, social, cultural and political dimension of its territory'' (Barham, 2003, p. 133).

Reflecting wider criticisms that have developed in economic sociology,[1] some agri-food researchers have identified two main problems inherent in this use of the concept of embeddedness. On the one hand, it has been stated that uncritical notions of social embeddedness reinforce a too optimistic view of local economic relations (Hinrichs, 2000) based on an overly simplistic opposition between ''global capitalist actors'' and their ''embedded local counterparts'' (Goodman, 2004, p. 5). By leaving no room for creativity and innovation, this type of static categorization precludes an understanding of the processes through which all food cultures persist through time while also undergoing continuous change (Sonnino, in review).

On the other, it is becoming increasingly clear that embeddedness embraces not just the socio-economic dimension of food production and consumption activities, but also their wider ecological and cultural context. Sage's study of an alternative food network in South-West Ireland (Sage, 2003), for instance, shows that the notion of ''good food'' developed by members of this network embraces simultaneously the embodied properties of the food (i.e., its sensual attributes), its socially embedded features (defined by its scale of production and its localized distribution through short-supply chains) and its ecologically embedded character (established by its locality of origin, the naturalness of its raw materials and its methods of production).

These criticisms have recently led some scholars to question the effectiveness of embeddedness as a conceptual device to distinguish between ''conventional'' (i.e., disembedded) and ''alternative'' (i.e., embedded) food networks. Murdoch et al. (2000) have convincingly explained that the efforts made by producers and manufacturers to outflank nature in the food production process are part of a general attempt to incorporate the food system in the globalization of commodity production (Murdoch et al., 2000, p. 109). However, as they point out (Murdoch et al., 2000, p. 110), these global processes are mediated, when not refracted, by regional and local specificities, ''in part because the various mixtures between the organic and inorganic are harder to detach from space and place'' (Murdoch et al., 2000, p. 110). It follows, then, that ''contemporary food chains are not as

disembedded as a superficial reading of the globalization literature might indicate'' (Murdoch et al., 2000, p. 110). On the other hand, the re-establishment of biological (as opposed to industrial) processes within food chains, associated with efforts to resist the outflanking of nature, should not be taken to imply total embeddedness. For example, the analysis of some Welsh quality food chains shows that, on the one hand, since ''trust in food … is clearly linked to some degree of natural and local embeddedness'' (Murdoch et al., 2000, p. 119), the ecological and spatial provenance of the food must be easily discernible; on the other, however, successful quality production requires that food becomes accessible to more than just a narrow range of localized consumers. As Murdoch et al. (2000, p. 119) state, ''this forces quality food chains to combine embeddedness and disembeddedness in rather complicated ways''.

In her analysis of community supported agriculture and farmers' markets in the US, Hinrichs (2000) also identifies a tension between ''embeddedness'' on the one hand and ''marketness'' and ''instrumentalism'' on the other. In fact, she explains, in most market settings, whatever the level of embeddedness, price and self-interest are also relevant. For example, farmers view farmers' markets as an opportunity for adding value (Hinrichs, 2000, pp. 298–299). Against simplistic and over-enthusiastic readings of social embeddedness that ''conflate spatial relations with social relations'', Hinrichs calls for studies that focus on how marketness and instrumentalism qualify and complicate social embeddedness. In her view, an analytic integration of all three concepts is crucial to understand ''the viability, development and outcomes of local food systems'' (Hinrichs, 2000, p. 301).

In short, recent literature on agri-food networks shows that embeddedness and disembeddedness are not mutually exclusive (see also Morgan, Marsden, & Murdoch, 2006); hence, they cannot be utilized as tools to categorize distinctive types of food systems. Quite the contrary, there is now a tendency in both the conventional and the alternative sector to create products that, at one level, are rooted in a specific territorial context and, at another level, hold the potential to travel to distant markets (see, for example, Murdoch & Miele, 1999). Such a tendency is creating a quite peculiar form of competition between conventional and alternative food networks that Kirwan (2004) explains in terms of ''appropriation''. According to Kirwan, in the context of the agri-food system, embeddedness can be utilized to create alternative systems that incorporate social, environmental and health issues into the production and consumption of food or to valorize local assets and provide marginal areas with a comparative advantage. However, embeddedness can also be ''appropriated'' by actors

operating at the global level to maximize their commercial profit by accessing niche markets. In this sense, the dichotomy between alternative and retailer-led food supply chains can be represented as a more general ''battlefield of knowledge, authority and regulation'' fought around different definitions of quality *and* levels of embeddedness (Marsden, 2004).

An increasing awareness of the complexity and contradictions inherent in the concept of embeddedness is stimulating the emergence of a new research agenda in agri-food studies. Quoting Hinrichs (2000) and Sayer (2001), for example, Goodman (2003) warns against the risk of seeing new localized economic forms ''as precursors of an associative economy by virtue of their embeddedness in interpersonal ties of reciprocity and trust'' and advocates a more critical scrutiny of embeddedness. At the same time, for Goodman the current scenario of market-led ''competitive territoriality'' – which he defines as ''a bewildering and counter-productive proliferation of competing quality schemes, labels and logos'' (Goodman, 2004, p. 10) – stresses the importance of assessing also powerful *dis*embedding forces. Through an emphasis on the complexity of the interrelations between the global and the local and between nature and society, such an approach is emphasizing the need to include the ecological, cultural and political domains into the analysis of the embeddedness or disembeddedness of different food systems (see, for example, Winter, 2003, p. 24; DuPuis & Goodman, 2005, p. 369).

To contribute to the development of these arguments, we have advocated the need to take into consideration both the vertical and the horizontal dimensions of embeddedness (Sonnino & Marsden, 2006). Specifically, building upon Schweizer's (1997) approach, we have argued that embeddedness has both a ''horizontal'' dimension, which involves the interpenetration of societal and cultural domains, and a ''vertical'' dimension that refers to hierarchical linkages of local actors to the larger society, economy and polity of which they are part. Understanding the interrelation between these two dimensions involves integrating the analysis of the multi-level institutional and governance system in which alternative food systems *carve and maintain their space* (i.e., the vertical dimension) with a bottom-up consideration of local/spatial conditions and strategies for the development and consolidation of alternative food networks (i.e., the horizontal dimension). In the case studies examined here, this type of analytic focus shows that alternative food networks emerge through the construction of horizontal forms of embeddedness that are not just a reliance upon the social over and above the economic. Rather, they are based on a dynamic process of incorporation and manipulation of space, involving social economy and nature.

As we will argue in the conclusions, this broader perspective on the embeddedness of food helps to view alternative and conventional food networks not as separate spheres, but as highly competitive and relational to one another in and through space. By exposing power imbalances, this perspective is crucial to understand more thoroughly the extent to which alternative food networks are spreading and impacting on wider spatial development processes.

THE SOUTH-WEST CASE STUDIES

Cornish Clotted Cream

Clotted cream is a heat-treated high butterfat cows' milk cream that has been produced in Cornwall for centuries, and has been marketed outside that region for over one hundred years. Until a century ago, the production of clotted cream for Cornish farmers represented a strategy to extend the life of their milk. An elderly producer recalled:

> Prior to 1934, when the Milk Marketing Board was formed, [...] farmers had to dispose of all the milk that they produced, [...] so butter became an alternate product, and clotted cream was another that we used in the South West, especially Cornwall and Devon. And also the milk was rich milk, [...] so every farmer would probably make clotted cream as a by-product in his farm.

Today, producers still describe their involvement with the production of clotted cream as a diversification strategy that goes back to an old family tradition or, more in general, to their Cornish heritage. One producer, for example, told the story of his grandmother making cream in the 1930s, when there was no electricity, putting it into jars to "give it a longer life" and sending it to London by train to sell it to Fortnum and Mason. Another farmer, who started producing clotted cream just five years ago, motivated his decision simply by saying that "it's a Cornish tradition", "part of the food and of the farm over the years".

Tourists, who represent a significant portion of the market for clotted cream, tend to romanticize the Cornishness and traditionality of the product. As a member of Cornwall Enterprise, the commercial arm of Cornwall County Council, explained:

> Cornwall is clotted cream, it's like Cornish pasties. People come down for holidays, clotted cream is in their memory back from when they were coming down as children, there's something special, [...] and it just brings back nice memories.

Although clearly rooted in time and space, Cornish clotted cream is in reality a very dynamic traditional product, which over the decades has experienced a number of significant changes. For the most part, such changes have resulted from a series of innovations introduced by the oldest and largest producer of clotted cream in Cornwall: Rodda's Creamery. Once a small dairy farm of about 30 cows, in the 1930s, Rodda's began to specialize in the production of clotted cream, and did so through a very innovative approach. Over time, the family that ran the business replaced the old method of scalding the cream over a pan of boiling water with the "bain marie" system; they developed and patented fairly sophisticated ovens; and, most important, they invented special retail containers that enabled them to eliminate the labour costs – and the potential for contamination – associated with the use of spatulas to remove the cream from its traditional trays before packaging it.

Behind such innovations was Rodda's conscious effort to improve the "quality" of their production process. As the elderly father stated:

> What we have been doing is to change all the way behind, but not the product. It's changed in the sense that we try to make it better, to make it more pure … .

To the Rodda family, "quality" is still a paramount priority. A younger family member stated:

> We could make more money overnight, because we could lower the fat, thicken the cream, […] but it wouldn't be the same product. […] We feel you need to look for efficiency, you need to achieve these things, but you can't compromise the product…that's where we come from.

This emphasis on quality has proven to be a winning strategy for Rodda's Creamery, which currently controls about 80% of the market for clotted cream. Even though the family has no specific plans to expand their business, their production is growing by about 10% a year, and so is the market for Cornish clotted cream, which, according to a representative from Cornwall Enterprise, has currently a total return of about 10 million pounds a year. In addition to directly delivering clotted cream to hotels, restaurants, shops and cafes by using eight vans that travel around the South West three times a week, Rodda's supplies all major supermarkets and even some airlines.

For the Roddas, the quality of their cream is strictly interrelated to the quality of their region. To them, Cornish "different" cows and "different" pasture produce "better milk" and, hence, a clotted cream of superior quality. If, on the one hand, this view has led the family to adopt explicit "buy local" policies that are providing employment for roughly 90 Cornish

people at the creamery and for a number of local businesses, on the other, it has convinced them to become actively involved with the Cornwall County Council throughout the process that led to the PDO certification for Cornish clotted cream in 1998. Perceived by the Roddas as a strategy to "control" the product and avoid its "downgrading", the PDO is now circumscribing and protecting a market that has something to offer also to other Cornish dairy producers. As one of them said:

> In the clotted cream, Rodda's [...] created the market, if they hadn't done that we wouldn't be here. [...] I am just nesting underneath their umbrella....

Today there are at least another five major producers of Cornish clotted cream. None of them has the means to compete with Rodda's Creamery on the basis of the quantity of cream produced. However, all of them have managed to provide their product with a "point of difference" that has enabled them to share the market with the creamery that created it. One farmer, for example, produces an organic version of Cornish clotted cream, using milk from his Jersey cows, which has found its own niche on the local market, where he sells roughly 50–60 kilos of product every week through a wholesaler. Another producer has resorted to use the 50 kilos of clotted cream he manufactures every week at his farm to make ice cream.

In all cases, clotted cream never represents the main productive activity. Rather, it is part of a diversification strategy that enables dairy farmers in Cornwall to link different economic activities and, as they point out, to find a "balance" among them. A producer who makes about half a ton of cream every year by purchasing milk from outside, explained the importance of reaching this balance:

> Our business is all about a balance between, say, skimmed milk and clotted cream. [...] Because if you sell a 4-pint bottle of skimmed milk, you got no choice but to have the cream, so you got to sell it, you got to do something with it. [...] What pays our bills is the combination: 4-pint bottle of skimmed milk and a pot of cream, the combination, that's really where we get the margin.

The organic farmer interviewed is the only organic processing dairy in Cornwall that offers the "full range": liquid milk, clotted cream, butter and liquid cream. His reputation and success, as he explained, are, again, a matter of managing the balance:

> Because we offer a full range of products, a lot of people say they like the milk, other people like the butter, other the clotted cream. It's a combination, really.

Significantly, for this farmer the production of clotted cream is providing new opportunities to broaden the combination. In fact, he has recently

started feeding 10 l a day of skimmed milk obtained from the manufacturing of clotted cream to his free range pigs. Convinced that this has greatly improved the quality of their meat, this farmer is now considering also entering the market for free range, organic pork.

Finally, for the ice-cream producers, interviewed, clotted cream is instrumental to the economy of their farm not per se, but for the role it plays in diversifying their ice cream on a highly competitive market such as the Cornish one and in meeting the needs of the numerous tourists who visit this "organic jersey farm" to have a meal or to rent one of the four cottages situated on it.

The Steve Turton Meats Network

Originally a master butcher from Exeter, Steve Turton changed his life and that of many other people in 1997, when he started manufacturing Westaways sausages, today the largest regional sausage brand in the UK. As he recalls:

> We did it at the height of the BSE, mainly because I had had enough of it, I was sick and tired of people coming into our shops and moaning about it …

After supplying corner shop delis for 12 months, Turton started dealing with supermarkets, and his sausage business expanded so much that eventually Steve decided to sell his butcher shop in Exeter and to concentrate on sausages.

Three years ago Turton's business came at another turning point when he met Rachael, Sainsbury's Trade Development Manager, at the Devon County Show. It was a time, as both said, when regionality was increasingly becoming a "watchword", and Rachael had just been asked by Sainsbury's to develop their regional food offer. The conversation Rachael and Steve had on that occasion is a good example of these two people's propensity to take risks. In Turton's words:

> She said their meat counters were not performing, and I said "you know why?", and she said "why?", "because they are crap!". That's the sort of relationship I have got with her! I said "they are not going anywhere. One: your product mix is exactly the same as you got on the shelves, you got no differentiation with that offer, and second you got lousy people behind your counters". […] Her comment was "do you think you can do better?", and me being a prat I said yes.

Nine months later, Westaways sausages had made their way into the first Sainsbury's store, and after another year Turton was involved in a three-month pilot scheme with the supermarket. This pilot scheme, as he said,

> almost crippled us, because we needed six stores to actually make the whole project spin financially. So we spent nine months with two counters losing money hand over fist, […] it actually got so bad in the end that I wrote to […] the retail director and said "look, make your bloody mind up or I am pulling out." Then it was almost instant, we started rolling out.

It was a great success for Sainsbury's. Rachael explained that they introduced Westaways sausages in seven stores and compared their performance in terms of sales with a leading Sainsbury's brand in another seven stores. Once they realized that Turton was selling 200% above the other brand, it became clear that "it was the right thing for us to do". Since then, Turton has decided "to go the volume route": last year, Sainsbury's sold 196,000 cases of his sausages.

In addition to developing his Westaways sausage brand, Steve Turton continued to emphasize also his meat catering business. Two and a half years ago, while Steve was becoming involved with the restaurants' business, Sainsbury's proposed to him to manage a meat counter in their stores. The counter started running in the summer of 2003, first as "Steve Turton Selection at Sainsbury's" and, subsequently, as "Sainsbury's in Partnership with Steve Turton." It was at that point that Steve started to develop relationships with farmers and suppliers, and did so inspired by two main ideals: regionality and traceability. In describing the meat counters he currently manages in 15 Sainsbury's stores around the South West, Turton said:

> Effectively that's a totally regional offer, 100% traceable meat, we have spent 85,000 quid on our traceability system here to trace the meat right the way through to the shop. So when a customer goes to a store, they can actually find out where the meat came from, and that has been solely driven by regionality.

To Steve, regionality means sustaining farmers beyond what farmers' markets can do for them, as well as supporting a region that "has given me my living all my life … pure patriotism". However, Turton is aware that regionality today is also a "massive selling point", especially in a region, like the South West, where he believes that people are willing to pay more for regional and local food as long as they perceive it to be safe. In this context, his sophisticated traceability system helps to build the "integrity" of the product and to reassure the public against all the food safety scares. Complementing regionality and traceability, meat "quality" is also a key factor for Turton. In his words:

> Just by sticking a West Country label on it doesn't make it good. It can be West Country, but it's got to be backed up by the product as well.

Developing relationships with actors who share the same values and goals has been crucial to the development and success of Steve Turton's network. Instrumental in this respect was Turton's encounter with a farmer who invited him to do a butchering demonstration at the Devon County Show in 2002. She recalls:

> I wanted him to do his butchering demonstration, but I also wanted him to buy my cattle. So we went down to the shed and when we got out we put our eyes on these three really lovely South Devon Cross-Blonde bulls. […] He said "I really like them, I'll have all of them then."

The Southwest Chairman of the National Beef Association is another key supplier to Turton. His story is very indicative of the type of relationships Steve has with the core members of his meat network:

> With Steve Turton we are visiting the farm, we are discussing what we are going to breed, how we are going to feed it, when we are going to produce it … it's a partnership arrangement, I just have to fit with his philosophy … I got two of the best eating quality breeds, and he's looking for eating quality, so we fit.

Turton's network currently includes 154 farmers from the South West. Of these, only about 12 are direct suppliers; the others provide meat through two major wholesalers, who together supply roughly 30% of the meat. Working with wholesalers is an effective strategy for Turton: unlike farmers, who supply whole animals, wholesalers can provide him with the best cuts of meat and help him to reduce waste. For both farmers and wholesalers, working with Steve Turton means getting a premium, which reaches about 80 pounds per animal, and it also means having a regular market outlet. A wholesaler interviewed, for example, regularly sells to Turton 25,000 pounds of meat per week, representing 10% of his total business. In return, Turton expects his suppliers to provide quality and traceability. In technical terms, "quality" for him means, as his Devon supplier explained, "U 3 and 4", a specification that refers to the amount of fat cover. Anything below that grading, she said, is too "lean" for him and it becomes supermarket meat. In a more practical sense, quality, as he said, means "no waste on the plate and an enjoyable meal". As one of his key suppliers pointed out:

> He's got much closer to the consumer, he has taken the meat down to easily preparable portions, he has really taken the knife out of the consumers' hand. He has done all the cutting, he's much more efficient, almost catering … I know that butchers can do it, but not at that scale and not at that speed …

In addition to quality, the meat supplied to Turton must be fully traceable. As we learned by visiting one of his wholesalers, each carcass comes in with a paper label that includes the name of the farmer, the address and the

reference number for the animal. Once the carcass is cut, the same information is attached to the cuts and even to the bags of minced meat. In this sense, the wholesaler functions not only as the transfer of the meats, but also of the identity and knowledge concerning the meat itself. Interestingly, in this process the identity of the wholesaler remains anonymous.

The number of supplier in the Steve Turton network is destined to reach 300, as Steve explained, to keep up with the expansion of a business that has grown by 500% between 2000, when 548,000 pounds of meat were sold and the business employed 12 people, and 2004, when the total sales have reached 2.75 million pounds and there were 35 people working for Turton. According to Turton's predictions, the total sales will go up to 8–10 million pounds in 2006 and will reach 20 million pounds in 2010. This figure represents the final target for someone, as Steve himself pointed out, who is more "entrepreneurial than managerial".

The West Country Farmhouse Cheddar Cheese network

Farmhouse cheesemaking is an old tradition in the South West. The wide presence of grass, which farmers traditionally grew to feed dairy cows producing milk, combined with the geographical isolation of the region, which was always far from the fresh milk market, made cheesemaking a common practice for farmers, who often used whey, a watery and highly polluting liquid resulting from the processing of cheese, to feed their pigs.

The advent of the Milk Marketing Board in the 1930s significantly changed this scenario. As one producer explained, it essentially represented

> the death of a lot of cheesemakers, because people no longer had to make cheese, they had a market for their milk, they could sell it to the Milk Marketing Board, put on trains and it went off to London. […] So farmers said "why are we making cheese, it doesn't always work, we can't always sell it … I can sell the milk to the Milk Marketing Board".

After the war, there were only about 40 farmers, reunited in a farmhouse cheese federation, who still processed their own milk on the farm to make farmhouse cheddar. This, as the President of the West Country Farmhouse Cheddar Cooperative pointed out, was within the scope of the Milk Marketing Board. However, the rest of the milk had to be legally sold to the Board itself, which, according to a producer we interviewed, had invented a "brilliant" system to pay farmers:

> The Milk Marketing Board paid the farmers for the milk on the 25th of the month following the month of production, but the Milk Marketing Board never got around to charging the farmers for the milk they used for the cheese for five months, so you basically had five months of free credit.

To commercialize the cheese, the Milk Marketing Board relied upon a subsidiary company, called Crumpway and based in Wells, which had a complete monopoly on the farmhouse cheese. The president of the Farmhouse Cooperative explained that Crumpway was a factory where all the cheese that had already been aged for six or seven months was stored, graded and sold on the basis of a simple criterion:

> The marketing guys knew which buyers wanted a certain sort of cheese […] and you had to pay the price that they asked basically. The farmer had no involvement whatsoever. […] I suppose we were not supposed to know about marketing.

The abolition of the Milk Marketing Board was as disruptive to the system as its advent had been. Essentially, it turned the history of farmhouse cheddar cheese into a complex history of individual and collective strategies to position the product on an expanding and increasingly competitive market. Crumpway was bought by an individual and turned into a business called Mendip Foods, which took the role of selling farmhouse cheddar before being bought by Dairy Crest, one of the largest creameries in the region. These events caught the producers in a paradoxical situation. Mendip Foods started producing Cathedral City, today a very famous and widespread cheese brand, so the agent of the cooperative, who started selling this cheese against West Country Farmhouse, became a major competitor for the cooperative members.

Faced with the challenge of competing with branded quality cheeses produced by the big creameries, farmers realized that, as the President stated, they had "to take full control of their own destiny" and joined in a cooperative of 24 members. As the President recalls:

> There was competition outside from the individual makers, there was competition from the creameries and we gradually became more involved in the marketing. Farmers themselves became more involved and the cooperative became more interested in where the cheese went and actually tried to influence the prices that were paid to farmers, tried to keep the whole market under one hand.

In this respect, however, the cooperative was not very successful. In a country where, as one of the producers put it, "we are useless in cooperating", it was very difficult to keep producers together. Within a few years, one producer said

> A number of people went out of cheesemaking, a number pulled off the cooperative and did their own thing, and then some members from within the cooperative found other people selling cheese.

The demise of Dairy Crest, coupled with the growing competition from large dairies producing branded and packaged cheddar cheese, eventually

brought farmhouse cheese producers back together, at least to some extent. Five years ago, supported by Department for Environment, Food and Rural Affairs (DEFRA), the Cooperative was awarded the PDO status for its cheese and, simultaneously, it introduced its own brand: West Country Farmhouse. Seen as a marketing tool that effectively protects artisanal cheddar from the competition of conventional and industrialized cheeses, the PDO has convinced most producers to join the cooperative. This, in a way, has increasingly become for many of them an ideal means to emerge more creatively from the standardized and highly competitive "block" cheese market, and to develop more direct and branded links with major retailers and caterers. In fact, besides providing an opportunity to purchase commodities (fuel, salt, starters, rennet) at more advantageous prices, the Cooperative has been instrumental in terms of cheese marketing. One producer said:

> As far as the marketing is concerned, we can make a difference. Individually none of us has got the budget to actively promote our products […], but together we can. Also, as an organization we are match-funded from DEFRA and the Rural Development Council and we had other support for export activities. None of us could have done it on our own.

When asked why cheddar makers find it convenient to join the cooperative, another producer responded:

> Because they can see the benefits, to use an American expression, to be in the tent pissing out rather than to be out of the tent pissing in. You are in the cooperative, you know what's going on, you do your own selling, to an extent, but you also got marketing information and the strength of numbers.

In practical terms, this means that producers and processors of West Country Farmhouse Cheddar operate a multiple branding strategy. In addition to having their own farm label, they also combine their producer brands under the cooperative label. This multiple branding strategy is managed through the cooperative, which aims primarily at diversifying its supply and cater for many niche markets as possible. For example, the cooperative presently guarantees a range of five different cheeses to Waitrose: an extra-mature block cheddar, a mature cheddar, an unpasteurized traditional cheddar, a pasteurized cheddar and a double Gloucester.

However, the cooperative members have also been successful in gaining access to the market individually or by forming special networks. For instance, the three producers who make unpasteurized cheddar have recently been awarded the first English Slow Food Presidium for artisanal Somerset Cheddar; two years ago, other three producers have created together a triple package of cheddar for the American market. Interestingly, all these

marketing strategies affect only a relatively small proportion of the cheddar produced by the members of the cooperative. In fact, a good proportion of their cheese (4,000 tons out of the 7–8,000 tons produced every year) is sold to some large cheese processors in the area.

In the attempt to strengthen its position on the market, the cooperative is currently re-negotiating the terms of the PDO to guarantee a higher level of farm milk supply and a peculiar packaging. As it emerged during the interviews, the distinctiveness with regard to the quality of West Country Farmhouse Cheddar concerns both the local milk base and the artisanal handmade nature of the cheese. As one producer explained:

> Twenty years ago there was just our quality, farmhouse was the best cheese, but behind it was the story, the fact that this cheese was hand-made on the farm. There's a sort of romantic image, if you like, of people making the cheese, cows coming from fields around, it's all nice and local, it's got that sort of rural romance to it. […] Today the competition is very good cheese, so the whole story becomes our point of difference.

However romantic the story may be, for cheddar producers today it means a premium price of 2–3,000 pounds/ton in the supermarkets.

ALTERNATIVE FOOD NETWORKS AND EVOLVING COMPETITIVE SPACES: A CONCEPTUAL ANALYSIS

The three food networks originated out of a "rupture point" occurring in the dominant and conventional agri-food system. This rupture takes the form of either a "biosecurity" crisis, such as the BSE in the case of Turton's network, or of an economic crisis such as the one that followed the abolition of the Milk Marketing Board, which suddenly forced dairy farmers not just to find a market for their products, but to quickly elaborate strategies to access its more differentiated outlets and survive in them.

In all cases, such crises lead local actors to realize the limits of the State. In its response to the food security crises, the State has in fact been hyper-bureaucratic and hyper-hygienic, attempting to rollout standardized, rather than customized, traceability systems and continuing to dwell on conditionality and the over-policing of the "dirty-business" of food and farming (Marsden & Sonnino, 2006, in review). At the same time, both during and after the crisis that opened up in the conventional system, the multi-level State played a rather "bystanding" role. For instance, despite the political rhetoric associated with the mantra of "competing on quality and not just on price", the State has failed to take on the critical market power of

corporate retailers. Indeed, as illustrated by the 2002 Report of the Policy Commission on the Future of Farming and Food (also known as the "Curry Report"), the dominant political discourse in the UK has assumed that it can leave the creation and mobilization of agri-food alternatives to some generalized and revived neo-classical notion of "the market" (Marsden & Sonnino, 2006, in review; Dupuis & Goodman, 2005). As a result, new or revised state instruments such as "the Second Pillar" (or the Rural Development Regulation), the Curry Report (which was meant to chart a course out of the crisis that followed the Foot and Mouth epidemic) and the Regional Development Agency's strategies are too land based, supply oriented or timid with regard to the development of the new spatially competitive dynamics outlined above (Marsden & Sonnino, 2005). As a clotted cream producer puts it:

> They are all bureaucrats, it's absolutely incredible. I am not saying that they are not working hard, but I just wonder what the hell are they doing! They have computers, cleaners…who is paying for all of this? There's something desperately wrong, isn't there?

In short, an analysis of the vertical embeddedness of alternative food networks in the South West of England shows that food relocalization in this region is occurring *despite*, rather than because of, State action. Significantly, it is just this lack of vertical embeddedness – i.e., the rupture with earlier, vertically arranged regulatory forms (such as that associated with the Milk Marketing Board) – that creates room for stronger forms of horizontal embeddedness – i.e., the development of socio-cultural arrangements through which alternative food networks recapture rural space.

Instrumental to the development and expansion of new forms of "horizontal" embeddedness is the role of the *ecological entrepreneur* (Marsden & Smith, 2005). This is an individual actor, such as Steve Turton or Rodda's Creamery, capable to create *new platforms of action and* "actor space" that revolve around innovative discourses of competition and trust, negotiation and quality. In the cases analysed, ecological entrepreneurs utilize two main strategies to initiate the process of horizontal embeddedness – a process that then becomes, to varying degrees, formalized through the gaining of PDO status or the creation of producers' own local brands. Such strategies include, on the one hand, the invention of tradition, or *retro-innovation*, and, on the other, the re-casting of *bio-local/regional reconnections*.

Social scientists have long been looking at tradition as a cultural construction, as a process of interpretation, characterized by reference to the past, which provides a response to novel situations. With reference to rural development, this constructivist approach has been conceptualized as

"retro-innovation" (see Stuiver, Ch. 7 this volume). This is a distinct form of innovation that combines elements of the past (such as production practices, techniques, quality conventions) with the new circumstances agriculture finds itself in. These new circumstances involve high levels of privatized competition associated with gaining access to large retailers for value-added products. With the deregulation of certain state support structures (like the Milk Marketing Board and the Common Agricultural Policy), the networks we have analysed have to re-invent tradition – to create and symbolically reinvent the past out of the conceptual needs of the present, often by combining new and old knowledge in new ways. This is not simply an issue of bringing back tradition; rather, it is about developing new practices with a relative involvement of past ones. It also critically implies translating and communicating elements of these practices to the retailers and consumers through brand labelling and quality criteria based upon local animals, producers and rearing and processing techniques.

For this reason, *retro-innovation* in our case studies often implies the use of another specific strategy: the recasting of *bio-local/regional reconnections*. The occurrence of biosecurity crises (such as FMD and BSE), which acted as a spur for these developments, raised the need to emphasize the peculiar qualities of locally grown stocks and products. This facilitated the emergence of a form of pro-active bio-regionalism, whereby plants (e.g. grass) and animals (especially beef and dairy cow breeds) are seen as characterized by spatially unique qualities *only attainable from the spaces governed by the networks themselves*. This is clearly the case with the PDO designations – which are in a dynamic state of more specific definition – but it is also true in the Steve Turton network, which projects a new brand of bio-regionality. As our discourse analysis has showed, producers often articulate this strong sense of bio-regionalism, which grounds the food networks within a revised symbiosis of nature, animals and actors – in some senses, a new type of hybridity.

Ecological entrepreneurs play a key role not just in initiating and horizontally embedding the networks, but in maintaining and developing their internal cohesion. For the most part, this means controlling and redistributing asymmetrical forms of knowledge and power within the networks. For instance, individual members of the West Country Farmhouse Cheddar network meet and negotiate individually with the retailers but, at the same time, the Cooperative as a whole also liaises with them. They both represent different knowledge nodes in the overall network. Individual producers, who supply raw milk to clotted cream manufacturers or to the Farmhouse cheddar processors, as well as cattle farmers supplying Steve Turton, have little knowledge of where their products go. In fact, a key characteristic of

these networks is a "one-way" *form of traceability*, that is, an asymmetrical system of traceability which allows the tracing of goods back down the food chains, but not necessarily up, through them, to the point of sale. Thus, knowledge about foods and food practices is not equitably distributed, and it is a major function of the ecological entrepreneurs to manage these asymmetrical relationships in ways which continue to mobilize the networks as a whole, as well as the individual actors within them – in fact, to construct it and maintain it as a coherent entity.

To understand these vibrant internal dynamics and, more in general, the nature of territorial embeddedness of the three food networks, it is important to consider and analyse them not as isolated entities. Indeed, our evidence suggests that such networks interact with one another, and with the conventional sector, in complex ways. To begin with, from an economic and marketing perspective, the fact that the networks have distanced themselves from the system associated with the highly regulated and protected markets of the past does not imply the emergence of "free" or deregulated markets. Quite the contrary, these are quite closed and highly competitive coordinated networks that represent combinations of "nested hierarchies". In this context, prices are formed in a multiple-negotiated fashion, as part of a "nested Russian doll" of interactions characterized by their own dynamic conventions, qualities and prices. These are regularly re-negotiated around retailers' variable commitment to meeting quality/premium markets.

A key dynamic of "boundary maintenance" in these networks concerns the attempts by the main actors to re-capture economic and negotiating power by developing and controlling "their own" quality brands. In all three cases, such brands compete with the powerful retailer-led "own-brand" culture that has been established in all the main supermarkets. A major axis of competition for these networks is then linked to their continued ability to construct and combine their own brands in ways which will provide them with retailer shelf-space. In this respect, another major function of the networks is to increasingly demarcate themselves from other "quality" suppliers. This new type of *boundary maintenance* further complicates the "battleground" between the alternative and the conventional agri-food sectors (see Sonnino & Marsden, 2006). The Farmhouse Cheddar Cheese network is a good example of the nuanced and conventions-based competition within the "quality" or premium sector. In fact, its actors are attempting to further tighten the PDO regulation so as to demarcate a boundary between themselves and other cheddar producers. In this sense, cheddar cheese itself becomes a new battlefield, a new competitive terrain for networks of actors to position and re-position their discrete brands.

In short, there are three major axes to the competitive spatial dynamics surrounding the agri-food networks analysed here. *First*, as part of a growing "alternative" sector, the three networks compete with the conventional sector, which continues to produce bulk and cheaper products for the supermarkets in a "space-less" fashion. *Second*, there is a competition amongst alternative networks both for geographical space and for bio-geographies of distinction – a competition that can secure a place on the same supermarket shelves. *Third*, there is a highly contingent competitive dynamic between the consumer-oriented corporate retailers and the producer and processor networks. This dynamic expresses itself through the compromises made through the branding of products. While, for example, Tesco's cannot be persuaded, as Sainsbury's have been, to stock locally or regionally branded cheeses or meats from the region, Waitroses have allowed the Farmhouse Cheddar network to develop compositely branded cheeses with the names of the individual processors, the Farmhouse Cooperative brand and the name of the retailer on the labels. Hence we see the emergence of a multidimensional competitive terrain through differential branding and spatial strategies operating within, and to some extent beyond, the region.

In this respect, it is important to point out that, from a geographical perspective, the three food networks are inherently spatial, in the sense that they continue to horizontally embed their actors, animals and practices into significant geographical spaces in the counties of Cornwall (which counts over 200 producers of clotted cream), Devon (where 154 producers are supplying the Steve Turton network), Somerset and Dorset (where the West Country Farmhouse Cheddar cooperative involves 12 major players and over 100 other producers). From a purely economic perspective, there is clear evidence of significant value-added gains in income and revenue resulting from participation in these networks. For instance, being part of the Farmhouse Cheddar cooperative network yields an average of £60 per ton of cheese produced, whereas beef sold to the Turton network obtains a premium of £80 per animal sold. In fact, in the South West, corporate retailers have begun to see market benefits in meeting consumers' demand for local and regional food. This is forming new synergies between retailers and alternative food networks, which are triggering the development of a new spatially embedded production–consumption system in the region.

In short, the process of embeddedness analysed here goes well beyond the creation of "local brands" or the development of a reactive "defensive localism" (Winter, 2003). In fact, it represents a highly proactive and socialized form of bio-regionalism which has swung the pendulum from the previous (agri-industrial) crises of bio-security into its very anti-thesis. In

other words, the networks analysed here represent much more than individual or autonomous cases of alternative niches associated with local branding. While they may not be anywhere near the "norm" in terms of the conventional ("race-to- the-bottom") agricultural dynamic of the region, they do represent sustained attempts to create a new agrarian eco-economy based upon re-embedded bio-regionalist norms and conventions and more spatialised forms of branding and marketing. They do represent, to use Storper's (1998) terminology, complex organizational "puzzles" which spatially compete with the conventional system.

These considerations should not obfuscate, however, the inherent fragility of these networks. Internally, this is linked to the constant need to make the networks coherent and cooperative in their competitive ventures. As we stated above, balancing cooperation and competition is a constant and active part of network maintenance. Externally, the problem of "boundary maintenance" may not be resolvable as quality competition increases or as corporate retailers reassess their portfolios. Sainsbury's recent recorded losses, the "Walmartisation" of the supermarket sector linked to ASDA's expansion and, more generally, the increasing share-financial gearing and further internationalization of corporate retailing (Wrigley, 2002) could all influence the longevity and sustainability of alternative networks such as those described here.

In conclusion, our analysis, based on a holistic concept of embeddedness, suggests that in the South West of England the re-localisation of food is essentially a dynamic process through which local actors attach a "bio-regional" identity to their products to position them on a highly competitive market. In this sense, alternative food networks are significant spatial platforms that are re-connecting with a vibrant regional consumer base. While reconfiguring the relations between producers and retailers, these alternative networks are signaling the emergence of an agrarian eco-economy based on food relocalisation.

This emerging economy, however, is facing both internal and external challenges. Internally, alternative food networks are facing problems of socio-economic cohesion and increasing intra-sectoral competition. Externally, continued pressures from corporate retailers and the conventional food system are threatening the social and spatial boundaries and the resilience of the networks. In practical terms, this raises the need for concerted political action to introduce new and more effective forms of demand management and to create more reliable markets for local producers. In short, the longevity of the emerging agrarian eco-economy depends on the political capacity to vertically re-embed the emerging networks and to protect the "local" at the national and global levels. Theoretically, our findings

suggest that a focus on both the horizontal and the vertical dimensions of embeddedness provides significant insights into not just the emergence and development of alternative food networks, but also, and perhaps most importantly, into the likely sustainability of a new agrarian eco-economy based on food relocalization.

NOTES

1. See, for example, Montgomery (1998), Krippner (2001), Barber (1995) and Sayer (1997, 2001).

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THE STRATEGIC TURN OF ORGANIC FARMING IN EUROPE: FROM A RESOURCE BASED TO AN ENTREPRENEURIAL APPROACH OF ORGANIC MARKETING INITIATIVES

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ABSTRACT

This chapter explores organic farming's development potential in Europe. It analyses the enterprise capacities to reach a workable structure of the supply chains, in order to market good products at reasonable prices. This study has been carried out in the framework of a European project (OMIaRD). This aimed to assess the impact of the Organic Marketing Initiatives (OMI) on Rural Development. The results show after a growing phase, most of the organic marketing initiatives meet a strategic turn point, linked to their ability to face logistic problems, linked to an increasing of collected, processed and marketed volumes. This strategic turn leads them to take decisions together with their stakeholders, such that the economic and ethical goals are not questioned by the changes to be implemented.

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1. INTRODUCTION: THE MAIN STAKE FOR ORGANIC FARMING'S DEVELOPMENT

The market for Organic Farming (OF) is growing both at the world and the European level. According to International Federation of Organic Agriculture Movements (IFOAM), the production reaches 17.6 million hectares in 2002. More than 100 countries in the world are concerned by this growth.[1] In Europe, the total area devoted to OF was 4.35 million hectares in 2001 (i.e. 3.4% of the total area), with a growth rate by 26% yearly. Italy, UK and Germany are first according to the cultivated areas, as Austria, Italy, Finland and Denmark had the highest share.

In most of the European countries, consumer demand is still growing. In northern Europe, the political institutions and professional bodies provide financial support to farmers and promotion campaigns. However, several southern countries – excepted Italy—have a lower growth rate, due to weaker political support (Spain, France and Portugal). Import is often necessary to compensate for this low production.

The market share for OF's products is more or less comparable in the countries: Germany, France or Finland, for example (EUROSTAF, 2002) have a market share close to 1.5%, while Denmark is at the top with 3.5%.

According to the different sectors, OF represents the shares (excluding catering) (see Table 1).

In the framework of the OMIaRD project,[2] a Delphi study (Padel, Serymour, & Foster, 2003) presents the expected growth by country for the next five years, which are not so weak (see Table 2).

Furthermore, this study distinguishes between several types of markets, according to their evolution stage (see Table 3).

There are strong evolution potentials, based mainly on the consumer demand (Hamm & Groenefeldt, 2003). However, several obstacles have been identified by the experts: too high price premium (91% of respondents), availability of the products (88% of respondents) and lack of information (84% of respondents). This is confirmed by most of the market surveys (Zanoli, 2004). Certainly, the conversion of a household to organic consumption can reduce the budget (if cereal consumption is growing and meat consumption is going down), but the price remains anyway a structural limiting factor.

Furthermore, Padel et al. (2003) report that, according to the Delphi experts, the high price level is mainly due to supply chain structural problems (88% of the respondents). Thus, while public policies are still very important as a strategic factor to reinforce agricultural conversion, the

Table 1. OF's Market Shares by Sector.

Sectors	Market Shares (%)
Cereals	0.9
Oils seed	0.5
Olives and olive oil	4.9
Potatoes	0.8
Vegetables	1.4
Fruits	1.9
Wine	1.5
Cow milk	1.9
Beef	2.2
Mutton and goat meat	1.6
Pork meat	0.3
Poultry	0.3
Eggs	1.3

Source: Hamm and Groenefeldt (2003).

Table 2. Expected Growth for the Next Five Years.

Country	Expected Growth Rate
Austria	4.6
Denmark	1.5
Germany	4.8
Switzerland	4.5
UK	11.0
Finland	8.2
France	6.1
Italy	5.5

Source: Padel, Seymour, and Foster (2003).

Table 3. Evolution Stage of the Market by Country.

Mature Market Countries	Growth Market Countries	Emerging Market Countries
Austria	Finland	Belgium
Denmark	Italy	Czech Republic
France	The Netherlands	Greece
Germany	Norway	Ireland
Switzerland	Portugal	Slovenia
UK	Sweden	Spain

Source: Padelet al. (2003).

supply chain structure (size and types of enterprises, marketed and distributed volumes, etc.) determines also a great part of the OF's future.

The question, which will be discussed in this chapter, is to assess if the enterprises are or are not able to reach significant market shares in the future, a question which will be linked to the theoretical question of their internal competencies to face, in the future, the main stakes related to a sustained growth. Over the last years, the growth was partly based upon the fact that large firms and supermarkets entered the market. But this concerns only few specialised industries (milk, yoghurt, bread, eggs and poultry). This is significant, but the more general question about the further development concerns the whole OF's product range. Therefore, a subpart of the OMIaRD[3] project was devoted to analyse the success factors of the OMI, which are often small and medium enterprises.

An OMI is defined as an "organisation of actors, privately or cooperatively owned, involving participation of organic producers which aims to improve the strategic marketing position of the products by adding value to the raw product through processing or marketing". The OMIaRD project was based on an investigation of the success factors of those firms in order to analyse their impact on rural development.

The hypothesis is to determine whether success is more linked to external conditions (national, regional, market context) or to firms' internal competencies (including managers' competencies in networking and the OMIs characteristics), which may be a contribution to the discussion about the resource-based view of enterprises and the entrepreneurship's theory.

2. THE THEORETICAL BACKGROUND

Organisational economists of the 1950s, seeking to define the circumstances under which optimum economic and social welfare could be achieved, developed the structure–conduct–performance (SCP) paradigm. The aim was to identify and stamp out anti-competition practices such as the imposition of entry barriers or monopolies. For a long time the firm had remained out of the research field, although the basic postulate advanced by Coase (1937) had altered the way we view the firm, which was defined as an organism whose internal structure and relationship with the outside world change over time. During the 1960s and 1970s, this new conception of the firm has developed rapidly. In emphasising the importance of the firm's decision-making capacities Simon is emphasising the importance of its internal resources. Similarly, Barney and Hesterly (1996, p. 133) claim that the SCP

paradigm gives too much weight to the firm's environment: ''However, the attractiveness of an industry cannot be evaluated independently of the unique skills and abilities that a firm brings to that industry''.

The research in management experienced the same evolution. Penrose (1963) stressed that the internal skills was a determinant factor to explain firm strategies, followed by Wernerfelt (1984) who launched the stream of a ''resource-based view ''of the firm. This movement stands clearly in opposition with the Porterian view (Wernerfeld, 1995), which focuses on market and competition for accounting of the firm's strategy. In a very pragmatic point of view, we chose here to follow both approaches at the same time.

Organic supply chains have usually quite a weak market power and have then to comply with external market forces and public policies. In the same time, they have specific internal skills in order to enhance their products (know how, culture, cohesion on a common project, etc.). In the framework of economics, this position ties in with that of Teece (1982), Teece, Pisano, and Shuen (1997) and Winter (1987) who emphasise the specific competencies of firms. More generally, the evolutionists (Dosi, Teece, & Winter, 1990; Dosi, 1982) attempt to reconcile the internal (inherited skills, path dependence and learning) and external (market opportunities and selection by the environment) factors of competitiveness. In accepting the assumption of procedural rationality and of satisfying rationality, these economists implicitly concede that while profit maximisation is an important consideration it is also important in setting an objective and defining a valid way in which to achieve it.

The resource-based view is in part a reaction to strategy theories based on industrial organisation economics and simple applications of microeconomics (Nelson & Winter, 1982; Rumelt, 1984). Combining economics (Demsetz, 1973; Penrose, 1959), organisational theory (Selznick, 1957) and traditional business policy (Andrews, 1971), the RBV suggests how; in a competitive environment firms maintain unique and sustainable positions. The problems of the RBV lie less with its propositions, than with the expectations that are made of them (Hoopes, Madsen, & Walker, 2003). While the RBV has emphasised the importance of organisations in strategy research, it offers little guidance on the key questions: the origin and formation of resources and capabilities (Bromiley & Fleming, 2002).

It seems therefore interesting to refer to a Schumpeterian view of entrepreneurship, which leads to explore one aspect of new organisations – the founder's vision and his project – in order to explore if significant variations can be found. Schumpeter (1934) described innovation as originating in the firm, where the heart is the entrepreneur. Thus, Schumpeter distinguished entrepreneurs whose actions break away – to cause disequilibrium – from

imitators that bring the system back to equilibrium. In Kirzner's perspective, the crucial element is that entrepreneurial actions stem from the perception of entrepreneurs that are some "unexploited opportunities". This research does not only address firm performance implications of these entrepreneurial choices, we rather prefer to explore how variables (such as vision and project) affect the future adaptability of entrepreneurial firms. This chapter suggests that at the heart of firm sustainability is the entrepreneurial insight.

In this chapter, we will present some research results based successively on both approaches (resource-based view and entrepreneurship view) so that we may assess the outcomes of each and enrich the debate between them (Sylvander, Le Floch-Wadel & Couallier, 2005; Sylvander & Kristenssen, 2004).

The purpose of this chapter is to describe the relationship between entrepreneurial actions, on the one hand, and the creation of firms, on the other, by applying resource-based logic to the study of OMIaRD. This chapter suggests that it is through the entrepreneurial process of vision, and project that inputs become heterogeneous outputs for a sustainable and inimitable advantage.

3. HOW TO APPROACH OMI?

OMI are very diverse in Europe, as stated in Hamm et al. (2003, 2004) and in Sylvander, Le Floch-Wadel and Couallier (2003).

3.1. The OMIs Characteristics

This can be considered from several standpoints:

- By their legal status: "business partnership", "cooperative" and "private company".
- By the founders of the OMI: "mixed interest group", "processors", "producers" and "others".
- By the sector(s) in which the OMIs operate: "cereals", "dairy produce", "fruit and vegetables", "aromatic herbs", "meat", "multi-activities", "multi-products" and "other".
- By the date of creation of the OMI. Here, OMIs are grouped into two categories: "old-established" for OMIs that were set up before 1995 and "recent" for OMIs set up in or after 1995.

- By the activity defining the OMIs position in the industry: ''production/first stage marketing'', ''production/processing'', ''production/distribution'', ''processing'' and ''other''.
- By country of origin of the OMI. OMIs from eight countries are represented: Austria, Switzerland, Denmark, Germany, Finland, France, Italy and the UK.
- By the area in which the OMIs are located. Two variables are used to define the conditions in which the OMIs operate: less favoured areas (LFA) and non-LFA, an advantaged zone and disadvantaged zone. Using these two variables and these four categories, we constructed a synthetic variable having regard to the European classification and the sustainable character or otherwise of the OMI. This variable is therefore used to distribute the OMIs among three separate classes: a ''disadvantaged LFA'' (for OMIs in a LFA and a region classed as disadvantaged because of its external conditions); then an intermediate category for OMIs in an advantaged LFA, and OMIs in a disadvantaged non-LFA. The final category is for OMIs enjoying advantageous external conditions for their development. These are OMIs in the category ''advantaged non-LFA''. To answer the question as to whether there is any correlation between the success of an OMI and the conditions, we introduced the idea of a reference region. Our analysis includes OMIs in the same sectors of activity but not in LFAs. These regions will act as tests for the influence of regional context on the success or failure of OMIs (see the map, in Appendix A).

3.2. What is ''Success''?

We have here a fairly broad conception of what constitutes ''success'' (based on performance). We also draw a distinction between effectiveness and efficiency. According to management science writers (Martinet, 1983; Bouquin, 1991): effectiveness is measured by the rate results/goals (when the actors' and organisation goals are fulfilled); efficiency deals with the rate results/resources (when the goals are achieved with maximum economy of resources). In this context, according to Barjolle and Sylvander (2002), we maintain the distinction between economic success (economic viability, business efficiency, etc.) and ethical success (with regard to social and environmental issues). We look at ''efficiency'' indirectly and qualitatively from estimates of the financial situation of the OMIs as we were unable to obtain accounts for most of the OMIs under study. This approach means that OMIs objectives should be clearly defined, keeping in mind that according to the project aims, not only strictly economic objectives will be analysed but also ethical ones.

The types of stated objectives of the OMIs are twofold, economic and ethical:

Economic. "Economic" objectives are understood as any objective related to the OMI's functions and policies. First, two main trends stand out: some OMIs view their activity as one of development (with growth and/or increased market share as their economic objective) while others look rather to maintain their current activity (viability). The objective of profitability can be related equally well to either of these two perspectives. Illustrations of this include "to be profitable and provide return on invested capital" and "to get all cost covered; to remain competitive". Other objectives included in this category may be quoted, such as selling quality products ("to sell quality organic livestock" and "to get quality and quality products"), increasing the penetration of organic products ("to sell organic products as cheaply as possible"; "to keep costs as low as possible" and "to achieve a fair price that reflects the true cost of organic production").

Social and ethical. This category includes especially social and environmental objectives. Some of these objectives overlap while others are clearly different. Allowance for the idea of proximity and the regional aspect is very important whether in terms of regional identity or of the region as an area of action. Examples include "to maintain regional heritage", "to encourage local consumption", "to use local resources", "to create a local production complex" and "to improve employment in the region".

Social objectives naturally cover points such as consideration for employees' interests ("to offer good wages to the staff, to allow flexible hours for women after childbearing", "to improve working environment", "to grow human capital in the business" and "to offer long-time employment"). In terms of producers' interests, the idea of "producer independence" is often quoted as an important objective as is "to enhance producers' status and know-how" and "to help producers create an efficient network".

Environmental objectives include the most commonly listed "recycle energy, materials, packaging and waste". Then come considerations such as "developing a local neighbourhood activity" (restricted collection area so as to cut carbon dioxide emissions or in the interests of animal welfare during transport). "Conservation of landscape", for example through initiatives such as the "Countryside Stewardship Scheme" (UK – Countryside Stewardship Scheme programme (grant money awarded under EC2078/92) which included creation of footpaths, hedgerow restoration, pond irrigation and management of permanent pastures to encourage biodiversity) or the "sparing use of natural resources" (in terms of energy efficiency, one

noteworthy example is a holding that seeks to use only wind power and solar energy to conduct its business).

The assessment of effectiveness

Four levels and types of objectives have been distinguished:

- Effectiveness 4 (achievement of ethical and economic objectives)
- Effectiveness 3 (achievement of ethical objectives)
- Effectiveness 2 (achievement of economic objectives)
- Effectiveness 1 (no ethical or economic objective achieved)

The assessment of efficiency

It is generally difficult to assess the ''financial situation'' of small enterprises, as many surveys' respondents are reluctant to provide information regarding the net operating profit for their firms. It is far more workable to suggest three very simples' categories, assessed by experts:

- Loss-making OMIs
- Break-even OMIs
- Profit-making OMIs

When crossing four levels regarding effectiveness and the three levels regarding efficiency, a synthetic indicator for success can be defined. This indicator takes into consideration both the diversity of OMIs objectives and their ability to reach a financial balance (Table 4).

3.3. Factors of Success

The success factors for an OMI depend both on external and internal factors. External factors relate to the overall *institutional context*, to the *sector* (organic sector and sub-sector to which the OMI belongs) and to *specific regional context*. Internal factors relate to the OMI itself, that is, the OMI's own capacity to conduct an effective and efficient development policy.

Table 4. The Success Groups.

<table>
<tr><th></th><th>Loss-making</th><th>Break-even</th><th>Profit-making</th></tr>
<tr><td>Effectiveness 4</td><td></td><td colspan="2">Group of Success 4</td></tr>
<tr><td>Effectiveness 3</td><td colspan="2">Group of Success 3</td><td></td></tr>
<tr><td>Effectiveness 2</td><td></td><td colspan="2">Group of Success 2</td></tr>
<tr><td>Effectiveness 1</td><td colspan="2">Group of Success 1</td><td></td></tr>
</table>

3.3.1. External Factors

External factors comprise institutional ones such as: impacts of practice codes and official standards, joint efforts of the supply chain and public authorities, specific aids allocated by authorities to OF (conversion subsidies, research, certification subsidies, agri-environmental measures, etc.), efficiency of inspection and the fight against fraud, institutional support for advertising and circulation of legal information about OF.

External factors comprise also the sector context: the perceived quality of the product (Does the product meet consumers' expectations?), its objective quality (same criteria but measured), its image (Does the product have a powerful image, with some symbolic value for consumers? Does the product have an established past reputation?), the technology (code of practices, levels or requirements, processing and packaging) and the degree of innovation (Is it high or low?). Other factors include the market, consumption trends for the products, market equilibrium, price level, entry barriers, market size, the overall image of the sector and export potential. Lastly, sector factors relate to the market structure (size of firms, existence of industries, small craft firms, etc.), the distribution of cost and price levels by structure, the existence of close substitutes on the market, pressure from the competition and the entry of new firms.

Finally, external factors include the regional context. These factors are tied to specific physical/agronomic resources (climate, etc.), history and specific human resources (specific skills and social structure), specific disadvantages (remoteness of markets, mountains, etc.), market access (domestic and foreign markets), availability of production factors, the current institutional regional policies in favour of OF and OMIs and the image of the region (Is the region well known with lots of visitors?).

3.3.2. Internal Factors

We take it that an OMI is successful if it is able to set itself and achieve relevant objectives and to implement adequate policies for achieving those objectives. We confine ourselves here to hypotheses and do not deal with classical variables regarding the description of the company, which are addressed in the questionnaire itself.

The following policies are studied at the OMI level: marketing and quality policy, supply policy, processing and logistics policy, financial policy, networking and lobbying policy and organisational policy (see Appendix B).

These variables define the level of effectiveness of the policies conducted by the OMI. We use a nominal scale, as the level of effectiveness of the policies is measured by a *five-point scoring system*. Categories 1–5 represent

the levels of effectiveness from lowest to highest of the OMI policies. Six policies are reviewed in the questionnaire. For each we have an overall evaluation by the interviewer of the policy in question and an evaluation of the different components and also an overall evaluation by the respondent. These variables allow us to account for the internal components of effectiveness of the OMI.

It would obviously be presumptuous to claim that this is an exhaustive analysis of the whole range of OMI success factors throughout Europe. National and regional situations vary, the history of the various countries and their farming practices have many specific features (even if many of them have long shared the same agricultural policy) and the OMIs under study are themselves varied and engaged in different sectors. However, both our definition of OMIs and the way regions and OMIs were selected, which reflect this diversity provide a starting point from which to identify transversal explanatory phenomena.

From the outset, we propose a series of assumptions founded on an evolutionist approach to economic and social activities and which seems consistent with ''resource-based management''.

In a domain where economic and social activities seem innovative and marginal, as in OF, data about the firms' environments are not enough to determine either their strategies or their performances, which rely much more on their internal competencies and the necessary learning processes. Admittedly, the regional (national and international) geographical, institutional and political environment are powerful constraints, as are the market data of the different study sectors; but we observe that the vision of the instigators, as to their projects strategic options and their management choices, are what determine their success.

3.4. The In-Depth Case Studies

The case study methodology is in fact a good way to implement an approach of the resources used by the managers of the OMIs.[4] This approach consists of: (i) A description of the region's history, natural resources and economic structure, based on the background data that were collected in the preparatory phase and supplemented by new insights gained during fieldwork. (ii) An account of the development of the OMI, from its earliest beginnings to the present day based on historic documents of the OMI as well as stakeholder interviews. (iii) A strengths, weaknesses, opportunities and threats (SWOT) analysis of the OMI (opportunities and threats and its strengths and weaknesses) with specific focus on the motivations, cohesion and

competences of the OMI in a learning process for the past 10 years. (iv) Impact on the rural and regional development: A description of existing relationships between stakeholders and an assessment of the nature, quality and influence of the relationship. (v) An analysis of the functioning of the linkages between the different interests represented by stakeholders, and an assessment to the degree to which their respective interests are advanced by the overall framework.

4. FROM WHERE DOES SUCCESS COME?

Overall, we confirm that *regional context is important but not essential in explaining the success of the OMIs under study*. In particular, location in unfavourable areas does not adversely affect the OMIs as might be thought a priori. Indeed the reverse is true, because OMIs with ethical rather than economic objectives are often located in favourable areas. Conversely, market conditions (raw materials or finished products) appear to be quite important.

In fact, *market conditions* in the different areas are gene'rally favourable and OMIs are distinguished more by their capacity to implement efficient procurement policies in terms of quantity (when raw material is in short supply because of rapid average growth of the downstream market, as with fruit and vegetables or cereals) or in terms of quality (when the market is more stable and quality becomes a significant criterion). It is primarily *internal competencies* related to the policies employed that account for the success of OMIs. Capacity to *control processing and logistics* frees OMIs somewhat from the constraints and fluctuations of the upstream market allowing them to produce added value (by processing) and to cut transport and distribution costs (if logistics are carefully organised). This is particularly important in a firm handling small volumes where scale economies cannot readily be made. Both these factors have a marked influence on cost effectiveness.

Again with regard to internal policies, the required conditions for achieving ethical or economic objectives are the capacity to *manage human resources* and the capacity to *manage financial matters*. These abilities are closely *correlated to the vision and the project* defined (type of objectives set and accomplished: with ethical objectives). There is a tendency to overlook the financial aspect and favour people whereas with economic objectives the financial aspect takes precedence over the human one.

We shall draw distinctions between success factors related to national conditions, regional conditions, sector conditions, internal competencies

and networks. Nevertheless, we shall present some overall results, which show different levels of importance between success factors. We will then give some results from an in-depth analysis of four case studies.

The following multi-fictoral analysis (MCFA),[5] refines and clarifies the above statements about the factors of success (see Diagram 1).

4.1. Axis 1

Axis 1 orders the success factors confirming the *discriminating role of processing and logistics policies* first of all and secondly of *supply policies* ahead of environmental variables where market conditions for raw materials feature clearly. In addition, the only OMI characteristic appearing as a passive variable is the *age* of the OMI, which asserts itself as an additional factor. This shows that the other characteristics, even if they have some influence, are comparatively less significant. This axis contrasts success group 4 (OMIs achieving their economic and ethical objectives, on the left, positive scores) and success group 3 (OMIs achieving only ethical objectives,

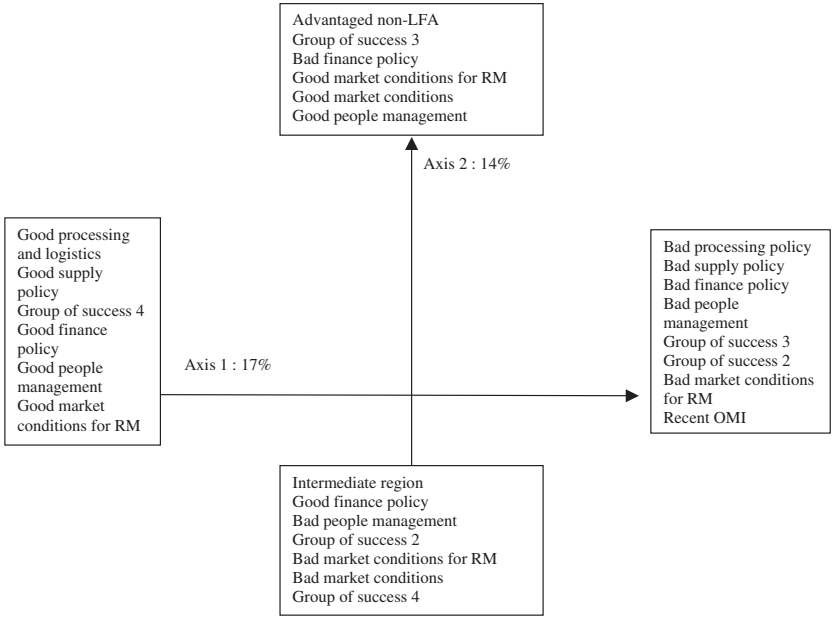

Diagram 1. A Multi-Factorial Analysis for OMIs Factors of Success. LFA = Less Favoured Areas ; RM = Raw Material.

negative scores). For OMIs in group 4, which are often in intermediate areas, success is, nonetheless, not determined by the region.

An OMI's success has little to do with its location, because it sets objectives and implements resources that are able to offset the drawbacks of difficult regions and to make the most of the assets of advantaged areas.

Even though the markets for the different sectors of OF and the countries under study have to cope with different situations, it can be seen that OF is growing throughout Europe. The prominent image of organic products with consumers means that the market can exert "marketing pull" and the technical and economic impediments to expand output help to emphasise the qualitative and quantitative problems of supply for firms. In addition, there are many factors to explain the importance of the logistics issue: low output and marketing levels, remoteness from consumer regions, freshness of many organic products that are marketed (milk, fruit and vegetables, meat), requirement for some OMIs to manage varied assortments (multi-products) and high distribution costs. Finally, processing seems a crucial point: it helps to regulate the quantities available upline, to stabilise fresh products and generate added value (as with dairy produce and meat). It is unavoidable for some products: drying aromatic herbs, drying and storing cereals, sorting and grading fruit and vegetables, etc.

After setting up OMIs, which are often founded on a philosophical and political vision of the world and sometimes on direct contact with the consumer, managers realise that the *technical management* of supply (in quality and quantity), of processing and of distribution are fundamental. Those OMIs with the competencies to identify this problem and solve it have better chances of succeeding. This is what this first factor axis shows.

4.2. Axis 2

Axis 2 qualifies the influence of internal policies by highlighting the influence of the region, but in a way that was unexpected compared with the project's objectives. It is the advantaged non-LFAs that are home to most OMIs achieving ethical objectives while intermediate regions are home to most OMIs achieving economic objectives. This axis also shows that ethical OMIs (group 3), which are often recent business partnerships in direct contact with consumers, enjoy a good market environment and have better human resources and organisational policies than financial policies whereas "economic" OMIs (group 2) are in the opposite position. The latter are often medium-sized businesses engaged in upline activities and achieving success despite an unfavourable context, which further accentuates the

importance of internal policies that manage to make up for a disadvantaged context.

This result displays the consistency of some of the OMI strategies studied. For a strategy based on ethics (under the constraint of economic equilibrium, of course) to succeed, *it is organisation*, *the management of human resources and the strength of the network that are decisive*. In the opposite instance, where an economic strategy is pursued, it is *good financial management* (source of funds, independence and low debt ratio) that is decisive.

5. THE STRATEGIC TURN

This section concentrates on four case studies: *Growing with Nature* (Lancashire, UK), *Alce Nero* and *Tierra e il Cielo* (Marche, Italy), *Biobourgogne Viandes* (Bourgogne, France) and *Biobauern Sulzberg* (Vorarlberg, Austria). In all four firms, the organic farmers and growers have a decisive input and have proved successful both in terms of economic profitability (in terms of agricultural prices, growth rate or market share) and in terms of their social insertion in the region[6] (see Table 5).

Our main conclusion is that beyond the countries, regions and sectors of activity, it is indeed the internal resources of firms that determine whether or not they are successful.

From the theoretical point of view, one important question remains about the origin and formation of the resources and capabilities, which can be assumed to be created by the entrepreneurial act (Barney, 2001). We propose therefore to focus the interpretation of the data gathered in the case studies on three main points, which can account for the entrepreneurial behaviours:

- the *motivation* of the founders, instigators and farmers or growers, which enables the vision (insight) (Filion, 1988, 1991, Brown, 1986) and the project (Bréchet (1996) to overcome political, institutional and market conditions, because innovation necessarily challenges established structures;
- the *competencies* engaged and acquired by the OMI in carrying out the project (which are the basis for the day to day management of the OMI, since implementing a vision presupposes specific technical abilities) and
- the *strategies and cohesion* necessary to implement the strategy (which both provide long-term direction and explain how and why people are motivated to follow the strategy, because even the most perfect strategy is worthless if no one abides by it).

Table 5. Schematic Presentation of the Four Case Studies.

Case Studies	Country	Region, Locality and Date Set Up	Number of Producers Involved	Product	Sales Channel	Number of Employees	Turnover 2001 (€000)
Growing with Nature (GwN)	United Kingdom	Lancashire, Preston, 1992	1 + 5	Vegetables	Direct sales	3	307.8
Alce Nero (AN)	Italy	Marche, Isola del Piano, 1977	35 (20) 3,000 ha	Cereal products, pasta, breakfast cereals + other purchased	Long supply chain + four shops	32	3350.0
La Terra e il Cielo (TeC)	Italy	Marche, Arcevia and Pitticchio, 1980	90	Cereal products	Long supply chain	10	1623.9
BioBourgogne Viandes (BBV)	France	Bourgogne, Avallon, 1994	100	Meat	Long supply chain (70%) + 6 butchers'	4	2409.0
Bio Bauern Sulzberg BBS	Austria	Vorarlberg, Bregenzerwald region, 1996	15	Dairy: Cheeses; delivery service: meat, eggs, vegetables, yoghurt	Long supply chain + delivery service.	3 Fulltime + 4 halftime	1366.2

The emergence of cognitive approaches to understand how entrepreneurs think and make strategic decisions is showing that the right cognitive approach in the right context may represent a source of sustained competitive advantage (Barney, 1991; Baron, 1998). Entrepreneurial mindset is used here in reference to cognitive abilities that utilise heuristics to impart meaning to ambiguous and fragmented situations.

Moreover, the entrepreneurs have the ability to see where products do not exist or have become valuable to consumers, and where new methods if production have become feasible (Alvarez & Barney, 2002 underlie this entrepreneurial alertness). Through the founder's vision, we discover that the entrepreneurial process is about information discovery of the market and the coordination of knowledge. Gaining access to a variety of resources and knowing how to leverage them creatively are two core entrepreneurial functions (Alvarez & Barney, 2002).

The resource-based distinctive assets may be evolutionary. Assets depend upon past entrepreneurial decisions and these decisions made by founders and entrepreneurs may be the DNA composition of the firm. Sustainable history is thus a history (path) dependent process (Barney, 1991; Nelson & Winter, 1982).

5.1. Motivation of the Founders

5.1.1. Initial Vision – Project Dimensions

Motivation is an essential factor for OMIs instigators, actors, etc. That is why references to this topic have been included in order to illustrate how essential it was. Producers who set up OMIs are not generally motivated by simply applying models that are not of their own devising, but tend, rather, to develop their own models both for agricultural production and for the sale of processed products and activities of general interest. In the majority of cases studied, the OMI was founded by one (or more) initiator(s) with a twofold "vision". First the idea of embarking on the adventure of OF, although it was often at first ignored and then ridiculed and finally combated by those with an interest in the mainstream system; second, the idea of venturing into activities outside the original activity. For farmers, this means, say, learning new jobs such as selling, processing and management. For processors, it means starting up in farming or at any rate learning about and complying with its constraints so as not to consider producers as mere suppliers of raw materials. Such social leaders, who are often the founders of OMIs, it is a matter of learning everything and using these hard-earned competencies in the service of an ideal, without betraying it, since the

problems are often such that technical solutions to them entail some movement away from the initial project. In most cases, there is an original idea or a sort of long-term vision, plus a degree of determination and stubbornness to achieve the objective come hell or high water. This may well be the essential condition for an OMI to be successful.

These founders are pioneers, who are innovative, creative, good marketers, unconventional, rebellious and skilled in human relations; they think globally (economically, ethically and often spiritually) and have strong values. They are often highly educated, able to take risks, determined and obstinate people.

The objectives of the four OMIs studied are not solely economic. Often they are primarily interested in maintaining the highest possible farm prices and incomes but they also seek to contribute to rural development and employment and, lastly, almost aim always to achieve a global project centred on the environment, biodiversity, animal and human welfare.

UK – Growing with Nature (*GwN*) has built up a direct marketing and box scheme model. The main goals are to grow and market fresh, local and high quality organic produce to local consumers, to make a fair living and obtain premium prices for local growers, to employ local people and provide fair wages to employees and to contribute to the development of a community food system – reduce food miles and packaging – and thereby contribute to local food security.

The profit motive has not been the main driving force but personal ambition is a motive: to build a legacy one can be proud of and that other businesses can be modelled after. The idea of franchising the business is also partly motivated by the potential economic spin-offs and as a way of creating succession, as it is unlikely that anyone in the immediate family will take over the business. Finally, direct relations with consumers and citizens are fostered through farm visits, which the founders feel are essential.

Italy – Alce Nero (*AN*) *and Tierra e il Cielo* (*Tec*) intend to promote OF in agriculture, to contribute to the production and consumption of wholesome food, to protect and enhance the natural environment, to create job and business opportunities in the agricultural sector and related activities, to foster work efficiency, individual abilities, skills and creativity and encourage co-operation, to promote direct relations between producers and consumers, encourage co-operation as well as open and transparent relations among the various actors in the supply chain, guarantee fair prices at all stages of the supply chain, work to prevent and reduce social marginalisation, to put universal values into practice (truth, love, freedom, justice,

peace, etc.) and to encourage networking and sharing experiences, support the development of other initiatives with the same principles and aims as the *La Tierra e il Cielo* co-operative.

France – BioBourgogne Viandes (*BBV*) is highly motivated and committed to the basic principles of OF. Ethical issues such as environmental policy and regional development were important, as was a decent income for producers from farming. Initially, the farmer's expectations were mainly to sell organically raised livestock. The other important aspect was to be in touch with consumers. BBV saw having their own butchers' (employees or under contract) as a way of selling more products instead of selling direct from the farm.

At the same time, the founders thought that setting up their own business and developing the entire food supply chain for organic meat would be taken more seriously; it would be the case if they operated just a small conventional line. This indicates a certain degree of professional pride. Farmers interviewed took pride in their occupation and in working in a 100% organic business, which provided the opportunity to concentrate on developing their OF and breeding methods.

Austria – Bio Bauern Sulzberg (*BBS*) is concerned about retaining full time farmers, which in the region is seen as the only way to maintain a sustainable way of protecting agricultural landscape, to switch to organics in protecting environment and the possibility to gain higher profits and, providing a model for technical and economical solutions in organic milk and cheese production and marketing. Here again, the objective is to develop OF in a mountain region and in particular milk and cheese production. Given the specific situation of the sector, this can only be done by ensuring high milk prices for producers so as to assert the feasibility and the prestige of OF.

The universal aspects of the motivations are similar from one case study to the next: the founders never settle for purely economic objectives but try to situate their initiative in a broader framework.

Behind these universal ambitions lies the often exceptional personality of the founders, even if the local and historical settings are different and give rise to different styles of management. There is, on the one hand, the model of the inspired and charismatic founder who impresses all around and, on the other, the democratic group led by an inspiring founder. The essential feature is not so much the founders' management style but the strength and the originality of the projects (Bréchet, 1996) and the competencies required to carry them out. This is clearly illustrated by the two Italian OMIs, which are equally successful in the same location and the same sector with contrasting founder and management profiles.

5.1.2. Mastering their Own Destinies

Ultimately, in many OMIs and here especially, it is observed that the projects implemented are highly original and innovative compared with 'conventional' activities. The traditional strategic tools such as SWOT approach are useful for describing the OMI's situation ex post and for making a diagnosis, but it is less relevant for imagining a strategy ex ante.

In practice, the founders/instigators do not deduce their long-term strategy from an analysis of the environment (particularly from market opportunities) as part of a Porterian approach, but, on the contrary, they shape their environment to suit their project (Weick, 1995).

The general scheme in the OMIs is that the founders/instigators first have a clear vision of what they want to do, they set up a business to realise their vision, they create products that did not exist before, they seek out customers and consumers who share their vision,[7] and they finally create a new market.[8] In the same way, the strategy is not mechanically deduced from internal competencies because the mechanism described above also assumes that the OMI identifies the skills it needs and then finds some ways of procuring them, usually through a learning process, but also by recruiting or by subcontracting. When the founders/instigators are from farming backgrounds, which is not always the case in our examples, all the business functions have to be acquired in some way: processing, marketing, financial control, human resources management, etc.

This is why the managers interviewed do not like to hear about the weaknesses identified by the SWOT approach. On the contrary, they have done everything they can to forget them, so as to be able to create something new![9] They apply all their creativity to turning their weaknesses into strengths and the threats into opportunities,[10] so as to master their own fate, thereby applying Talleyrand's principle: "What is strategy? It's when you have no ammunition left and you keep shooting so that your enemy doesn't know".

5.1.3. Overcoming Regional Handicaps and Taking Advantage of Political and Institutional Conditions

The visionary approach of the OMI founders/instigators can overcome regional handicaps by relying on the specific characteristics (and resources) of the region (on historical and geographic level). Organics, in all of this, appear to be an essential but not decisive component of what can be termed endogenous development.

Apart from European policy, the various countries featured in our case studies support OF in different ways. Business start-up measures are fairly uniform while support in maintaining business is only found in Austria and

Italy at present, but not yet in the UK and France. Regulatory provisions also differ quite widely from one country to another, which may benefit or be detrimental to the development of OF, e.g. status of the agricultural holding in the UK where, contrary to France, the purchase of raw materials from outside the holding is authorised; co-operative status in Austria, which authorises the purchase of shares depending on the member's output. It is ultimately the combination of national and European support (Objective 5b areas and leader programmes) together with the regional drive to take avail of this support and even to supplement it that produces a regional dynamic.

Finally, we found that the ability of being able to take advantage of political and institutional conditions seems to be closely connected to the networks of OMI members or managers and their active roles in political organisations. As being active they have personal contacts (lobby effect) and they are well informed about different support systems.

5.1.4. Coping with Markets and Competition

In engaging in production–processing–marketing activities, the managers of the OMIs under study cannot, of course, ignore the general and specific conditions prevailing on each of these global (i.e. non-organic) markets and the specific state of the market and competition in the organics sector. There is a way round the first conditions, to some extent, but not the second, which requires skills that the OMIs must procure, particularly because the market has not sustained the high growth rate of previous years and new competition is coming from conventional structures.

5.2. Competences and Learning Curves

The OMIs studied are a perfect example of the principle of 'learning by doing' (March, 1991; Simon, 1976). Since the vision and the project take precedence over a classical strategic analysis, the founders/instigators first have to make the most of the skills already present at the outset and then acquire, in one way or another (learning, recruitment, subcontracting and alliance) those skills that are lacking.

Obviously, this skill acquisition process does not happen on its own. The necessary competencies have to be identified and their compatibility with the project evaluated. In this respect, one question invariably arises: as the OMI projects are built around a certain distance with classical strategic analyses, the managers wonder whether at each strategic turning point they should accept the rules of business management or not, given their idea of the ethics of their project. We shall examine this in Section 3 on strategy.

Whatever, it can be seen that the performance of the functions that the OMI does not initially master is no longer reflected by the 'amateurism' that could be seen in organics in the 1970s and 1980s.

Conversely, it can be seen that this still leaves the difficult decision as to whether these functions are to be performed by the OMI itself (do it) through learning or through recruitment, or whether they are to be contracted out or entrusted to an allied firm (buy it).

5.2.1. From Vision Management to Operational Management

Once the business has come through the start-up period, the question facing most OMIs is how to shift from vision management to operational management (the vision management appears less "professional": unclear job definition and distribution, weak cost accounting, inefficient decision process, lack of internal communications, lack of business plan, etc.). This changeover is not seamless: "how to go into business without compromising one's principles?" Striking a compromise between the founding ideology and operational realities is apparently no easy matter, but it is often necessary and presupposes a sort of second-generation learning process.

5.2.2. Sourcing

In the OMIs studied, which are often but not always co-operatives, the managers must learn to distinguish between the democracy of the project (where the members are the decision makers) and the management of supplies (where members are suppliers): arbitrating between the two is not self-evident.

5.2.3. Processing and Marketing

The choice between vision management and operational management is also expressed in terms of processing and marketing and involves farmers and managers in a learning process. At the same time, there are often difficult choices to be made between technical and marketing realities and the requirements laid down by OF regulations: this is a controversy between "purists" and "pragmatists". While farmers are used to evaluating their products by production criteria, they have to make a special effort to accept the quality constraints imposed down line, as shall be seen.

Processing and product quality. OF entails most of the time and in most sectors to high levels of technical know-how on the part of producers.

Product range. The relation with the final consumer generally leads OMIs to have a very wide product range so as to meet the customers' needs. Here again, the learning process involves choosing between distribution costs and

customer demand. This breadth of range coupled with a large number of customers may lead to operating losses.

Commercial policy. The commercial learning process is of course central in an agricultural environment which has traditionally been confined to the function of producing raw materials.

Brand and communication. The brand is a symbolic, intangible capital asset of the project and helps constitute the identity of the firm and sometimes the region. Its value is recognised by the managers and at the same time may be weakened by lack of vigilance.

5.2.4. Coping with Logistics

As we see in Diagram 1 logistic problems are among the most pressing for OMIs. It has been seen, and it is understandable, that at the outset, managers put all their energy into the product, its manufacture and the market and they often tend to overlook the logistic problems. However, for small volumes, these are often considerable (collecting costs, lack of scale economies, distribution costs and transport fleet management), and are often related to the breadth of the product range and the dispersion of the customers.

5.2.5. Finance Policies

Thorough study of the OMIs also shows the importance of financial matters. Generally, the managers have some know-how in putting together their projects and finding possible sources of finance. But the core of the financial question lies elsewhere. It is in the transition from the initial investment, which is generally well funded, and the production of the business plan (in terms of volumes and operating accounts).

Farmers are indeed used to calculating investments and so the learning process here is more about the strategic connection between the volumes aimed at, the growth sought and the operating costs, which is a comparatively new problem for OMI managers.

5.3. Strategy and Cohesion: Managing Strategic Turning Points

The development of OMIs and of OF results from a reaction to intensive farming and industrialisation of the 1960–1980s in Europe. The first stage of their development was a matter of devising and developing original models against a standard background. In this context, they created new businesses, new products and new markets through the strength of their convictions, their vision and their ability to procure the right competencies.

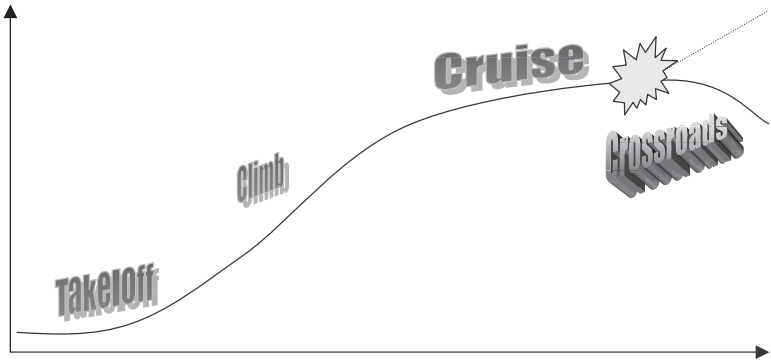

Diagram 2. The OMI Strategic Turning Point and the Air-Travel Metaphor.

However, it can be seen that most OMIs at some point come up against a limit in their strategies and find themselves at the crossroads, which happens, to use an air-travel metaphor, after the take-off, the climb and the cruising flight (see Diagram 2). This figure is very similar as the normal product life cycle theory perspective. In accordance with that terminology there come revitalisation points, in which the managers need to take critical decisions and put effort to develop the concept so that a new growth period can be achieved.

This moment of truth leads them to think again about their objectives and to reformulate their strategies. This section sets out to describe this stage in the OMIs under study, and to show that one of the conditions for coming through this stage successfully is that they resolve the question of internal cohesion and external cohesion, because they can only pass this point with the support of the majority both within and outside the business.

5.3.1. The Strategic Turning Point

Strategies go through several types of stage: consolidation stages (as seen) and adjustment stages (or strategic turning points), where the questions asked are of the type: Should we go for more growth? Should we move into franchising? Is a niche strategy viable in the long term or should we expect the market to develop greatly? Should we invest in new products, new equipment and new markets? Should we put producer prices first? Should we join forces with conventional firms? Should we contract out or do things ourselves? How can this turning point be negotiated? That is the question for the future. We are dealing with a general strategic question in OF today. Having achieved recognition from public policy and from consumers and

society at large, new entrants are coming in at all levels. The far-reaching changes of rapid development of the organic market entail many risks for those who have long been in the organic business: an economic risk if they lose their market power specific to the niche and if prices collapse; a political risk if, as it develops, the organic market becomes no more than one of many lines for diversified marketing and its universal message is weakened. On the other hand, how can it be claimed that this is a universal message if the means to generalise it are not found? The issue may come down to how to develop without losing strategic power.

5.3.2. Conflict, Risk Management and Cohesion

An important component in getting past this strategic turning point is the analysis of the internal and external cohesion which will make the decisions to be taken possible or impossible here; a strategy is only valid if the majority opt to comply with it. We make a distinction between internal cohesion (which holds together the internal stakeholders of the OMI, i.e. the producers and employees) and external cohesion, which is evidence of support from external stakeholders.

Internal Cohesion. Internal cohesion is a crucial condition for success at the start-up stage of an OMI. Starting up a business for the direct sale of organic vegetables, producing organic pasta, collecting, slaughtering, cutting and selling organic meat, or producing and selling organic cheese may seem inordinately risky to outside observers. The difficulty and originality of the firms, in what is often a hostile environment, generates a feeling of solidarity.

It can be seen, then, that the question of knowing how to keep the team together is a central one given the strategic challenges facing the OMIs. Changes in the scale of production and competition from new entrants are crucial threats to that cohesion.

External Cohesion. Organic professionals wanted from the outset to change business principles by siding with equitable trade which involves trusting relations with all of the internal actors (as we have just seen) and with external actors; who we call ''partners'' or ''stakeholders'' to emphasise their shared interests.

However, although this idea works very well in a growing, unsaturated market (as the organic market has been for 20 years) it is seriously challenged when the upstream or downstream market is not in a good state of health and when competition may get the upper hand over co-operation and co-ordination. This type of problem arises in the relations with suppliers, customers or the region's other organic and non-organic producers.

For the upstream side, analysis of the strength of vertical co-ordination with members or suppliers relies on analysis of the risk of opportunistic behaviour by them. This risk is increased in the seven following instances:

- Business status, where all members are financially liable to the extent of their own assets
- Co-operatives with a genuine democratic process and formal contracts
- "Ordinary" co-operatives
- Long-term multilateral contracts (possibly with an outside institution)
- Medium-term bilateral contracts
- Moral undertaking
- Spot market

Relative to the downstream end and in the context of agro-food supply chains and concentrated big industrial distributors, the OMIs which work through long supply chains take a measured risk and try to build long-term partnership relations which work well as long as the market is not saturated. Otherwise, dependence on the downstream end is high, as stated previously. This is why direct contact with consumers is sought wherever possible.

In fact, it should be recalled here that networking activities are part of external cohesion and have therefore a strong impact on rural development. Institutional actors of all types (public, professional, union, nature protection associations, etc.) have to determine their solidarity with the OMI strategies and could be ranked as "friends", "neutral" or "enemies". We have seen that all managers set very great store by these stakeholders for two reasons: on the one hand, to provide support and advance the cause for which they have often long been fighting, and to secure their support for their strategies. This "political talent" is, of course, decisive for the OMIs' future.

6. CONCLUSION

When comparing the outcomes from both surveys, we agree that currently resource-based theory lacks the insights provided by creativity and the entrepreneurial act (Barney, 2001; Alvarez & Barney, 2002). In fact, traditional research of the resource-based view of strategy has generally ignored the wide range of human choices and behaviours involved in identifying, leveraging and creating resources. Thus, the resource-based view of strategy has emphasised disembodied assets.

For this research, we have tried to take into account new proposals developed by some scholars working on the resource-based view, and who

have highlighted the entrepreneur's role in firm strategy (Alvarez & Barney, 2002; Corner, 1991; Rumelt, 1987).

During the two last decades, OF development can precisely be characterised by several significant individual and collective entrepreneurial acts, as illustrated in the four case studies. We have discovered entrepreneurial acts, i.e. acts characterised by a creative and influential step outside existing and usual practices in farming and agriculture. These acts are entrepreneurial because of their novelties particularly in producing, marketing and networking organic products in relation to a different vision of the farming, economic, social and consumption context.

By examining the intersection between the entrepreneurship field and the resource-based view, we have analyzed the impact of these entrepreneurial acts on OF development and particularly on the so-called "strategic turn" stage. This entrepreneurial perspective can offer new relevant perspectives on the theoretical and empirical level if we try to explore the comprehensiveness of these multidimensional entrpreneurial actions. Such a proposal requires a specific epistemological position, because entrepreneurial actions refer both to individual-level actions in the venture creation and firm development, and firm-level actions in the pursuit of innovations and market-level actions in order to exploit and to create new opportunities.

Using the four case studies, we have been able to build a more in-depth analysis because the addition of entrepreneurial perspective to resource-based theory augments this view by suggesting how alternative and innovative uses of resources, that have not been previously discovered, have led to heterogeneous assets and thus have developed and sustained organic firm advantages. Moreover, the above description of the OMI leaders has required us to take into account their personal project and the enterprising global project (both on ethical, economical and technical levels), in order to understand how their entrepreneurial actions have created new resources or combined existing resources in new ways (Ireland, Hitt, Camp, & Sexton, 2001).

Paradoxically, while the importance of resource heterogeneity has been acknowledged (Alvarez & Barney, 2002), *researchers have still given scant attention to the process by which these resources are discovered, turned from inputs into outputs, and exploited to extract greater profits*. Through relating the history of the OMIs, we have discovered the importance and the relevant position based on a sound and process analysis of the situation referred both to the individuals (entrepreneurs), to their local environment and to their economic, social and political environment; they have had necessarily to comply with it in order to create new resources. In fact, behind the entrepreneurial acts, there are also different profiles of entrepreneurs, creative

organic farmers, innovative managers and enduring team leaders, who have pursued, by developing new ideas, explorative processes in providing, producing, marketing, selling and cooperating. In this sense, this range of entrepreneurial acts can be seen as specific and recurrent projects, i.e. unique, complex, undertakings, subject to limitations in terms of resources, time and quality (Bréchet & Desrumaux, 2005). After their firms' creation, these successful organic entrepreneurs regularly performed a series of temporary and new entrepreneurial acts in social interaction with other individuals inside social networks, always in reference with along-term vision.

We conclude by arguing that this twofold perspective: the application of both the RBV and entrepreneurial perspective, shifts the emphasis from opportunity recognition (Kirzner, 1973) to an emphasis on the entrepreneurial acts as the means of creating opportunities by transforming homogeneous inputs into heterogeneous outputs.[11] We argue that in many circumstances studied in the four cases, opportunities became apparent through the ways entrepreneurs made sense of their experiences (Weick, 1995; Gartner, Cartner, & Hills, 1995). Such a perspective differs from the common viewpoint of the economics literature, which emphasises the importance of alertness, observation and the informational asymmetries among individuals who are pursuing their best interests. If some entrepreneurship scholars (Schumpeter, 1934; Kirzner, 1973; Shane & Venkataraman, 2000) consider that entrepreneurial opportunities exist primarily because different actors have different beliefs and insight about the relative value of resources and the potential future value of these resources when they are converted from inputs into outputs (and that others actors do not), others researchers argue that opportunities also become an emergent cognitive and social process of the entrepreneurs. As we have observed in our case studies, opportunities can also emerge and come into existence out of the day-to-day activities of entrepreneurs.

The integration of these two distinct perspectives is a position, which still entails significant debate, because resource-based theory is about equilibrium and entrepreneurship research is about disequilibrium. We hope this chapter begins to bring new highlights on this pattern.

NOTES

1. See a short presentation of the stakes in tropical countries in Moreau, François and Sylvander, 2004.

2. The Organic Marketing Initiatives and Rural Development project is a shared-cost research programme, funded by the Quality of Life and Management of Living Resources Programme, part of the European Union's Fifth Framework for Research and Technological Development. It was taking place from 2001 to 2003, and involved 10 partners from a total of 19 European countries, within and outside the EU. The Institute of Rural Studies at the University of Wales (Peter Midmore) coordinated the project. The other main partners are: the University of Ancona, Italy; the University of Applied Sciences Neubrandenburg, Germany; the National Institute of Agricultural Research (INRA), France; the Research Institute of Organic Agriculture (FIBL), Switzerland; the University of Helsinki, Finland; the University of Innsbruck, Austria; the Technical University of Denmark; and the University of Applied Sciences Hamburg, Germany. This chapter is based upon the results of the WP2 (Couallier C., Le Floch A. et Sylvander B.2003). See also Sylvander and Kristenssen, 2004. First, an extensive survey was conducted on 196 enterprises throughout Europe (Kristenssen and Sylvander (Eds), 2004)). Then, an intensive survey was carried out on a sample of 67 OMIs selected in 35 regions during the winter 2002. The four enterprises presented in the section 5 (''the strategic turn'') are presented in details in Midmore, Foster, and Schermer (2004)

3. OMIaRD stands for Organic Marketing Initiatives and Rural Development.

4. Although the firms have been chosen in 4 countries only, the data have been collected by all the OMIaRD teams. For a more complete analysis, see Midmore et al., 2004 Midmore Foster and Schermer, 2004. We are very grateful for all the people in the firms and their environment who accepted to take part in those very intensive investigations. The methodology is based upon an immersion of the research teams for several weeks in the region where the OMI are situated (Alvesson & Sköldberg, 2000)

5. We excluded marketing and product policies, which are not discriminatory, and the ''special cases'' success groups which are deviant. It should also be noticed that despite their being more variables, the explained variance is better than in the previous success/characteristics and success/environmental factor MCFAs (32% on two axes, basic inertia axis 1: 17%; axis 2: 14%).

6. These four cases were the subject of a thorough selection process so that most of the important variables were represented: standard of development of the region (LFA or non-LFA), dominant type of activity (and reference market), size, type of producer involvement, type of distribution channels employed.

7. Instead of 'producing what consumers want', which would be more consistent with marketing principles. Market surveys are generally somewhat ineffective in revealing expectations about radically new products and ideas (how can consumers ask for something that does not exist?).

8. These phases are not necessarily in chronological order.

9. ''*Everyone knew it couldn't be done. Only the village idiot didn't know. And he went and did it*''.

10. Principle applied by Maoists in revolutionary war!

11. ''Entrepreneurship is about the discovery and exploitation of profitable opportunities'' (Shane & Venkataraman, 2000).

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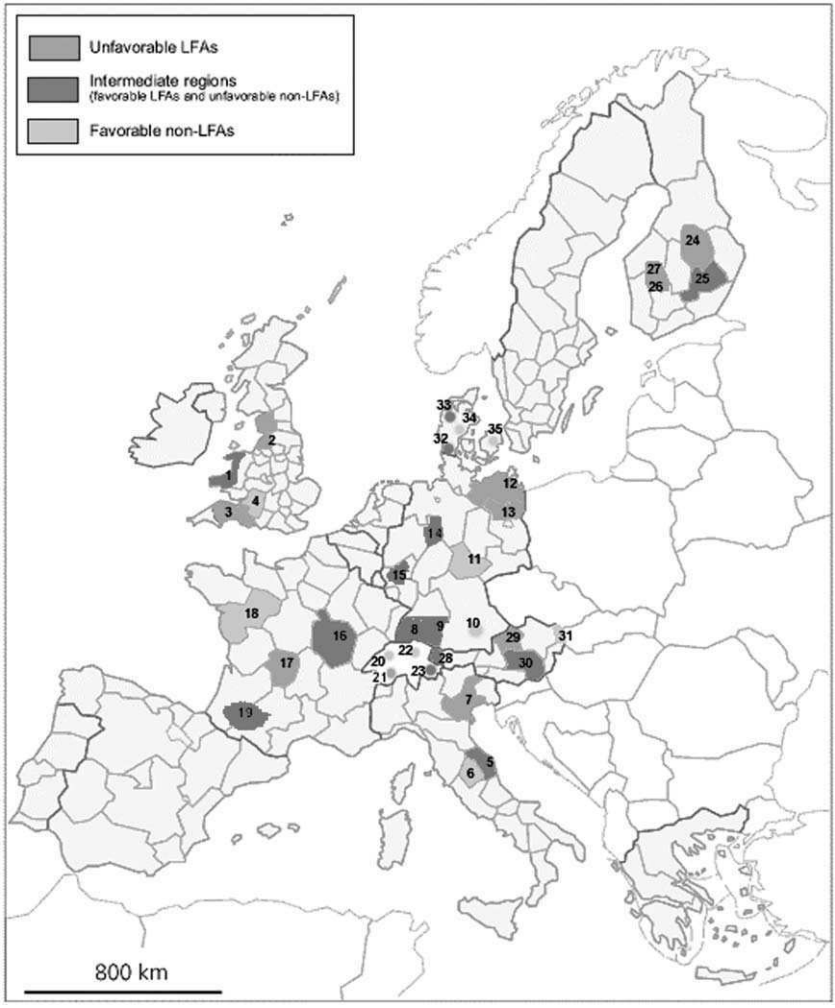
APPENDIX A. THE INVESTIGATED REGIONS AND OMIS IN THE FRAMEWORK OF THE OMIARD PROJECT



APPENDIX B. THE ASSESSMENT OF THE OMI SUCCESS

B.1. Internal Factors

- The product policy is the firm's concrete response to demand. To define the product policy of each OMI we have made an intermediate evaluation of each of its components:
  - Price
  - Intrinsic quality
  - Compliance with OF standards
  - Quality as perceived by customers and level of innovation
  - Branding and communication

Finally, an overall evaluation of product policy is asked for taking account of all these intermediate items.

- The "marketing" policy is composed of:
  - Customer satisfaction
  - OMI's bargaining power as price maker for those downline
  - Visibility of own brand even as a subcontractor
  - Conclusion of long-term contracts with the main customers
  - Brand success and reputation
  - Suitability of distribution channel and marketing policy

Finally, an overall evaluation of the "marketing" policy is asked for taking account of all these intermediate items.

- The supply policy is composed of:
  - The level of purchases from non-member producers
  - Percentage of producers' output sold to other firms
  - OMI's bargaining power as price maker for those upline
  - Conclusion of contracts with producers
  - Raw material quality
  - Correlation between product price and quality

Finally, an overall evaluation of the "supply" policy is asked for taking account of all these intermediate items.

- The processing and logistics policy is composed of:
  - Efficiency of processing and logistics policy
  - Processing and logistics problems arising from the organic/non-organic mix

- Technical control of logistics and processing by OMI
- Extent of sub-contracting
- Capacity to innovate in processing operations

- The financial policy refers to crude data such as turnover or net profit and to accounting ratios. We work with the following variables of financial efficiency:
  - Effectiveness of financial management based on crude data
  - OMI's ability to command public or private sector support
  - OMI's ability to cope with withdrawal of support
  - OMI's financial independence
  - Readiness of OMI members to contribute to its assets
  - Average price premium compared with substitutes
  - Wage level compared with competition
  - Price paid to producers compared with competition
  - Investment level compared with competitors

- The organisational policy relates to skill levels, networking and management and is composed of the following items:
  - Arrangements for conflict management
  - Outside advice for OMI
  - Members' commitment to managing the OMI
  - Members readiness to help finance advertising
  - Number of managers leaving the OMI in the last three years
  - Number of producers leaving the OMI in the last three years
  - Number of employees leaving the OMI in the last three years
  - Number of customers leaving the OMI in the last three years
  - Planning and control of tasks
  - Efficiency of cooperation from OMIs point of view
  - Coherence of networking with the OMI's objective and overall strategy
  - Different evaluations of knowledge in marketing, processing, procurement, finance, human resources management, networking and employee assessment
  - Training policy for employees and members
  - Regional unemployment level

B.2. External Factors

External factors are evaluated through variables defining market conditions up- and downline. These are also measured with a five-point scoring system.

- Downline market conditions are determined on the basis of:
  - General attractiveness of the non-organic and organic market in question
  - Growth rate of the OF market
  - Market entry barriers
  - Market size
  - Market balance

Finally, an overall evaluation of the downline market conditions is asked for taking account of all these intermediate items.

- Upline market conditions relate to:
  - Producer density in the region
  - Growth rate of production
  - Availability of supplies
  - Availability of supplies from outside the region

Finally, an overall evaluation of the upline market conditions is asked for taking account of all these intermediate items.

Initially each of the foregoing variables was given a score from 1 to 5 when the questionnaire was completed. Then, the OMI have been divided in terms of how effective policies were into two categories: ''good policies'' and ''bad policies''. Good policies are effective ones and bad ones are ineffective. Scores of 1–3 were ranked as ''bad policies'', while scores of 4–5 were ranked as ''good policies''.

It should also be recalled how the scores were attributed. First, the interviewer attributed the scores during the interview with the OMI representative. Once all the data were collected, we revised some scores when the data did not seem to fit the scores given. The final stage was to send the scores to each partner for the scores to be confirmed or queried.