

INTRODUCTION

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This special issue of the *International Journal of Sociology of Agriculture and Food* is devoted to Globalization, a theme that has been one of the major research foci of the members of Sociology of Agriculture and Food Research Committee. This international group of scholars has certainly been among the first world wide to systematically undertake research on globalization and disseminate its results through an abundance of publications and conferences. Obviously, the international nature of the group favored this outcome. But it would be erroneous to consider this “biographical” explanation the primary reason for this group’s attention to the study of globalization. A more pertinent explanation is to be found in the evolution of the analysis of the agro-food sector carried out by RC-40 members over the past three decades.

While it is possible to maintain that “Sociology of Agriculture” has been an area of investigation for more than a century¹, the “contemporary” international Sociology of Agriculture emerged in the 1970s. This growth was generated by a number of events including the rapid industrialization of agriculture and, at the epistemological level, the inadequacy with which dominant rural sociological approaches analyzed agriculture. During the 1970s and across world regions, a number of sociologists reformulated the study of agriculture and linked it to the evolution of “global” phenomena such as flows of capital across world regions, capital accumulation patterns, the international division of labor, and the relationship between socio-economic growth and underdevelopment. One of the important results of this intellectual effort was the development of a network of scholars who -- in the pre-internet era -- succeeded in establishing an intense and informed debate on the trajectories of agriculture in mature capitalism.

At the organizational level, many of these sociologists cooperated to establish a formal group that eventually would become the Research Committee of Sociology of Agriculture and Food (RC-40). The birth place of RC-40 was the International Sociological Association (ISA) IXth World Congress of Sociology that was held in Uppsala, Sweden in 1978. At that meeting an “Ad Hoc” interest group was formed within the ISA. That international organization required that groups of scholars sharing substantive interests constituted themselves into “Ad Hoc” groups first. After demonstrating sustained scientific activities, such as the organization of conference and publications, “Ad Hoc” groups were elevated to the status of “Working Groups.” Finally through the continuous growth of activities and membership, “Working Groups” could achieve the status of “Research Committees.”

While the term globalization was not yet been used, the attention of the members of this group was immediately directed to the world level social relations that characterized agricultural production and labor use. Also, it was during the years immediately following this start that the addition of the theme of “food” was theorized and eventually formalized. In 1986 the group’s name changed to “Sociology of Agriculture and Food.” Agriculture and food commodity production, it was argued, generates commodities (food items) through processes that while connected to the local, often transcend it and become global in scope. The study of the production and consumption of agricultural commodities (commodity analysis), the theorization of world food-regimes, the critique of the development of agricultural science, and the analysis of relationship between the state and multinational capital actors became central areas of investigation of this group between the late 1970s and the mid-1980s.

By the late-1980 (i.e, 1988), the group has evolved from the original “Ad Hoc Group” to its current status of ISA Research Committee on Sociology of Agriculture and Food or RC-40. Substantively, the analysis was clearly centered on the exhaustion of post-World War Two socio-economic equilibria and the emergence of new patterns of production and consumption. Contextualized in the debate on the transition away from Fordism, the themes proposed by RC-40 members probed central issues that later constituted some of the core items of the globalization debate. Central among these themes was the effort to document the evolution of large agro-food corporations. This “corporate watch” opened up a fresh process of documentation of the global concentration and centralization of agricultural and food production and stimulated a rich debate on the characteristics and evolution of transnational corporations (TNCs). In 1988, the first RC-40 sponsored mini-conference on the role and growth of TNCs was held in Bologna, Italy in conjunction with the World Congress of Rural Sociology. In that and subsequent scientific meetings the group probed new issues such as the institutional changes brought about by globalization. In this context, the central effort was to study the evolution of the nation-state and the emergence of transnational forms of the state. This analysis pivoted on the substantive concern that the evolution of globalization could represent a limit to popular participation in decision making processes and

ultimately to the existence of actual democracy. The issue of the implications of globalization on democracy remained a key area of investigation for most of the 1990s.

The decade of the 1990s witnessed a qualitative growth of the Research Committee featuring a diversification in the use of theoretical approaches to the study of agriculture and food. Constructionist and actor-network approaches were now commonly used along with the more traditional structuralist and critical theory analyses in the study of contemporary agriculture and food. While this diversification finds its roots in the group's original theoretical diversity, new analytical stimuli provided by broader post-modern turns generated fresh and positive contributions to the debate among group members and between the group and the larger scientific community.

Substantively, the 1990s were primarily characterized by a sustained effort to research and theorize the general features of the globalization of agriculture and food. A host of conferences, mini-conferences, and publications on this theme characterized RC-40 members' work during the decade. By the late 1990s and certainly during the first few years of the new Century, the primary scientific attention of the group shifted away from globalization. Yet globalization remains a highly debated issue and a theme that requires periodical revision. Because of this overall importance and place in the history of RC-40, the idea of revisiting globalization of agriculture and food in a special issue of the *International Journal of Sociology of Agriculture and Food* appeared more than appropriate.

Among the protagonists of the history of RC-40 highlighted above are the contributors to this special issue. And it is because of this long involvement with RC-40 and their equally long involvement in the study of globalization of agriculture and food that I asked Bill Friedland, Manuel Moreira and Salette Cavalcanti to answer three general questions about globalization:

- 1) What are the major features of globalization?
- 2) Who are its major actors?
- 3) What is the outlook for the future?

I asked them to answer these questions employing their past empirical research and to write essay-style articles. The idea was to allow individuals with a long standing involvement in the study of globalization to have a forum in which to present innovative and interesting reflection on the globalization of agriculture and food that could further stimulate the debate within RC-40 and between this group and the sociological community. Earlier versions of these articles were presented at an RC-40 sponsored mini-seminar held in Austin Texas in June of 2003. These original papers underwent a peer-review process and were revised accordingly.

Bill Friedland is one of the founding fathers of RC-40 and one of its past Presidents. He is known world wide for pioneering "commodity analysis," a scientific technique that revolutionized agriculture and food studies. Employing his commodity analysis approach, in his article "Agrifood Globalization and Commodity Chains," Friedland answers the above-mentioned three general questions by probing two interrelated issues: the degree of globalization of agrifood commodity chains, and their economic concentration. He contends that one of the major features of globalization is its unevenness. This characteristic refers to the diverging levels of global integration of segments of individual commodity chains. Accordingly, agriculture and food, Friedland maintains, features a few mostly globalized commodity chains while others remain regional, national or even local. Additionally, he contends that globalization contributed to economic concentration, however even this process remains uneven. Through the emergence of TNCs, the transnationalization of food production has been accompanied by the limited ability to enforce anti-concentration measures. Anti-concentration measures were established and enforced at the nation-state level with relative success in the past. But given the fact that global regulation remains somewhat problematic, regulation at the global level is weaker than at the national level. While cautioning us of the acceleration of concentration under globalization, Friedland concludes that the "national level" provides important anti-globalization weapons. The continuous importance of the nation-state and national-cultures are among these weapons.

In his article, Manuel Belo Moreira, the current President of RC-40, argues that the contemporary process of globalization is different from previous forms of global socio-economic relations for at least two reasons. First, changes occurring at the financial level have generated important changes in the relationships between the state and capital and between capital and labor. Second, this new situation mandates the emergence of new global strategies. Moreira further stresses that TNCs are the principal actors of the current globalization process. Additionally, he explores this condition and the possible future trends through the analysis of two scenarios: a

backlash against globalization and an acceleration of current trends. In this context, he argues that globalization is a highly complex phenomenon, and that agriculture and food is characterized by both high and low levels of global integration of production system. This analysis allows him to conclude that it is important to pay attention to this complexity as the rhetoric and ideology of globalization often do not coincide with the actual characteristics of this phenomenon.

Salete Cavalcanti provides the third contribution to this special issue. She argues that globalization is a multifaceted phenomenon involving a number of important actors and processes. In this context, she recognizes the important role played by transnational corporations and the state and identifies in the nation-state an entity that will continue to retain a significant position under globalization. The core of her contribution, however, is centered on the complex relationship between consumers and producers and the processes associated with it. In particular, she explores the issue of quality as it pertains to agro-food commodities. Cavalcanti identifies in the consumer movement's demand for better quality food products one of the positive aspects of globalization. However, she also problematizes this theme by uncovering the complex set of consequences that this apparently positive stance implies. In effect, Cavalcanti argues, that the demand for better food quality has been translated into a negotiated process leading to the creation of standards and procedures that frame it. In this context, some actors are empowered while others suffer disproportionate consequences. This is the case of producers in developing regions -- such as those of the San Francisco valley in Brazil that Cavalcanti uses as a case study -- who face growing inequality and control. Conversely, corporate retailers emerge as extremely powerful actors who, while responding to consumers' preferences, dictate the terms of locally based production.

Finally, in my contribution I also argue that TNCs are the most important actors of globalization and that their contradictory relationship with the state represents one of this era's most significant aspects. The majority of my article, however, investigates the issue of the future of globalization. I contend that because globalization is a contradictory process, it creates conditions for the democratization of contemporary society. Dwelling on the relationship between TNCs and the state, I argue that the state is called to support and legitimize corporate actions in a context in which TNCs tend to by-pass state demands and consequently limit its ability to assist transnational firms. This situation opens up a crisis of legitimation in which the state is called to justify actions that it cannot fully control and regulate. Accordingly, the state is one of the possible spaces for emancipatory action. I also explore the issue of possible emancipatory actors under globalization. I argue that the globalization project represent a dominant class' attack against gains obtained by subordinate groups and the higher levels of substantive democracy that accompanied them under Fordism. Because globalization marks the defeat of the historical left, the most relevant challenge to TNCs and their political representatives comes presently from new social movements, such as the environmental and consumer movements. I maintain that new social movements are the emancipatory actors in the global era. I conclude by arguing that in spite of the resistance of new social movements, TNCs remain firmly in control of contemporary society, a situation that makes the attainment of more democratic conditions a contested terrain.

¹ Arguably the roots of contemporary debates in the Sociology of Agriculture and Food can be found in classical works that discussed the evolution of agriculture in the transition from feudalism to capitalism and under capitalism. Marx's analysis of "primate accumulation" in volume one of *Capital*, Karl Kautsky's "The Agrarian Question" Max Weber's "Capitalism and Rural Society in Germany," Alexander Chayanov's "Theory of Peasant Economy and Lenin's "Theory of the Agrarian Question" are all cases in point.

AGRIFOOD GLOBALIZATION AND COMMODITY SYSTEMS*

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INTRODUCTION

Globalization has become a preoccupation in most of the social sciences and those of us involved in agrifood studies have taken it avidly to our research bosoms. For those of us researching agrifood commodity systems, the emphasis on globalization has been most opportune. Although some foods such as sugar have been *somewhat*¹ globalized for about 400 years and fresh produce — bananas — have been *somewhat* in global circulation for over a century, most foods were, up to the second world war, in restricted circulation: agricultural products were produced and distributed locally, regionally, or nationally. After the Second World War, particularly after the 1960s, production-consumption chains began to expand.

It will be useful first to clarify the definition of globalization as used in this paper... Thomas Friedman, a globalization enthusiast, in his influential book *The Lexus and the Olive Tree*, argues that “globalization... is The One Big Thing” (Friedman 2000:xxi), “...the inexorable integration of markets, nation-states and technologies to a degree never witnessed before...” (p. 9). Friedman is overwhelmingly concerned with two major and one minor empirical reality: the globalization and mobility of capital, cultural developments, and, mostly in passing, production-distribution networks.² Globalization has many meanings and has been used to refer to changes in financial organization (the mobility of capital), manufacturing and distribution of commodities from automobiles to clothing, software, and labor (as in worker mobility and outsourcing), and cultural change (Coca-Cola-nization, McDonaldization). Space does not permit the exploration of the full dimensions of globalization; as used in this paper, globalization is focused on agrifood commodities and refers to the processes by which these commodities move into longer and more complex chains rather than being spatially limited to locality, nation, or region. This expanded spatial dimension produces a new division of labor and increases distance between production and consumption spatially and socially. Following Le Heron (1993, Chapters 1-2) I am concerned with the global-local aspects of capitalist agriculture which, I contend, are manifested through commodity analyses. Moreover, like Le Heron, I will argue that the term “global” is qualitatively different than the older term “international” and represents a different way of conceptualizing modern agriculture as an economic sector.

Globalization in agricultural commodities means that all three classical components of production — land, labor, and capital — experience this shift, albeit variably. Capital is most easily globalized; labor has become more globalized with greater difficulty involving the trauma of population disruption, barriers to mobility, etc. It takes place also in the form of bringing employment to workers as manifested by what is referred to as “contracting out” or “outsourcing”. Land as a physical entity is immobile but becomes mobile, in effect, through surrogate locations of production, e.g., U.S. cotton capital opening vast acreages in Australia or French, Spanish, Italian, Japanese and other winemaking firms buying, renting, leasing, or contracting land in California to grow winegrapes and make wine.

I will use “commodity systems,” “commodity chains,” and “filières” interchangeably in this paper. All have a similar meaning and refer to the methodology for studying a specific commodity from its origins in production to consumption. Commodity analyses are increasingly becoming concerned with global production, distribution, and consumption although, as shall be argued in this paper, the degree to which various commodities are globalized is highly variable. There is also a growing number of what might be called commodity studies or commodity analyses that focus on a single— or limited — aspect of commodity life, usually in a single area or locality or region but are not concerned with analyzing the commodity as a system. For purposes of simplification I will group the two types of studies under the rubric “commodity studies” except where I want to make a distinction between the two types.

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¹ The use of “somewhat” is deliberate. I will be arguing that many of the ancient commodity systems (such as wine and salt) and more modern ones such as grains were not truly globalized. They were, while often long-distance, more accurately regional, i.e., a series of distinct systems between an originating point and a point of consumption. To take bananas as exemplary, the chains developed a century ago were between individual colonial metropolises and their political or economic colonies and the firms that organized the chains were nationally based.

² I will return to Friedman, particularly the issue of production-distribution, later in this paper.

Globalization has accompanied the expansion of commodity systems. As a result of the accretion of a number of commodity studies and commodity systems analyses, it is now possible to begin thinking about them in comparative terms, to begin doing comparative analyses.

This paper focuses on two issues: the *globality* or the *degree of globalization* and the *economic concentration* of segments of agrifood filières. While many commodity studies make no claims about globalization, others unquestionably do and we can now examine such claims in order to understand the degree to which a commodity system is globalized or, more important, which *segments* of a commodity system are global, and which are not. It is also important to consider economic concentration in commodity systems as they become global. Economic concentration is an indicator of economic power; originally researched in national contexts, as commodities and corporations that produce them become globalized, national-level analyses become increasingly irrelevant. Using comparative analysis, a better grasp may be obtained as to why some segments of a commodity system become more economically concentrated than others.

Economic concentration in agrifood commodity chains involves considering commodity systems that have spatial spread and, in particular, which *segments* of filières are more globalized and concentrated than other segments. The degree to which a commodity (or cluster of commodities) is economically concentrated has been of continuing concern in the social sciences since monopoly/oligopoly represent concentrations of economic power. Globalization has had the effect in some commodities of deconcentration as nationally or regionally concentrated commodities have had to adapt to competition globally. Reconcentration, however, is also taking place because of the mobility of capital. Economically-concentrated globalized and globalizing corporations have become the focus of substantial anti-globalization movements and it is useful to understand the degree to which concentration has begun to occur at the global level in the agrifood system.

THE GLOBALITY OF AGRIFOOD COMMODITY SYSTEMS

When commodity systems analysis began to emerge during the 1970s in the social sciences, there was already a well-established literature on commodities by agricultural economists. Much of this literature is extremely narrow, often focusing on price and markets and rarely venturing into the politics of commodities, institutional elements, and other aspects of commodity life.

Sociologists, geographers, and other social scientists who became involved in commodity studies often approached their research with a specific problem generated within the discipline and literature; the focus was less on the commodity than what a commodity could illustrate about a research problem. Appadurai (1986) sensitized a generation of social scientists to the idea of commodities having *social lives* or “*careers*” and, therefore, a potent locus for research.

Another element was added to the research agenda with the advent of globalization studies as researchers understood that a new level of analysis was required to deal with the expansion of trade and the restructuring of commodity chains. Where, before, commodity production, distribution, marketing and consumption had been focused around national and regional activity, increasingly economic action began to be organized globally. Agrifood social scientists moved into globalization analyses with rapidity and a globalization literature began to build.³

By the turn of the millennium many non-economist agrifood researchers were writing about global aspects of specialized commodities. This paper argues, however, that such studies were rarely global in character and that most agrifood commodities were not truly globalized.

I will contend that globalization involves the integration of all or most segments of a commodity chain on a global level. That is, if one examines a specific commodity system, the question should be asked: which segments of the commodity filière are globalized and which are not? For this purpose, it is useful to briefly consider the automobile filière.

The automobile commodity chain is chosen because, with the exception of financial commodities (such as money), it is probably the most globalized of filières. Not only do automobiles appear on all continents (except Antarctica) but about a dozen corporations make almost all of them. These corporations are increasingly inter-owned by each other; in production terms, a small number of base models are produced on a variety of continents with parts for each coming from other places and continents; there are some regional and national variations for marketing purposes, but these tend to be “on the skin” rather than internal to the commodity itself. Adjustments are made for specific local conditions (i.e., cars in Europe tend to be smaller than in the New

³ See, for example, Bonanno *et al.* 1994; Gereffi and Korzeniewicz 1994.

World to fit narrow urban settings). Marketing strategies vary by region and nation just as they do by income, age, and education. Such variation as exists is based on producing automobiles for specific market niches using different names: Ford historically did this nationally in the United States with its Ford, Mercury, and Lincoln labels; nowadays, it uses its ownership of marques like Volvo and Jaguar for the same purposes although it does not manufacture these marques in the U.S.

Other commodity systems such as clothing, wrist watches, or computers are similar to automobiles, with increasing domination of specific filières by a small — but much larger than with automobiles — number of increasingly transnationalized corporations producing the same basic products composed of components manufactured in many world locations for world-wide distribution and marketing.

Agrifood commodity systems are generally different. A few are globalized, at least in some segments, whereas others are much more regional, national, or local. This can be seen by comparing commodities such as grains and flowers. Grains are a cluster of commodities, particularly wheat, rice, and corn. While each has its own particularities, these are bulk, storable, relatively low-value commodities whose distribution is primarily globalized even when production and marketing remain primarily national (Kneen 1990, 1995; Morgan 1980). In contrast, flowers — which are found increasingly in transnational movement — are primarily the product of nationally owned capital, i.e., where capital has not yet aggregated at the transnational level but where distribution is increasingly long distance.

To deconstruct globality, I will take three commodity analyses of processing tomatoes and one of iceberg lettuce. This will include the studies of lettuce and processing tomatoes with which I have been involved (Friedland and Barton 1975; Friedland, Barton, and Thomas 1981), a fresh tomato chain (Barndt 2002), and a global study of processing tomatoes (Pritchard and Burch 2003).

CALIFORNIA: PROCESSING TOMATOES AND ICEBERG LETTUCE.

The two studies my collaborators and I undertook (Friedland and Barton 1975; Friedland, Barton, and Thomas 1981) were done before globalization emerged as a focus for agrifood studies. Both centered on a specific problem in the literature: mechanized harvesting of crops, an issue that preoccupied agronomists, plant breeders, and other scientists and technologists during the 1960s.

Our processing tomato studied social consequences of the mechanization transition in processing tomatoes that accompanied the closure of the bracero program which had imported Mexican workers to the U.S. The literature generated by one of the most rapid transitions to mechanization glowed with the success of the research and the transition. Historical analyses (Rasmussen 1968) and economic studies (Schmitz and Seckler 1970) showed the transition to be easy, with few problems, and benefiting agriculture. The tomato study showed other consequences that the literature did not consider: the precipitous decline in the number of harvest workers, the shift of the labor force from men to women, the substantial decline in the number of tomato growers, and the spatial shift of production from one part of California to another. The lettuce study also derived from mechanization concerns except that its purpose was to project the conditions for the transition to mechanized harvesting and what the social consequences might be.

According to the earlier distinction made between commodity studies and commodity systems analyses, both should be characterized as commodity studies but the lettuce study manifested more of a commodity systems approach since it incorporated analysis of projected effects on community life. Neither study paid attention to globalization which had not yet arrived on our research agenda.

CANADA-MEXICO: A FRESH TOMATO CHAIN

Barndt's (2002) *Tangled Routes* begins with an explicit theoretical formulation derived from world systems analysis. Drawing on the formulation of global commodity chains (GCCs) projected theoretically by Hopkins and Wallerstein (1986) and Gereffi and Korzeniewicz (1994), Barndt explains GCCs theoretically before turning to her empirical material. Empirically, however, the fresh tomato chain she describes is transnational but not global. Barndt details a single chain working upstream from retail to primary production, from Canada to Mexico, with some discussion of seasonal production in Canada. Barndt pays no attention to other fresh tomato chains proximate to this Mexico-Canada filière, passing on U.S. involvement except for the fact that the commodity passes physically through the United States.

The virtue of Barndt's study is its attention to the entirety of the filière she describes. Three foci of analysis stand out in this respect: (1) the attention given to gender; (2) the analysis of exploitation within each segment of her chain; and (3) the inclusion of transportation and logistics as part of the analysis, a topic sorely neglected

by most commodity analyses. These are significant virtues that benefit the analysis but the GCC theoretical development is not fulfilled.

THE GLOBE: PROCESSING TOMATOES

Pritchard and Burch (2003) undertook a mammoth task researching the global processing tomato filières. What they have accomplished is the nearest I have yet found of a study that aims at a truly global analysis.

Examining processing tomato networks in the United States, Australia and Canada, Europe, Thailand, and China, Pritchard and Burch have encompassed most of the global processing tomato networks. Dealing with growing, processing and reprocessing, and marketing, this study is encyclopedic. While there are obviously lacunae — aside from minor sub-chains of the global system — they should be credited with what is probably the most comprehensive of commodity systems analyses.

Pritchard and Burch (2003: xi) summarize their argument:

What passes for ‘the global food system’ consists of a set of heterogeneous and fragmented processes, bounded in multiple ways by the separations of geography, culture, capital and knowledge.... Global agri-food restructuring needs to be understood as an intricate set of processes operating at many scales, and on many levels, rather than a unilateral shift toward a single global marketplace.

One point stands out in their analysis: processing tomatoes, unlike some other agrifood commodities, are not globalized at the level of capital. Their global picture has to be understood *less* as a globally integrated system but as a handful of regional systems only partially connected to each other at the global level. A closer integration between the various subsystems may be underway as we are informed (p. 7) that “in 2001, a southern Italian canning company fulfilled a contract for private label canned baked beans for a British supermarket, using Mexican-sourced beans and Chinese tomato paste...”

This brief treatment hopefully illuminates that most commodity chain analyses are somewhat less than global. As I shall argue in the next section, where globalization has taken place in segments of a commodity system, those segments are most frequently found at the level of capital and marketing and less so in production. This shows up most clearly when we consider which segments of commodity chains are notable for their economic concentration.

ECONOMIC CONCENTRATION IN GLOBAL COMMODITY CHAINS

One implicit notion accompanying the concept of globalization is that the process contributes to economic concentration. The basic idea is that, as economic sectors develop under capitalism, all other things being equal, there will be a “normal” process in which the number of producers of a commodity will decrease until only a small number remain, constituting an oligopoly or monopoly. Most capitalist democracies, under popular political pressures, have installed regulatory mechanisms to control these tendencies. The regulatory apparatuses were of some use but, over time, have been of limited value. Globalization increases the tendency to concentration because regulation at the transnational level is even weaker than at the national level.

An attempt to answer the question: does globalization lead to economic concentration? requires a massive analysis that goes beyond the possibilities of this paper. What I will do is make two assertions, providing some empirical evidence, that some concentration takes place but that much more comparative research will be necessary before we have a good understanding of how globalization affects concentration. The assertions: (1) concentration processes are very uneven; and (2) where concentration takes place, it does not necessarily occur in the similar segments of a commodity chain.

Let us consider four empirical examples that are differentially globalized. These are, in descending order of the degree of globality (in my estimation): frozen concentrated orange juice (FCOJ), wine, fresh fruits and vegetables (FFV) and processing tomatoes.

Frozen Concentrated Orange Juice. FCOJ is a commodity that never appears directly as juice or as frozen concentrate. In its traded commodity form it appears as super-concentrated slurry (Friedland 1991). It is a commodity that is an input to juice re-manufacturers and other value-adding manufacturers, primarily for mixed juices and drinks.

Brazil is the leading producer of FCOJ and the oranges are grown on a number of sizeable plantations, many owned by a small number of very large processors. A somewhat similar situation exists in the United

States in Florida, also a major FCOJ producer. Coca-Cola, for example, is engaged in primary agricultural production but also is a concentrator of juice from its own orchards and for oranges produced by other growers.

Once harvested, juice is produced and concentrated by removing water. In Brazil, the frozen slurry is pumped into trucks and transported to ports where it is pumped on to tanker ships which transport it to ports in the well-developed world where it is stored and reprocessed with the augmentation of water since the frozen slurry is too concentrated for normal human consumption. It is canned and sold as (consumer) concentrate or remanufactured by adding water to be sold as “reconstituted” orange juice to consumers.

The FCOJ system is heavily globalized, being produced in a number of countries and shipped to secondary processors for mixing and preparation for retail sale or direct consumption. I have collected labels of juice reconstituted from FCOJ produced in Florida, Brazil, California, Mexico and Israel.

Except for growing oranges, FCOJ is a thoroughly globalized commodity in long-distance movement and is comparatively economically concentrated at the grower, processor, reprocessor, and retail levels.

Wine is a commodity very different from FCOJ. It is produced in a great many countries and is characterized by having incredibly differentiated markets. It can be bought by consumers for several dollars or several hundred dollars (and even higher) a bottle. Wine tastes vary significantly between countries and regions. Yet wine moves between countries/regions except with some important exceptions in which traditional wine producers such as France, Italy, Spain, Chile, and Argentina, mostly drink wines produced nationally. In the newer wine producers countries — the U.S., Australia and New Zealand — much local wine is consumed from local producers but wines from other countries/regions are also consumed.

Within the older production locations, wine follows a pattern of very slow concentration with a few large firms, many growers and small winemakers organized in larger co-operatives for making wine. There are significant differences between the commodity structures of wine in the U.S., Europe, and the antipodes. For simplification purposes, this analysis will focus on the U.S. where there are similarities with the wine systems of Australia and New Zealand in contrast to Europe where the systems tend to be less concentrated.

In the U.S., there is concentration at the production and marketing levels but wine is still relatively unconcentrated except in distribution where, *at the global level*, a handful of firms have become dominant, although it is not yet possible to determine the percentage of the market under their control. Concentration at the global level does not necessarily mean that these firms are hegemonic in wine at national/regional levels.

The large global firms include: Diageo, Allied-Domecq, Constellation, Foster’s, and Gallo. Two of the five (Diageo and Allied Domecq) are primarily large alcohol and food firms; one (Foster) is primarily a beer firm; and only two are primarily focused in wine (Gallo and Constellation, with the latter also being heavily into spirits). Of these, Diageo is the most globalized and Gallo the least. Two of the transnationals are U.K.-based (Diageo and Allied Domecq); two are mergers between Australian and California drinks/alcohol companies (Foster’s of Australia and Beringer of California; and Constellation of New York and California, and BRL Hardy of Australia). Gallo is strictly California and privately owned whereas the other four are public corporations.

Diageo is a London-based corporation composed, as of 2002, of 329 subsidiary companies in 27 countries. Most of these companies are involved with the distribution and sale and sometimes the production of spirits and foods and include such well-known brands as Burger King, Cinzano, Express Dairy, Guinness, Haagen-Dazs, Heublein, Johnny Walker, Saccone & Speed, and Smirnoff, to name just a few.⁴

Diageo was formed in 1997 by the merger of Guinness (established in 1759) and Grand Metropolitan (established in 1931).⁵ Among its many subsidiaries, there are 17 bearing the names “United Distillers” and “United Distillers and Vintners” and one of these — United Distillers and Vintners, North America — is owner of four wine brands (Beaulieu, Glen Ellen, M. G. Vallejo, and Blossom Hill). Headquartered in San Francisco, there are three production wineries in Napa (Beaulieu), Sonoma (Glen Ellen) and Monterey counties (Blossom Hill). United has 2,000 acres of vineyards and produces a modest 6 million cases of wine annually.⁶ Beaulieu is an old winery name tracing its heritage back over a century. Glen Ellen is a popular mid-priced wine which has a significant market share.

⁴ *Who Owns Whom 2002/03*, Vol. 1, pp. 273-4 (High Wycombe, U.K.): 273-4.

⁵ *Hoover’s Handbook of World Business 2002* (Austin, Texas: Hoover’s Business Press): 206.

⁶ *Wines & Vines Buyer’s Guide 2002* (Wines & Vines: San Raphael, CA): 110.

Diageo is a genuine transnational corporation with extensive distribution capability over much of the globe but with relatively small wine interests. In the wine world, however, Diageo, by agrifood standards, is an enormous transnational corporation.

Allied Domecq, like Diageo as of 2002, is a U.K.-based transnational substantially into drink and food in 25 countries with 248 subsidiaries. It has some well-known brands such as Baskin & Robbins, Beefeater gin, Bristol Cream, Courvoisier, Dunkin' Donuts, Hiram Walker, John Harvey, J. Lyons, Kahlua, Maker's Mark, Mumm Perrier-Jouet, Pedro Domecq, Sauza Tequila, Togo's, and William Teacher.⁷

Allied Domecq, second largest drink/food company in the U.K. after Diageo, was formed in 1994 by the merger of Allied (a merger of three English regional breweries) and Pedro Domecq of Spain.⁸

Unlike Diageo which has grouped its wine subsidiaries under a single controlling subsidiary, Allied Domecq has maintained the separateness of its five U.S. wineries which include Atlas Peak, Buena Vista, Calloway, Clos Du Bois, and William Hill. Of the five wineries, four are in premium areas, two each in Napa and Sonoma, with the fifth in southern California. The wineries own or control 3,510 acres of vineyard and produce an estimated 2.5 million cases annually. Allied Domecq is somewhat more oriented to wine than Diageo, with more vineyard acreage but smaller and more elite (upscale) wineries.

Brewing Holdings Ltd. of Australia is the owner of Foster's Beer. In 2000, in a US\$1.5 billion deal, Foster's bought California's Beringer, a publicly traded winery, from Texas Pacific Group, a private investment partnership and Beringer's majority owner.⁹ Already the owner of substantial vineyard acreage and one of the largest producers of wine through a number of wineries in Australia, the new subsidiary, Beringer-Blass, immediately emerged as one of the top winery clusters in the world.

Founded in 1876 by the Beringer brothers in Napa County, Beringer was a well-known premium wine before Prohibition. The brothers built a huge manor house in the German style, an early investment that has provided continuity for the Beringer winery even as it went into decline. In 1971, the winery was bought by Nestlé through a subsidiary, Wine World, Inc., and began upscaling the wine for a higher priced market. During the 1980s, Wine World acquired two additional wineries, Chateau Souverain in Sonoma County and Meridian in Santa Barbara County, both premium wine locations. Wine World, in other words, was aimed at the premium wine market.

Beringer¹⁰ is a sizeable winery with 10,300 owned or leased acres and storage capacity of 3.5 million gallons. Chateau Souverain and Meridian add an additional 2.7 million gallons of storage capacity. I do not have data on the acreage and storage of the Australian holdings but Australian commentators noted that BHL was one of the largest clusters of wineries on the subcontinent and, of course, a major brewer and exporter of Foster's beer.

Constellation, a U.S. owned corporation, was until 2003 the second largest U.S. wine company after Gallo. While having distribution capacity outside the U.S., Constellation — and its major wine subsidiary, Canandaigua — is primarily an alcohol distribution company that grew by acquiring a host of spirits companies, entered the wine business by acquiring wineries, initially in New York before buying up wineries in California and elsewhere.

The scope and span of Constellation's wine subsidiary, Canandaigua, is remarkable. Prior to the merger with Australia's BRL Hardy wine group, Canandaigua owned one brand in the "value box" category (inexpensive wine in a box); seven "value" (low-priced in bottles) brands; nine "fighting varieties" (\$3.50-5.50 bottles); three California and four northwest U.S. "premium" wines (\$5.50-9.50); three imported wines; one kosher wine; one non-alcoholic wine; 10 sparkling wines; three "traditional" dessert wines; five "beverage dessert" (aimed primarily at "wino" [low-income alcoholics] consumption) wines; two brandies; one cream liqueur; one cider; and one "wine with fruit flavor."¹¹ It owns a galaxy of well-known labels including Inglenook and Almaden, two names with historic significance in California from pre-Prohibition days, and

⁷ *Who Owns Whom 2002/03*, Vol. 1, pp. 56-57 (High Wycombe, U.K.).

⁸ *Hoover's Handbook of World Business 2002* (Austin, Texas: Hoover's Business Press): 84.

⁹ *Santa Rosa Press Democrat*, Aug. 29, 2000: B1.

¹⁰ This section is based on: *Wines and Vines Buyer's Guide 2003* (San Rafael, California: The Hiaring Company); *Who Owns Whom 2002/03*, Vol. 1, p. 48 (High Wycombe, U.K.); and *Encyclopedia of Consumer Brands*, Vol. 1, pp. 31-32 (Detroit: St. James Press).

¹¹ *Wine Business Monthly* (October 2002)

Arbor Mist and Wild Irish Rose, wines aimed at the wino market. The acquisition of BRL Hardy, a major Australian wine producer, cost \$1.1 billion.¹²

The Ernest and Julio Gallo Winery was, until the Constellation-BRL merger, the largest wine company in the world. Founded by two Gallo brothers immediately after Prohibition, the Gallos produced bulk wine for sale to bottlers for more than a decade before beginning marketing wine under their own labels. The company is privately owned and vertically-integrated into bottle-making, transportation, and sales.

With each brother paying separate attention to winemaking and marketing, Gallo grew from a small operation into the largest winery in the world with storage capacity of 330 million gallons, hundreds of winegrape growers providing the bulk of its grapes, with at least 25 labels for its wines, sparkling wines, brandies, and vermouth. Its production spanned the low-to-middle range of the price spectrum in wine. It did not move into the premium end of the spectrum until the wine “revolution” had proven itself, after which it spawned six premium labels.

Gallo long been an innovator in marketing and the utilization of wine science, having the largest laboratory of enologists of any wine company in the world. It has not been an innovator in anticipating wine trends. It was slow to move into premium wines but, when it did, it did so with muscle. The same was true when the wine cooler phenomenon showed an amazing spurt. Gallo entered the wine cooler market after it was well-established; its Bartles and James label overwhelmed the competition.

Gallo orients itself primarily to the U.S. market but it has taken advantage of federal subsidies for export to establish a base in Europe, primarily in the U.K. Gallo has not hesitated to undertake penetration of the most impenetrable of European markets: France. It has opened a modest venture and indicated it will remain until it becomes established.

What is notable about two of these five corporations is (1) their base in spirits and food, and two in beer and wine; (2) of the five, four easily win the designation of TNC (transnational corporation) although there are gradations in their transnationality with Diageo being the most, followed by Allied Domecq, the two Australian-U.S. groupings which are mainly oriented toward the U.S. and U.K. markets. Gallo has been mostly U.S. oriented but has undertaken a major effort in the U.K. and smaller efforts elsewhere in Europe.

If we consider wine just from a U.S. point of view, the most important companies — indicative of concentration — have to be configured somewhat differently. The spectrum of wine consumption has to be considered and this complicates determining the degree of concentration. For my purposes, I will distinguish wines into two groupings with flexible and permeable borders, i.e., “ordinary” and “premium”. I cannot provide statistical measures to indicate concentration but am doing this on the basis of lengthy research on the U.S. wine industry.

Among the ordinary producers, Gallo and JFJ Bronco stand out. There are several other large winery operations such as Golden State Vintners that are important. These “ordinary” producers have the overwhelming bulk of this part of the spectrum. I would estimate that half dozen wineries have over half of production and probably the top ten might have as much as 75-80%. The premium category wines are more difficult to estimate. Again Gallo should be included through its subsidiary, Gallo Sonoma. Also important are Robert Mondavi and Kendall-Jackson. After these three, which I would estimate have possibly as much as 30-40% of production, there are hundreds of smaller wineries competing for top-dollar sales. Most are relatively small in acreage, storage, and sales. Some have no intention of producing more than a miniscule volume of cases of wine since their ability to command prices in the hundreds of dollars depends on the scarcity of their wines.

Fresh fruits and vegetables. After the second world war, in North America and western Europe most people consumed most of their fresh fruits and vegetables (FFV) based on provisioning from local, regional, and national sources. In western Europe, there was more “international” trade of produce from other western European countries until the European Community was set in place.

In North America and western Europe, there had been trade in bananas for over a century from tropical locations, political and economic colonies of France, Britain, and the U.S. Beginning in the 1970s, this trade expanded to include a wider variety of tropical FFV, the development of non-traditional export agriculture

¹² *Newsday.com*, March 31, 2003.

(NTEA) from tropical and southern hemisphere locations to take advantage of counter-seasonality. By the early 1980s, extended filières from Chile and South Africa were producing table grapes and other FFV for North America and western Europe so that there was year-round supply for FFV which had previously been seasonal.

The explosion in consumption of FFV was driven by the changing structure of labor forces in advanced capitalist countries which required a shift from manufacturing employment to highly-skilled, -educated, and -remunerated technology workers. Concern about food safety and general health contributed to the “explosion.”

Entry into the extended FFV chains required heavy capital investments in transportation, refrigeration, and coordination of the different segments of the commodity systems and logistics to ensure that reliable transportation segments would be available for transport of FFV over enormous distances. Getting table grapes and stone fruits from Chile or asparagus from Peru or flowers from Columbia to North American ports and major distribution centers in Europe called for unprecedented chain organization.

Companies such as Chiquita (formerly the United Fruit Company), Dole, and Del Monte in the U.S., which had only limited banana sales in Europe, sought to take advantage of the ostensible “openness” of trade developed under GATT and the World Trade Organization to expand distribution networks to Europe. Previous banana shippers in the U.K. and Ireland such as Fyffe’s expanded on to the continent.

In addition to the established banana shippers, two new actors appeared on the scene: Polly Peck International (PPI) and Albert Fisher.¹³ PPI became a major actor after Asil Nadir, a Cypriot Turk living in the U.K., saw the opportunity of taking a small clothing manufacturer and growing it into a major shipper and distributor of FFV to Europe. Based on dirt-cheap Northern Cyprus citrus, Polly Peck became one of the hottest items on the London stock market. Albert Fisher represented the same trajectory; entrepreneur Tony Millar bought a small U.K. FFV distributor and proceeded to acquire dozens of FFV distribution firms in the U.K. and the continent before turning to the U.S.

By the early 1990s, five firms had emerged as the dominant actors in fresh fruits and vegetables in western Europe and North America. These included the ex-banana giants: Chiquita, Dole, and Del Monte Tropical and the two new upstarts: Polly Peck International and Albert Fisher. Polly Peck bought Del Monte Tropical in 1989 and held it briefly until 1990 when PPI collapsed after Asil Nadir was charged with insider trading. Albert Fisher had a brief exciting life in the U.S. before selling off its American holdings and returning to Europe.

It is not possible to calculate the percentage of total FFV controlled by these corporations but qualitative analysis indicates that, taken together, they had the lion’s share of FFV. Most other FFV firms engaged in long-distance sourcing tended to specialize in a few specific FFV rather than seeking to incorporate the gamut from artichokes to pineapples. Driscoll of California is exemplary of the specialists focusing exclusively on strawberries and a few other berries and prepared to ship their product not only to North America but to Europe and Asia.

There were anomalies affecting the concentration process. Grower export organizations in New Zealand saw and invented opportunities with kiwifruit, which spread like wildfire, and apples. Washington State, which had been a dominant factor not only in the U.S. but in the export trade, found themselves with outmoded varieties (Red Delicious) no longer wanted by a market that was absorbing Braeburn, Gala, and Fuji apples from New Zealand. The New Zealanders gained a ten year advantage on the Washingtonians before Washington growers responded to the new market demands (McKenna 2000). The Netherlands, major suppliers through co-operatives to the German market, responded by developing seven different colors of bell peppers and, after complaints about tasteless tomatoes, “invented” cluster tomatoes (attached to the vine) to show how ripe their fruit was. This was so popular that Dutch tomatoes were being sold in Santa Cruz, California at three times the price of local tomatoes that had not yet graduated to cluster tomato production.

Despite variations in the complex set of FFV commodity systems, the “Big Three” are currently dominant. They command the capital resources to build the filière networks that move enormous volumes of FFV over great distances.

Processing tomatoes. The Pritchard-Burch study illustrate a comparatively small set of filières consisting of production systems built on national and regional bases, producing a commodity similar to FCOJ which “disappears” as a component of prepared foods, i.e., pizzas, pasta sauces, soups, etc. Only a small percentage of

¹³ Each company’s story has been told in Friedland et al. 1998a and 1998b

the product goes directly to consumers. Growing tomatoes for processing is still relatively unconcentrated although, as a result of mechanization, concentration has taken place among growers in California. In contrast, processing tomatoes have become significantly concentrated with only small numbers of processors in national or regional production. Most processors prepare tomatoes for use by value-adding companies that make soups, ketchup, sauces, etc. Some companies further process the product into forms appropriate for retail consumption either with specific corporate labels (Heinz, Hunts, etc.) or for retail supermarket own-labels.

The world processing tomato industry consists of hundreds of thousands of farm and factory workers, tens of thousands of tomato farms, thousands of processing tomato factories, hundreds of specialist processing tomato companies, a dozen key transnational corporations, tens of thousands of individual products, brand names, trademarks and patents, and millions of consumers. (Pritchard and Burch 2003: 247).

The geographic or spatial concentration is shown by Pritchard and Burch (2003:253): the U.S. produces 42% of world production, the European Union 34%; the remaining percentages of production are small and include: Australia, 1%, Canada 1%, Chile 3%, China 4%, Latin America (without Chile) 5%, Middle East and Africa 4%, Turkey 4%, and other 2%. Consumption, unsurprisingly, is also substantially spatially concentrated with the U.S. and the E.U. accounting for 63% of output, mostly from their own locations.

Far from replicating the automobile model, processing tomatoes consists of a series of discrete commodity systems, the two major ones being in the United States (and especially California) and the European Union. Even these two groupings manifest different characteristics in concentration. The U.S. grouping is still relatively unconcentrated in growing but substantially concentrated in processing. The European Union is also marked by considerable variation, with Greece and Spain being most unconcentrated and Italy being only slight more concentrated in growing and processing. Relatively minor production systems in Turkey, Australia, China, Thailand, and elsewhere are varying in their degrees of economic concentration. At the global level, despite the fact that we are dealing with an important food commodity, little global economic concentration has taken place and, despite the fact that processing tomatoes are like FCOJ in that they serve entirely as an input to other manufacturers, FCOJ is concentrated and processing tomatoes are not.

Pritchard and Burch point out, however, that the spatial separation of processing tomatoes may be beginning a gradual process of integration. With China's paste turning up in Italy and elsewhere and Chinese product being available at unusually low prices, China may soon become a significant actor in processing tomatoes globally (Pritchard and Burch 2003: 167) just as it has become the Hercules of garlic production.

What is clear in the cases Pritchard and Burch describe is that concentration does not take place in growing. Further down the chain, greater economic concentration becomes manifest. The most concentrated segment of processing tomatoes, as Pritchard and Burch point out (p. 247), occurs with "a dozen transnational corporations" who mainly utilize processed tomatoes as inputs to food manufacturing.

ASSESSING COMMODITY SYSTEM GLOBALITY AND ECONOMIC CONCENTRATION

This has been an exercise in attempting to understand the character of globalization in agrifood commodity systems and how this fits with economic concentration, long considered a fundamental process of capitalism. Until now, most globalization studies have focused on macro trends and only a few have paid attention to the degree to which globalization occurs in specific locations, spatially, or in political units such as nations.

Thomas Friedman (2000), the pre-eminent globalization enthusiast, while acknowledging some of the problems that globalization creates, argues that its momentum has become increasingly compelling. At the level of analysis at which he is working, there is some validity to his argument. Friedman, however, is functioning primarily at the financial level as is manifested by his metaphors for the movement of capital globally. This occurs through what he calls "the electronic herd" composed of long-term investors, the "long-horned cattle," who move capital to build factories and infrastructure, and more speculative and mobile capital that moves in and out of investments depending on moment-by-moment prices, the "short-horned cattle" (p. 13; Chapter 7) .

Most firms involved in agrifood growing, processing, handling, transportation, and marketing are of the "long horned" variety. Companies that want to invest in frozen concentrated orange juice, wine, fresh fruits and vegetables, or processing tomatoes can move capital rapidly but establishing the political infrastructure for such ventures takes time as does assembling the buildings, equipment, and a labor force. Once in place, companies are reluctant to abandon this infrastructure on short notice.

First, the analyses that have been undertaken argue that agrifood commodity chains are of the “long horned” variety. The analysis also indicates that globalization — in its spatial sense — is extremely uneven, possibly especially in agrifoods.¹⁴ As far as globality — global reach — is concerned, the uneven development of the four examples is notable. FCOJ is a highly integrated system from growing to marketing and distribution, a truly global agricultural product. Wine is also a global product, consumed in its traditional European locations but increasingly in New World locations and very new consumption locations such as Japan, Hong Kong, and China. Moreover, distribution and marketing, while retaining heavy emphases in traditional production locations, show strong signs toward globality. FFV has become global in consumption based on counter-seasonal production to take advantage of hemispheric growing conditions. This means that, increasingly, to supply wealthy northern hemisphere markets, production has expanded enormously in the southern hemisphere for northern consumers. This globality, however, is limited, with the somewhat exception of bananas, to lucrative markets in the north. Finally, processing tomatoes have become global as a commodity but this does not mean that growing, processing, or marketing and distribution have manifested global integration.

Second, a similar unevenness is found in economic concentration. Automobiles are very concentrated and probably moving to even more concentration. Agrifoods are more complex. Overall, what should be noted is the slow tendency toward economic concentration in agrifoods and for concentration to take place in specific *segments* of commodity systems.

In FCOJ, economic concentration is advanced in all segments of the commodity: growing, processing, marketing, and distribution, all of which are handled by a relatively small number of TNCs. Wine is characterized by unconcentration in growing, definite tendencies toward concentration in winemaking which are subverted by the increased consumption of the products of boutique up-scale winemaking firms. Marketing and distribution in wine, however, is relatively concentrated with a small number of TNCs. Fresh fruits and vegetables, like wine, are unconcentrated in growing, with the exception of bananas, a historically concentrated commodity in all of its segments. The former banana TNCs have now diversified into other FFVs and, while they have sizable growing operations in the tropics and southern hemisphere, growing is still largely handled by thousands of producers. The handling (shipping), marketing, and distribution of FFV, however, is concentrated in a small number of firms. Processing tomatoes are a global commodity in which marketing and distribution are mostly unconcentrated whereas processing is mixed with European processing being relatively unconcentrated and New World processing being largely concentrated. Growing processing tomatoes in New World locations has become more concentrated than is found in Europe, primarily under the impetus of harvest mechanization.

Concentration occurs where the heavy capital requirements can only be organized by Friedman’s “long-horned cattle”. Typically, the agricultural segment lags behind other commodity segments although, as noted, the banana segment has long been concentrated. Banana “exceptionalism” can be traced to the historic need to develop an integrated production-transport-marketing system of a fresh market commodity under primitive logistical conditions; once in place, however, with the emergence of counter-seasonal consumption, the FFV TNCs have extended their banana hegemony to capture logistics, marketing, and distribution.

As for the future, mixed tendencies auger uncertainty. For commodities whose markets become increasingly global, the pressures will be toward concentration at the global level, following historic patterns of capitalism. But all commodities will not necessarily behave in the same way. FCOJ, for example, is a standard and basic commodity whether it appears in North America, Europe, or elsewhere. Becoming a truly global commodity depends on the expansion of refrigeration capacity. As refrigeration becomes available globally, the expansion of existing TNCs into new markets will almost certainly continue to dominate the commodity. Wine, in contrast, can be expected to retain its basically European constituency while new locations of production-consumption manifest more global tendencies. The globality of FFV will continue to depend on income distribution; as long as the South remains relatively poor, the logistical costs of FFV will preclude much expansion. Some markets will grow and develop, however; Japan is already a major FFV consumer as are locations such as Singapore and Hong Kong. FFV TNCs will almost certainly seek continual expansion and domination of opening markets, maintaining relatively concentrated control. I hesitate to estimate concentration in processing tomatoes.

¹⁴ This must be carefully qualified since we have yet to see comparative analyses between economic sectors such as automobiles, agrifoods, textiles, clothing, etc. While it is guaranteed that we will find considerable uneven development in the different economic sectors, it is unclear which sectors will be more advanced or more retarded. Certainly automobiles will be among the more advanced sectors globally.

On the other hand, to the degree that nation-states resist the specific forms of integration being promulgated through the World Trade Organization, national regulatory apparatuses could impede accelerated global economic concentration. National cultures will also contribute. While we are seeing the increased cosmopolitanization of diets, many nations continue to adhere, at least in part, to traditional elements of cuisine. Pizza and Coca-Cola may be in global consumption but polenta and Inka-Cola are still more popular in their original places of origin than they are in global consumption and the Slow Food movement, which emphasizes localism and artisanal production, continues to grow.

TWO CONCLUDING NOTES

Commodity systems, commodity chains, and filière analysis is a relatively young branch of the social sciences, at most about two decades old. While our agricultural economist colleagues have been involved with it for much longer, their efforts have been more market-driven than concerned with seeking to grasp commodities in their entirety. Attempts by other social scientists to examine agricultural commodities have been more focused on specific aspects of commodity life, particularly on one or two segments of a commodity chain rather than the totality of a chain. There has been good reason for this; even limited commodities have considerable complexity and the structure of one segment does not necessarily reflect the structure of other segments. Studies undertaken of complete chains (Barndt 2002, Dixon 2002, Pritchard and Burch 2003) are still rare because of the research necessary to grasp an entire filière.

With complete chain studies and the accretion of dozens of smaller-scale commodity analyses, comparative analysis has now become a possibility, albeit still somewhat limited. The present paper has undertaken a consideration of globality — the degree to which a commodity has become globalized — and the location within segments of a commodity system where economic concentration is taking place. Comparative analysis has proven its utility in other areas of the social sciences; the application to commodity analyses can open new areas of inquiry.

Future research will probably still not move heavily into complete commodity analyses but, with the increase in research on limited aspects of commodity life, the prospects for future comparative analysis will brighten. This paper has concentrated on only two aspects of analysis — globality and economic concentration. Future research should be able to comparatively examine other areas: the state and regulation, the internal organization of commodity systems, the politics of the various segments, and so forth.

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AGRICULTURE AND FOOD IN THE GLOBALIZATION AGE

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Introduction

The objective of this article is to reflect on three basic questions concerning globalization and its effects on agriculture and food: 1) what are the major characteristics of globalization; 2) who are its major actors and 3) what are the future trends?

Globalization continues to be a disputed concept despite the immense literature dedicated to it. I will focus on features of the current globalization process that can be employed to better understand the direction and reach of changes, particularly in agriculture and food.¹ It is not my goal to produce original contributions about the theoretical relevance and accuracy of globalization or about its scale and scope. I will use a theoretical framework based on a political economy perspective focusing on the global agents, their logic and dynamics. However, this must be tempered by calling attention to the agencies and contingencies involved in the process. In fact, political economy insights suggesting global lines of evolution are not contradictory but rather complementary to actor-oriented, actor-network theory and social constructivist approaches, which acknowledge the social agencies and the complex articulations of the different spaces involved in agro-food production and consumption (Llambí et al. 1999, Goodman and Watts 1997).

The second section deals with the major characteristics of globalization. Since this is a subject that has been treated extensively in the globalization literature, I will avoid unnecessary repetitions and concentrate on highlighting features focusing on the economic and political dimensions of globalization that I consider indispensable, in order that the importance of the phenomenon may be better understood. Focusing on the global agro-food system in the third section, the relevant features of the major actors of the globalization process will be identified along with their different logics and dynamics and their relationships with local actors.

In the fourth section a framework is proposed to consider future trends in agriculture and food based on the concepts of substitutionism, appropriationism and the technological treadmill by using a two-scenario approach: one that explores the deepening of the current trends and another, considering a globalization backlash. In addition, some conclusive remarks will be drawn in the fourth section.

MAJOR CHARACTERISTICS OF GLOBALIZATION

Globalization is understood as an uneven and dialectical process initiated during the last three decades of the twentieth century marking the birth of a new phase of capitalist development. This means that the current situation is novel in relation to past periods of capitalist development². An understanding of globalization and its uniqueness must include not only the features that characterize the process but also the socioeconomic and cultural contexts under which the development of the process takes place.

The technological revolution in transportation and information technologies marked the development of globalization as a process³. In fact, faster and cheaper transportation is vital to international trade, and information technologies have been instrumental in the construction of a more rapid, cheap and worldwide communication network that induces a compression of time and space (Giddens 1992). It also greatly facilitates a flow of international finances, new methods of management and financing, and the achievement of new forms

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¹ An excellent introduction to the various dimensions of globalization can be found in the preparatory debate of the Montreal Global Congress of Sociology, which is accessible on the Internet <http://www2.hawaii.edu/~fredr/glocon.htm>. A number of works specifically involving agriculture and food deserve to be mentioned: Arce and Marsden (1993), Bonanno et al. (1994a and 1994b), Buttel (2001), Goodman and Watts (1997), Friedland (1994), Friedman and McMichael (1989), Marsden (1997), McMichael (1996) and Renard (1999).

² Authors such as Bairoch (1997) contest this idea on the grounds that in the period ended in 1913 the relative levels of international trade and foreign direct investment were similar to what is usually described as the most relevant feature of globalization. On the extreme opposite side Sklair (2001) argues that there are enough elements of proof to support the idea of a transnational capitalist class.

³ A technological deterministic position is not advocated. As Schumpeter (1952) put it, technology is not independent from the quest for profit.

of business control and spatial coordination even at very large distances. In short, the technological revolution has changed and magnified the reach and velocity of the process.

Another condition of globalization springs from state-led decisions favoring the liberalization of international trade and financial movements, privatization and de-regulation⁴. Decisions strictly related to the process acknowledged the hegemony of the neo-liberal ideology⁵, which paved the way for a specific acceptance -- inside the political realm and among public opinion -- of the need both to break with the Keynesian heritage and to adopt those neo-liberal prescriptions.

This passage from ideology to practical policy measures started in the UK under Thatcher, and was joined in the US by the Carter administration. Subsequently, the International Monetary Fund (IMF), in close connection with the US Treasury Department and the World Bank, started to consider neo-liberal policies as the equivalent of a medical prescription to be imposed on developing countries (Stiglitz 2002).

Highlighting Distinctive Features From The Past

Among the extensive list of characterizing features of globalization, the impact of de-regulation and liberalization on the State and the internal changes in the Transnational Corporations (TNCs) deserve particular attention.

Full liberalization and higher degrees of de-regulation of capital movements had an enormous global impact inducing what Fitoussi (1997) termed *financial tyranny*. The outcome of this financial tyranny is the reverential acceptance of the so-called market judgment that has been instrumental in changing the dialectical relations between global capital and the State. These relations follow a direction that undermined the power of labor and diminished the degree of the State's freedom to both influence the economic sphere and to determine capital regulations, regardless of the democratic legitimization that those policies fostered in free elections⁶.

Prescribing that countries must comply with market discipline can result in a forced acceptance of the requirements of global capital, enforced through the supervision of rating or audit companies. Companies that set neo-liberal standards to demonstrate their philosophy therefore penalize any government that dares to avoid the "normal" standards and codes⁷, i.e., the State changed from regulator to facilitator of the requirements of the global capital (McMichael and Myhre 1991).

Critical analyses soon started to highlight the relevance of these changes and to demonstrate the negative economic and social impacts, particularly resulting from the increasing macroeconomic volatility. However, this criticism was dismissed, without discussion, by the economic mainstream. In fact, the orthodox world of economics had placed its trust in the projections of expected generalized benefits for all and it was necessary to wait for recent works from well-established mainstream academics to bring the discussion about the effects of globalization to the agenda of the economic mainstream⁸.

Other crucial features result from the changes in TNCs' management and internal organization, marking the emergence of new types of corporations that broke with the multidivisional organization and introduced what Castells referred to as the network enterprise.

The changes in the power relations between TNCs and their workforce must also be stressed. In fact, globalization has made it much easier to de-localize entire manufacturing or only part of production processes, strongly contributing to a situation where possible employment is increasingly precarious. These changes are occurring during a period of imposed fiscal orthodoxy concerning welfare spending. The precarious possibility of employment and diminished welfare safety nets represent a remarkable shift in the balance in favor of capital versus local actor, or putting it in other words, it is a signal of rupture in the social contract that prevailed since the Second World War. Finally, attention must be paid both to the growing concentration of capital that points

⁴ Which in fact is more re-regulation than single de-regulation (Bonanno et al. 1994a).

⁵ Namely the role of a number of influential think tanks not only contributed to the theoretical development of neo-liberal ideology but were instrumental in the spread of neo-liberalism through the media (Dixon 1999 and George 1999) and objectively reinforced by the paradigm shift from the Keynesian to the neoclassic models that occurred in the academic realm (Moreira 2003).

⁶ Fear of facing negative evaluation from the financial markets and the resulting consequences forced governments, such as Brazil, to conduct conservative policies even when elected with a mandate to oppose such policies.

⁷ Not assuming that standards and codes "... rely heavily on an Anglo-American style of corporate governance and an arms' length model of financial development. They close off alternative paths to financial development, of the sort that have been followed by many of today's rich countries (for example, Germany, Japan, or South Korea)" (Rodrik 2001:7).

⁸ Such as Rodrik (2001 or 2002), Samuelson (2002) and Stiglitz (2001 and 2002), as well as a paper from a leading team of economists of the IMF (Prasad et al. 2003).

to oligopoly trends verified in many sectors, involving a relatively small number of TNCs, and to the relevance of intra-firm trade⁹. All of these developments are at odds with the idea of a competitive market and serve essentially to avoid market relations (Watts & Goodman 1997).

However, the reach of economic globalization cannot be fully understood without consideration of geo-political dimensions in order to explain the large gap between the liberalizing rhetoric of the richest countries' governments and their concrete actions. In fact this rhetoric is often ignored, such as instances when governments promote and support their "national champions"¹⁰, or when ordinary trade rules are differently enforced according to the provenance of the goods¹¹. In the agro-food sector when influential political corporations or particular constituencies are hurt by imports, the usual procedure was to use tariffs. However, due to commercial agreements related to globalization, an increasing use of non-tariff barriers has been observed, under the guise of sanitary and health concerns¹².

This double standard, particularly involving agricultural trade, has been a standard procedure of the richest countries, to such a point that allowed Jacques Berthelot (2001) to entitle his book "Agriculture, Globalization's Achilles' Heel".

THE ACTORS OF THE GLOBALIZATION PROCESS: DYNAMICS AND RELEVANCE

TNCs, the critical actors of globalization, seek to expand capital's reach beyond the nation-state boundaries through highly complex and contingent dialectical relations with local actors, such as state apparatuses, local capitalists, workers and peasants. To understand the logic and dynamics of the process, the following argument can be enlightening: TNCs do not act in the same way as local actors; they do not share the same degrees of power when dealing with countervailing powers present at the local level, and they do not have the same flexibility and knowledge needed to face the opportunities and the threats associated with particular locations. In fact, it seems that between global and local capitalists there is a kind of division of capital reach, that is, they follow non-written guidelines that determine, for each type of business, when competition is expected and when it should be replaced by partnerships between TNCs and local capitalists.

Relating global corporations to local capital is easily addressed by demonstrating the distinctions among three types of corporations. This approach considers that TNCs have different logic and dynamics according to the sphere in which they predominantly operate: production-driven, commercial-driven, and speculative-driven. Following are main characteristics that differentiate these types (Moreira and Gerry 2003).

Production-driven corporations deal with labor, organization of production, management and marketing issues, and have to face production and commercial risks. Investments are usually important and durable, meaning that decisions to de-localize are more difficult to make, and highly dependant on the amount of incentives that can be obtained from the host country. Furthermore, this type of corporation must use innovation to maintain or improve its competitive skills, which usually implies large amounts of capital and highly qualified workers to face the R&D involved¹³.

Commercial-driven corporations are able to avoid production risks and to reduce commercial risks by transferring part of these to local production units. Also, they do not need to deal with production labor, production management and production-related marketing. Furthermore, they have much lower constraints to

⁹ More than 30 per cent of the total in the beginning of the 90s (Markusen 1996).

¹⁰ When speaking of national champions, I am referring to leading national corporations that from the beginning of capitalism have been assisted by governments, namely when they expand their business abroad. Historically, it is enough to refer to the frequent US intervention in Latin American that resulted in the expression "Banana Republic", or the famous statement that "what is good for General Motors is good for America". This practice did not end with globalization, regardless of the liberal rhetoric. One has only to look at the economic diplomacy developed by different governments that applies enormous pressure to support their nation-based corporations as has been widely reported by the business press and can be illustrated by the support of US government to assist Boeing, and from European governments, namely France, to support Airbus. This can also be illustrated by the protectionism granted by the Bush administration to facilitate the reorganization of the steel industry, under pressure as a result of intense competition from imports.

¹¹ Cruz and al. (1991), from the Centro de Investigaciones Economicas of the Universidad Autonoma Chapingo, provided evidence about the different treatment by US health authorities toward tomato imports from Mexico, this treatment being extremely severe when these imports compete with US internal production and lax in the periods when US producers suffer any damage. See also Conroy et al. (1996).

¹² In spite of the rejection of these practices by the General Agreement on Tariffs and Trade (GATT) or by the World Trade Organization (WTO).

¹³ Frequently, competing TNCs establish temporary strategic alliances to meet these necessities, particularly to face high R&D costs (Petrella 1996).

de-localize since the importance and durability of their operations usually are not comparable with production-driven ones.

Speculative-driven corporations do not have concerns about production and commercial activities, therefore escaping the correspondent risks. Furthermore, taking advantage of information technologies, they can reduce high wages for the skilled labor they need, using labor outsourcing from low wage countries such as India.

When passing from abstract theorization to the real world it can be difficult to assess the core business of many TNCs, since they can be involved simultaneously in production, circulation and speculative activities. In fact, only by consulting accounts or annual reports can we gain some idea about what is more important to a concrete corporation, whether it be production, circulation or speculation on financial markets.

Global sourcing and the feasibility of controlling business at large distances in real time contributed to the change in status of many long-time manufacturers and to the development of new types of industries. That is, some industrial TNCs rely on partnerships involving local or global capital instead of using their own facilities to produce their product. In those situations, TNCs work as coordinators of local smaller subcontractor operations, many of them owned either by local capitalists or by partnerships between local capitalists and other TNCs¹⁴. Using this strategy, some TNCs maintain the status of manufacturer and are closer to typical commercial-driven production, since they can avoid production-related restrictions and risks through a wide use of contractual arrangements with local or global producers.

The meaning of empowerment of speculative-driven capital must also be stressed. The strategic money, according to Aglietta (1992), is controlled by investment and pension funds, meaning that the respective management and the technical staff in charge of rating and auditing global corporations have gained an overwhelming power. This situation raises concerns since all this power, only visible through the so-called market judgment, resides in the hands of people who are not politically responsible, who remain in the shadows and, furthermore, constitute everything but an effective market (Krugman 1997).

Finally, attention must be given to the logical contradiction between speculation and other types of activity. In fact, speculation is not favorable, to production or to the commercial activities, but since many TNCs do not disdain the practice of speculation, it is understandable why we do not observe a clear opposition to financial speculation inside the global capitalistic world¹⁵. The same applies to land speculation that blocks land property changes and difficult agrarian restructures, but which do not provoke particular concern in the capitalist world¹⁶.

Non-capitalist forms of production are the most affected by this agreement between global capital factions, while local capitalists could be affected when involved in production or in circulation. However, they can also take advantage of speculative opportunities using the international financial system and its safe havens.

Production-Driven Agro-Food TNCs

Massive TNCs involved in agriculture and food production are a good example of how production-driven global capital remains relevant to giants such as Nestlé, Unilever, Kraft Foods (the food branch of the Altria Group, that also includes Philip Morris and Nabisco), Cargill enriched with the acquisition of Continental Grain and its Joint venture with Nippon Meats, ConAgra, Danone and Parmalat¹⁷. TNCs such as Dole (includes Bud Antle and Pascual Hermanos), Del Monte and Chiquita are also directly involved in the production of fresh products even if they do not reject contracting local operators or even use local markets to acquire products that will be sold under their brand name (Raynolds 1997). Others are deeply involved in the production of agricultural inputs such as Monsanto (seeds, herbicides, biotechnologies, etc.), Dow Chemical (agro-chemical, agricultural services, etc.), Dupont (including Pioneer Hi-Bred, a leading seed producer, crop protection, etc.), Hoechst, an agricultural branch of Aventis, which is the result of a merger with Rhone Poulenc (agro-chemicals and biotechnologies), John Deere and Caterpillar (machinery). And last but not least, it is important to mention the formation of clusters linking input providers with other firms downstream in the food chain, such as Monsanto/Cargill, Novartis/ADM (Heffernan 1999).

¹⁴ Castells (2003) uses the Cisco example to underline the novelty of an industrial corporation involved in manufacturing that does not own production facilities.

¹⁵ Chesnais (2000:41) quotes a 1993 IMF publication (*International Capital Markets, Part 1, Exchange Rate Management and International Capital Flows*) indicating that currency operations conducted by the financial departments of TNCs are increasingly regarded as the pivotal center of the profits.

¹⁶ Contrasting with the logic of land reforms in Japan and South Korea imposed by the U.S.

¹⁷ Parmalat is an Italian based dairy TNC that recently gained notoriety when it was involved in a financial scandal that led to the bankruptcy of the firm.

When facing local competitors, large TNCs tend to acquire smaller businesses to profit from desirable assets, market power, and/or interesting innovations. Three instances from my own country (Portugal) illustrate this type of procedure at the agro-food level: the acquisition by Nestlé of Longa Vida, one of the leading national brands of yogurt, followed by its de-localization of production activities to Spain, the purchase of the leading Portuguese tobacco manufacturer by the Philip Morris corporation, during the privatization of this firm, and the acquisition of the facilities of a union of dairy co-operatives by Parmalat.

Important differences can be found between old TNCs -- which had their brands produced in their own plantations and/or food processing facilities -- and agro-food corporations that are only directly involved in the production of particular segments of the agro-food commodity systems. These are the companies involved in the production of higher value-added goods such as the global poultry complex (Constance & Heffernan 1991). These companies rely heavily on vertically integrated local producers or independent producers under a variety of contracts to obtain raw materials or low value-added intermediate products. And unlike previous periods when national boundaries could not be so easily by-passed, this strategy is widely used, presently, as a result of global sourcing.

Commercial-driven TNCs

Icons of globalization such as Carrefour, Auchan, Tesco, Sainsbury, Ahold, Tengelmann, Metro Group and LIDL, and the world number one in stock capitalization, Wal-Mart, are examples of the relevance of commercial-driven capital.

The growing importance of these TNCs is based on their significant financial leverage and market power. Unlike a production-driven corporation that obtains most of its profits through enhanced field production efficiency, the major source of profitability of the commercial-driven TNC derives its power and position from the market place, namely the possibility of receiving cash and the subsequent ability to pay its suppliers within 60 to 90 days. These TNCs are fierce competitors that, using their financial leverage, increase their market power by forcing less efficient companies to discontinue or sell their operations. The 2000 summary report of the state of world grocery retailing published by the British Food Journal provides sufficient evidence of these trends, as it discusses key examples such as Wal-Mart taking over Asda in UK; the merger of Carrefour with Promodès resulting in the creation of the largest world retailer; and the acquisition of 50% of the Scandinavian ICA by Ahold, following the acquisition of a stake in La Fragua in Guatemala, Honduras and El Salvador (Higgins 2001).

On the other hand, it must be stressed that even though they may not be directly involved in production, large TNCs tend to remain concerned with agro-food production issues. This situation is due to the fact that food retailers attract consumers more frequently than retailers in other sectors in a context in which product quality and safety remain important predictors of food consumer preference. Accordingly, TNCs representatives visit fields and factories testing product quality and taking up a regulatory role previously carried out by the State. Additionally, as Marsden (1997:184) put it "... they have become major players in the social definition of the foods and the images and identities of food".

Speculative-driven TNCs

Speculative-driven corporations share a logic and dynamic that depends largely upon the will and capacity of the state to regulate. Given the present interconnection of the financial world, this dynamic can only be changed with the political support of the hegemonic countries, that is, the G7.

This type of corporation can play an important role even if it is not particularly concerned with agro-food production, commodity marketing, and location issues, (except if it can count on fiscal exemptions), since:

- the financial speculators interested in agriculture commodities can be one of the main factors in price variability¹⁸;
- very successful speculation could create situations where, if there is an excess of liquidity, the practice of buying relatively cheap land will increase, contributing to freeze the land until a new business opportunity appears¹⁹;

¹⁸ "Speculation that incorrectly anticipates future events increases price variability, but speculation that correctly anticipates future trends reduces price variability" (Tomek & Robison 1972:38).

¹⁹ *Business Week* reported the acquisition of land in Argentina by known speculators such as George Soros. This is not to mention the usual practice of wealthy people buying land as a mean to obtain insurance against inflation.

- industrial reorganization can be the result of raider speculation, where assets are bought, purposefully, to be split for future sale, with an uncertain predictable appraisal of the outcome's cost-benefits.

Considering the relative importance of production and commercial-driven global corporations, it is now well established that the latter have gained importance in relation to the TNCs mainly involved in production. This shift of power frequently involves price wars and a squeezing of the weaker chain's margins. Additionally, agreements or even partnerships would be established that involve procedures such as on-line electronic orders to facilitate just-in-time procedures, more convenient production schedules, and more efficient logistics. It seems logical that the leading actor responsible for this innovation, usually a large retailer at the final part of the commodity system and possibly the processing corporation in intermediate phases, appropriates the gains of efficiency. This means that traditional producers that do not want to, or are not able to be included in these partnerships, will have hard times, not only in terms of further price squeezes, but they also risk being replaced by others that fully comply with the requirements of the buyers.

At this point a break for reflection is needed. The examples given of global players in agro-food production should not be interpreted as if agro-food production has become completely globalized. The emergence of global production systems (Bonanno et al. 1994 b) is observed, and some TNCs have developed centralized instead of multi-domestic strategies. All these phenomena provide evidence of very important changes and represent the trend for the future of agriculture and food if globalization continues. However, as Goodman and Watts (1997) argue, not all TNCs have reached similar levels of globalization, and locally based agro-food production has not lost relevance on the global scale.

FUTURE TRENDS

As already mentioned, in considering future trends I will use a framework based on the concepts of substitutionism and appropriationism (Goodman et al. 1987) that seeks to explain the industrialization of agriculture. This framework is also based on the technological treadmill (Cochrane 1979) that shows the logic of the structural dynamic induced by market competition between farmers²⁰.

Allow me to start with a general trend that seems independent of globalization. I refer to the increasing importance of the service and processing sectors in relation to agricultural production. This is a fact that has been underscored since Kautsky wrote *The Agrarian Question* and there are no signals that it will be reversed. On the contrary, the industrial world will increase its influence on traditional agricultural tasks by proposing industrial forms of production. And the substitution of agricultural products will continue depending on R&D and corporate strategies. In addition, the search for higher productivity on the farm level will also continue, applying the principle of the technological treadmill, as innovations improve productivity through efficiency and increase competitive advantages. Among these new technologies it is worth mentioning precision agriculture and long distance field monitoring of the water supply, fertilizer needs, and pest control.

Consequently, it seems safe to assume that the structural change promoted by the agricultural technological treadmill will continue its historical development and will accelerate primarily in less developed countries. It will result in an intensification of the search for enhanced agricultural productivity in fewer farms, and the creation of larger farms. Despite the aggressive support by international agencies, this trend is widely criticized and this critique could play a role in providing visibility to alternative technological models. In general, what is unpredictable is the velocity of these changes, velocity that is strongly influenced by globalization.

Also, regardless of the evolution to globalization, the continuous withdrawal of state-sponsored R&D will be maintained due to the persistent fiscal crisis of the State. Accordingly, large TNCs, particularly those involved in high resource-based biotechnological and genetically applied research, will have clear advantages raising barriers to the entry of new competitors. This trend should be a matter of major concern since the research agenda is increasingly more dependent on corporations' profit-enhancing strategies and their focus on short-term results rather than environmental and health concerns. The debate concerning GMO products exemplifies the perils associated with this short-term logic.

²⁰ Substitutionism concerns industrial production that substitutes for agricultural products (synthetic fiber replaced the need to use natural fibers in textile industry); appropriationism refers to the increasing industrial development of new ways to perform traditional agricultural tasks (machinery and fertilizers replacing animal force and manure, respectively); and finally the technological treadmill, i.e. the continuous quest for higher and higher levels of productivity induced by the innovation in a competitive market environment, which is greatly enforced by the use of credit.

The Rationale Of The Two-Scenario Approach

I will focus on the most feasible of the short and medium term situations. This means that extreme situations not fitting with the current balance of powers will not be considered. This includes anti-globalization due to chaos in key points of the globe and the surge of generalized wars involving the US, EU or Japan, and, on the opposite side, a radical globalization that calls for a complete world economic integration.

Avoiding these extreme situations, the first scenario considers intensification and a deepening of current globalization features. The feasibility of this scenario probably should include some changes, highlighted by academics, to overcome the most evident shortcomings that fuel grass roots anti-globalization or alternative globalization movements. This scenario of “natural” development of globalization will be termed here as “more globalization”. At the other extreme is the scenario of a “backlash of globalization” (Bergstein 2000). Here I refer not to the complete reversal of globalization, but to a clear slowdown of the process and an increase in the levels of protectionism, particularly among the more relevant economies and in specific areas.

The rationale for the backlash scenario is based on recent events signaling important changes that contradict the logic of globalization. Some of these changes are international in nature while others are specific to the US internal context and are relevant due to the hegemonic power of this country²¹. At least four major phenomena could favor this scenario: the poor image of many TNCs; the global finance system; the so-called “war on terrorism” and other US policies, some shared with the other major economic blocks that are contrary to the logic of globalization. In regard to the TNCs’ image, it suffices to examine the extensive and impressive list of leading icons of Corporate America (joined by some European based corporations such as Ahold and Parmalat) that were found guilty of cheating not only state regulators, but also their shareholders and employees²². These illegal practices have been supported by major banks and covered by audit firms resulting in breaking the confidence on which most of the financial markets are based. These events, which affect the corporate world and put in jeopardy the transparency and reliability of corporate accounts and accounting standards, are being considered, from neo-liberal opinion makers, dangerous menaces to the future of the capitalism. In fact, it is enough to read the editorials of *Business Week* and *The Economist* to see the concern originated by these shortcomings of a fully de-regulated economy left alone to its own devices.

The global financial system can be considered as crisis-prone. The series of crises affecting the system are impressive: the debt crisis of the early 1980s; the Savings and Loan scandals of the same period; the crash of Wall Street in 1987; the monetary European crisis in the beginning of the 1990s; the Mexico crisis in 1994, and the Asian crisis in 1997 spilling over Russia and Brazil. As (Bergstein 2000) put it, “Private capital flows can de-stabilize—being too big at one time and too little at another—and there has been a failure to put in place any substantial reforms to improve the prospect for stabilizing the system in the future”.

In the same manner, the perceived shortcomings of previous privatization, and the necessity of state-led rescues when things go wrong, strengthen the perception that the movement based on the Washington Consensus has gone too far (Stiglitz 2003).

The “war on terrorism” brought a fundamental change in the US position concerning financial markets, contradicting its previous opposition to financial regulations. In addition, the concerns about intentional acts that could undermine food security or food safety constitute additional grounds for supporting at least some precautions that could result in the backlash scenario. Intentional acts are possible threats from a variety of actors, ranging from economic criminals who might attempt to disrupt normal food commodity chains from obtaining financial gains (betting on futures, for instance), to acts that come under the label of terrorist acts. Patrick Mooney, in an oral presentation at the 2003 European Congress of Rural Sociology, referred to considerations being addressed in the National Research Council, involving corporate and US administration representatives²³.

²¹ Even accepting as Wallerstein (2001) that the US power and room for maneuver have greatly diminished since the 50s, one has to agree that besides its uncontested military supremacy the US still has a more than proportional power in the world economic life, IMF, World Bank and in OECD only to mention some particularly important institutions.

²² See the extensive list of 10th June 2002 edition of *Business Week*.

²³ “In many ways, attacks on plants and animals may be easy to mount. Agricultural crops and animals are often grown, housed, or grazed in relatively high-density and uniform conditions, which make the spread of disease and infestations more rapid and effective. Genetic homogeneity, often desirable in agriculture to optimize yields or nutritional content, adds to the vulnerability of crops and animals to epidemics.” (National Research Council, 2003:22). I want to thank Mooney for this quotation.

The move of the US government from its traditional pro-trade liberalization position in GATT and in the WTO is also a major fact to consider. When the Bush administration raised taxes on imported steel and introduced a dramatic increase in farm subsidies, even at the risk of being condemned at the WTO and facing the menace of possible retaliation, this represented decisions at odds with globalization rhetoric. Whether this is the result of an election ploy or for other reasons, the US administration has adopted a non-traditional anti-liberal position that not only can slow the pace and weaken the neo-liberal globalization process, but also gives powerful arguments to critics of globalization.

Food and agriculture-related issues constitute another instance of the contradictory position that governments of the most developed countries maintain on globalization. Governments of the most developed countries intervened to control unwanted consequences of globalization at the domestic level. They kept globalization impacts under close control. As indicated above, the double standards that give protection to many farmers when facing external competition (either through tariffs and non-tariff barriers or exporting subsidies or other mechanisms as international aid to control oversupply, etc.) are cases in point. Consumers' concerns about food safety also forced government actions such by the compulsory massive slaughter of cows in some European countries due to BSE and food and mouth scares. Consequently, global agricultural commodities and global food did not reach the levels of integration and liberalization achieved by other commodities.

However, this does not mean that globalization has been neutral to agriculture and food related issues. While hegemonic countries did not consider the objective of globalizing agriculture and food a priority, we must not forget that only until the Uruguay Round, was agriculture included in the GATT. The agriculture and food sectors of the most dependent countries were the first to be forced to adapt to the requirements of global capital.

The Two-Scenario Approach: Backlash And More Globalization

The following matrix relating globalization to the concepts of substitutionism, appropriationism and technological treadmill synthesizes the foreseen trends.

	Globalization Backlash	More Globalization
Substitutionism	A strong trend to the reinforcement of substitutionism practices to take advantage of the opportunities that less international trade will offer.	More international trade usually means that substitutionism is more easily challenged. Mass products at low prices are not a particular incentive to substitutionism.
Appropriationism	New opportunities for small firms to challenge established oligopolies, which can give rise to innovations if the internal markets are strong enough to support them.	Considering the importance of oligopolies on expanding markets, it seems that consolidation practices are more probable than new surges of innovation on this matter.
Technological Treadmill	Depending on innovation and market competition, there is an undetermined forecast since trends to Substitutionism and Appropriationism move in opposite directions.	The same. But probably the most dramatic changes will be noticed in the less developed countries involved in international trade, since WTO determinants will be more important than the local, consequently unleashing the treadmill.

Under the backlash scenario the trend toward increasing long distance agricultural competition will slow down, but competition inside each country or economic area will be maintained or intensified.

With regards to the upstream of agricultural activity, globalization has been important in intensifying the reach of large TNCs that have been reinforcing their position through the already mentioned merger and acquisition phenomenon of the last three decades, namely concerning seed and agro-chemical suppliers. Under the backlash scenario, the pace of higher levels of global concentration of capital tend to slow down, meaning that new windows of opportunity will be open to smaller innovative firms that could count on higher levels of protection vis-à-vis foreign takeovers.

Concerning activities downstream of agriculture it is logical that substitutionism will flourish in a backlash scenario, particularly in larger countries or integrated economic areas with large markets. However, one type of substitutionism related to new product lines could be affected under this scenario. I am referring to the so-called functional food, nutraceuticals (that is, food with pharmaceutical proprieties) or techno-foods, which greatly benefited from the anti-regulation mood adopted by the Food and Drugs Administration²⁴.

The importance of these products will probably increase under a more globalization scenario, since it will be easier for the world's wealthiest fraction to access them. In fact they fit well on the main food choice trends related to the concepts of "efficient nutrition", "the hypochondriac factor", "the time factor", the "guilt-free indulgence", the "convenience plus" and "the sensory experience" referred to by Gray et al. (2003).

Finally, two distinct paths for agricultural production (in the strict sense) will be intensified, particularly under the scenario of more globalization. The first involves the growth of the agricultural productivist technical models. This is a path that still follows Fordist features and will be used to produce the bulk of fiber and food raw material aimed at the mass market. The second path is more flexible and relies on non-productivist technical models to generate agricultural goods. These goods are aimed at local and global niche markets. The actors involved in this latter path will suffer most if the backlash scenario becomes reality, since this premium global market will experience growth difficulties. These niche markets involve a greater traceability of the commodity system, from the producer to the consumer, often controlled by the retailers. However, enhanced marketing strategies can take advantage of items such as "guarantee of origin" or "guarantee of production process" or new farmer-owned brands and can benefit greatly from the opportunities brought about by the Internet. They require cooperation between producers and governments to enforce their favored legal status.

It is difficult to predict the way in which relevant criticisms about the inner contradiction between the current industrial type of agricultural development (more specialization and monoculture) and the ecological sustainability would be addressed. This refers to the contradiction between the call for the growth of a more diversified and smaller scale production aiming at assuring ecological sustainability, and models that focus primarily on economic sustainability based on cost-benefit analyses that often disregard the computation of existing externalities. Furthermore, the pace to reach higher levels of specialization and concentration could also be altered if preventive policies are implemented such as those established to diminish the risks resulting from intentional acts or non-intentional shortcomings, i.e., the spread of epizooties. These questions addressed by the non-orthodox critics about the dominant agro-food development model probably could be more easily tackled under the backlash scenario than with more globalization.

CONCLUDING REMARKS

Globalization is characterized by a large number of extremely important changes in the economic and political spheres some of which have been highlighted in this article. It needs also to be stressed that globalization as an agency-led process is a highly contested and disputed arena showing a profound gap between the rhetoric and the underlying ideology - extremely liberal and pro-market - and a praxis that reveals a much more complex outcome. That is, the globalizing idea, even being hegemonic inside the most relevant nation-state apparatus, is tempered by state pragmatism that responds to power relations capable of putting aside neo-liberal ideology in order to favor specific interests. The visibility of these specific interests varies significantly from context to context. It is quite apparent in the US institutionalized lobbying system but more difficult to identify in most countries.

Highlighting the importance of this game of power helps understand other aspects of globalization that transcend the economic sphere and support the idea of globalization as a utopian project²⁵. The following two

²⁴ As Francis (2003) put it "The legal system has served industry well, as critics of nutritional claims or groups opposed to campaigns such as the Nestle Corporation's promotion of powdered milk formula have learned through bitter experience. One of the first victims of legal procedures seems to be the truth about nutrition."

²⁵ Utopia clearly illustrated by Rodrik's (2002:13-14) thesis that the global economy faces a political trilemma, that is, "the nation-state system, deep economic integration, and democracy are mutually incompatible. We can have at most two out of these three. If we want to push global economic integration much further, we have to give up either the nation state or mass

aspects illustrate my point. The first refers to the almost total liberty of movement granted to capital as opposed to the barriers to labor movements. The second consists of the lack of concern, and the absence of agreements between countries, about-facing the need to promote global goods, that is, to assure that the needed global investments and the efficiency of global organizations that go beyond the reach of each particular country are met. I refer to the ability of investments and organizations to respond efficiently to global threats, such as global health and sanitary problems, and to global environmental problems as stressed by the Kyoto protocol saga.

At the TNC level, the emergence of commercial-driven giants as first class competitors is remarkable as they have gained overwhelming financial leverage and market power. They are increasingly the main players in agro-food matters, to the point that they feel the need, and are quite capable, of taking into their own hands new forms of regulation that the nation-state is not willing to, or cannot, carry out. And it must be stressed that financial capital gained extreme power to influence economic and political agenda under globalization.

Finally, it must be underscored that my considerations of future trends should be taken with caution, since the sequences presented are the sole result of a logical reasoning based on a number of past trends. However, we must avoid any idea of determinism since the direction and velocity of these global changes strongly depend on contingent processes.

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NEW CHALLENGES FOR THE PLAYERS IN GLOBAL AGRICULTURE AND FOOD

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INTRODUCTION

The objective of this article is to address three general questions about globalization: 1) what are the major features of globalization? 2) who are its major actors? and 3) what is the outlook for the future? As in the case of the other articles included in this issue, I will use my current research to address these questions. In particular, I will employ the theme of the social creation of food quality and its application to fresh fruit production and consumption to illustrate salient aspects of globalization.

Commodities that circulate in food markets of the world have codes and standards defined according to particular ways in which local and global relations take place (Busch 2000). In this sense, they have a particular life and dynamics. Appadurai (1999) suggests that their life course may be shorter or longer; some commodities may be of recent construction, may disappear, or be replaced by new ones, thus revealing social processes in which capital, labor, territories and technology are involved as well as new signs attached to it. For example, as observed by Goody (1994), the particularities of a commodity's life course may explain changes in content and hierarchy according to the way items are declared luxury goods and objects of consumption for a particular society's upper class or end up as items of mass consumption. The main debates concerning these issues point to the significance of networks - a linkage of objects and subjects involved in the globalization of agriculture and food - and to the relevance of following the actors, including commodities, to understand the constructed nature of food systems (see Bonanno et al. 1994; Friedland, 1994; Goodman and Watts, 1997). Busch (2000) makes the point that globalization actually depends on the standardization of goods. He emphasizes that the whole process of making quality food requires a set of standards. These standards are instrumental in the competition for the ways in which control is established along the supply chain and, as a result, become objects of disputes and resistance.

Employing the relationships that connect producers, workers and consumers in a restructured agricultural site located in the Brazilian Northeast, the San Francisco Valley, the article explores aspects of this debate by underscoring the intricate connection between food 'quality' and social inequality that is a result of the process of globalization. Remote regions of the world - such as the one studied here -- are increasingly part of uneven and hierarchical networks, linked through competitiveness and productivity. Codes and conventions (Barrientos et al, 2001), grades and standards (Busch, 2000) intrude on the way in which commodities, territories and people enter into the evolving networks of the globalization of food, as well as revealing distinctions and inequalities that develop along supply chains (Tanaka and Busch 2003).

Data for this article were collected through a research project carried out for nearly a decade that monitored developments of the San Francisco Valley horticultural region. Empirical evidence has been collected using qualitative methods. These procedures included in-depth interviews with male and female farm workers as well as other key informants. Additionally, following the commodity chain from production to retail, data were collected at fruit and vegetable sections of a Supermarket.

The article opens with a brief discussion of some aspects of global agriculture and food that relate to the social creation of quality and the production of quality food products. In this context, some analytical items generated from the study of the San Francisco Valley are introduced. The second section of the article briefly probes the issue of the construction of quality adopting a North-South approach. It is maintained that the creation of a quality food demand in the North involves changes not only in consumption but also in production and social relations at various levels. The following section discusses in more details the case of the San Francisco Valley in Brazil. In particular the cases involving the production of grapes and mangos are discussed focusing on the impact the existence of quality standards generated for local producers. Many of those producers could not meet the global quality requirements and went bankrupt, providing instances of the creation of inequality through the introduction of quality standards. Additional inequalities are discussed in the next section. Here the construction of quality food in the San Francisco Valley is illustrated in tandem with the exacerbation of age- and gender-based differences between women and men and the counteractions that some groups carried out against the empowerment of female workers in the region. Some concluding considerations end the article.

GLOBAL AGRICULTURE AND FOOD AND QUALITY

While competing definitions of globalization exist, I would adopt that of the noted British sociologist Norman Long. He states that globalization refers to "the rapid dissemination of scientific knowledge and technology, culture and communications, the restructuring of work, industry and economic life, and the fragmentation and reorganization of power domains leading to the emergence of new social and political identities" (Long, 1996: 37). There is also significant agreement that globalization is a process characterized by the faster circulation of objects and subjects around the world that entails a greater need for the existence of standards (Busch 2000; Lash and Urry 1994). These standards make commodities eligible to circulate according to consumer demand and awareness but may result in preventing some people and nations from participating in the markets. Food distribution may reveal or activate social divisions that are historically and contemporaneously present in the world. Based on that assumption, it is presumed that some people and some nations are likely to be included or excluded from those relations and networks altogether due to the fact that they lack the necessary elements or conditions required for participation. Therefore, as Castells (1998:357) comments, globalization is not a homogenous process; the ways in which things are globalized differ, as do the globalizers (Friedland 1997:230). This unevenness of globalization "rather than homogenizing the human condition, ... tends to polarize it" (Bauman 1998:18). There is, therefore, an arena of contention, revealing confrontations and conflicts among agencies in social contexts in which the broader spheres of production, circulation and consumption of goods are shaped.

Agricultural commodities and the production and commercialization of agro-foods have changed over the past twenty years and new "financial circuits, productive technologies and conditions of the market have transformed the conditions of production" (Raynolds, 1994:143). These transformations of agricultural practices have encouraged increasing levels of competition among those who participate in global circuits, easily observed in the places of fruit distribution such as the port of Rotterdam. Products from several parts of the world are brought in from different continents, competing against each other in markets, under a shadow of "quality."

Products are elements and outcomes of social relationships. As Storper and Salais argued, (1997:17-18) products are created according to 'conventions' – "a rule which is taken for granted and to which everybody submits without reflection, the result of an agreement (a contract) or even a founding moment (constitutional convention)." These are translated into a language of understanding and compromises between consumers and producers that provides the grounds for the establishment of patterns and standards against which their performance is assessed. The construction of quality products requires knowledge, technological capabilities and labor; products are, therefore, constructed and marketed through a set of social relations that develops along with these processes.

Although a dynamic and variable concept, quality is a measurement for control and evaluation in the market dynamics. A definition of quality establishes the relationship between producers and buyers and it is a mechanism by which trust is established among social actors, trustful exchanges may take place, and regulations are activated. Quality is often considered as the driving force for innovation and restructuring of production and production sites, and it is also influential in the implementation of and justification for labor's controls.

The San Francisco region became known for the specificity of its commodities and dedicated products (Storper and Salais, 1997:29). There, the production of 'quality' fruits was identified as the road to the development of the region in a global context featuring intense competition. The increase in the proportion of value added to commodities and the novelty of products and markets in which they circulate have combined to enhance the role, relevance and meaning of defined standards. Those standards are also the measure to evaluate the success of producers and laborers.

Elsewhere (Cavalcanti 1997; Marsden et al. 1996), I illustrated the limits by which the quality of commodities is combined with other qualities such as those of labor and the environment. Men and women may experience the impacts of globalization in their lives in different manners (Cavalcanti et al 1998). In the cultivation of grapes, the feminization of the labor force is one of the outcomes of the gender division of labor. Women are more sensitive to beauty and more gentle dealing with grapes, therefore are more skilled in structuring the grape bunches for export. They are a better choice of labor for this commodity and this situation, in turn, makes them feel empowered. A clear example of this is offered by the impressive percentage of women (sixty percent) participating in the 80,000 member Rural Workers Union of the Valley in spite of the macho bias in the local society. Branco (2001) also

argues that migrant women were happy with their job in viticulture because they became more independent in regard to their partners, family, and to the overall life they had before migrating there.

This gender division of labor, however, generates negative impacts on women's lives. Female workers complain about sexual harassment that they experience while being transported to the fields along with male workers. Additionally, they are threatened with losing their jobs because of their union membership and the union pro-woman agenda. There are entrepreneurs, but also family farmers, who counter these women's Union membership and activism because of the agenda they were able to build: women's rights, maternity leave, and motherhood rights. Consequently, managers proclaim that women have become very expensive labor and want to reorganize viticulture by hiring men only. Paradoxically, high levels of resistance to established forms of labor control, feminist and union militancy, along with the emergence of an ethical trade movement are employed to legitimize added value for local commodities. Currently, in the San Francisco Valley, the quality of mangoes and grapes is advertised based on the fact that they are produced by equal opportunity farms that give actual preference to female workers.

CONSTRUCTING 'QUALITY' NORTH/ SOUTH LINKAGES.

The circulation of goods in the global market creates specific global/local and North/South linkages that, in turn, transform both the North and the South. In the case of the creation of quality agro-foods, the transformation of the sale and consumption of exotic fruits in the Northern markets is paralleled by the transformation of Southern agriculture, impacting, simultaneously, the techniques used and technological changes that accompany the restructuring of rural areas and 'cuisines'. Furthermore, the production of these commodities carry with them the often overlooked features of exploitation and the creation of social inequalities (Lash and Urry: 1994: 1).

The case of 'luxury' goods is telling. There is a consensus among authors that the transformation of goods and their 'fresh' contents are outcomes of technological changes and labor processes, including timing, harvesting and selling, practices and conditions of storage, packaging and transportation. Jack Goody (1994) discusses such features in the development of production and marketing of flowers stressing the ways in which flowers -- their varieties, colors and meanings --- have changed as they are marketed around the world. He calls attention to the effects of new markets on the varieties and quantity produced and that of their symbols and images on their production and commercialization. From luxury to necessity goods they have been developed through a combination of means and technological changes; technological changes may further drive consumption. Goody gives a clear example of how technological changes brought about new patterns of consumption. "As mercantile capitalism gave way to industrial capitalism the market expanded, in terms both of supply and demand, and what were at one time luxury goods were seen as objects of increasingly wide-scale usage until they eventually became items of mass consumption... moving from category of luxury to necessity" (1994:210).

Using an example of the flower market, says Goody, "The market dealt with more than cut flowers alone...Each of the floral products were in their turn affected by the successive changes in transport, bulbs, seeds... from Holland... to Brazil, to Russia (1994:211)" In this way, distant parts of the world were supplied with annuals and other plants from the more temperate areas of Europe. The sophistication in transport and cooling devices has also impacted the selection of management strategies used in the sector and created a need for change in the commodities as a whole. "Since the flower trade dealt in luxuries, the market expanded with rising standards of living and with the coming of train, truck and airplane..." (Goody, 1994:231). From 'natural' to high value products, these examples show the extent technology contributed to the 'industrialization of agriculture: a process marked by the distinct social relations and inequalities that drive them.

There is also evidence that social inequalities within countries with higher consumption of those goods (as in the North) do not allow all citizens to consume the same 'quality' goods. In spite of the expansion of the fruit market in the United Kingdom, not all fruits reach all markets with the same standards; local markets and superstores offer distinct 'quality' products; there are markets -- and markets; people's choices and consumer performance in the markets may be restricted because of their distinct income, ethnic diets, and so on. Therefore globalization engenders inequalities at the consumption as well as the production levels.

CONSTRUCTING QUALITY IN THE SAN FRANCISCO VALLEY

The fruit region of the San Francisco Valley produces more than 90% of the total Brazilian export of table grapes (36,848 tons of table grapes with a value of US\$ 58,740,000) and 124,620 tons of mangoes with a value of US\$

68,256,000; (VALEXPORT, 2004). While local producers enjoy a strong and expanding presence in global markets, they continue to promote their products and the region aided by governmental assistance. Producers enhance their competitiveness through the creation of improved colors, flavor, sizes, and fruit presentation. They have learned to advance or retard the fruit maturation phase according to market times, a great advantage to the region. Because there are two and a half harvests a year, grapes are a commodity that requires a large amount of labor, as compared with mangos. In addition, grapes require differing amounts of labor in the pre- and post-harvest times of trimming and packing. Mango for export is grown predominately in the Northeast. However, contrary to the traditional or small farms cultivation, the quality mango for export is a recent development in the San Francisco Valley and there is steady growth projected for this area. The fruit is primarily consumed fresh, although some experiences have indicated developing industrialization of products such as jams, pulps, and for grapes, raisins.

The Valley region was constructed as a result of, and in pace with, Brazilian economic modernization in the 1970s (Graziano da Silva, 1996). The construction of dams to supply electricity, meant to fuel the industrial plans of the Brazilian military government of that time, contributed to the availability of water for irrigation. During this process, the banks of the San Francisco River were cleared and the population relocated, not without resistance by those most affected, the small and poor farmers, *the ribeirinhos* (Sigaud, 1992). To deploy the water, a plan for agricultural development was presented, providing a means for agriculture under irrigation, which was also intended to soothe conflicts following the displacement of '*ribeirinhos*' riverside farmers.

One must understand the relevance of this restructuring of the region for both local development and Brazilian exports considering that only 0.37 percent (3,169,000 hectares) of Brazil is irrigated (Euromonitor, 1999) and that the San Francisco Valley has around 120,000 irrigated hectares. Around 70,000 hectares are fully in use; this number represents 23 per cent of the 774,000 irrigated hectares in the Northeast. Technological and research developments provided a more intensive use of land and multiple harvests per year (two and a half, in the case of grapes) as well as the opportunity to adjust the plots to the timing of market demands. There are several packing houses in the region, installed in around 160,000 m² and freezing capacity of 68.200 m³,

Government policies provided funds and technical support for the establishment of the CODEVASF (Corporation for the Development of the San Francisco Valley), an agency that coordinates irrigation and technical assistance projects for small and large enterprises. All these activities transformed the semiarid region into an important niche in the food network for world fresh fruit and vegetables (Araújo, 1997). Recent development plans for this region anticipate a doubling of the number of irrigated plots between the years 2000 and 2010 (Brasil, 1996). These changes respond to the reorganization and coordination of the global market (McMichael 1994:7).

The provided infrastructure and the prospect of land and employment attracted migrants from several Brazilian states. Job supply and the dream of a plot to cultivate pulled in thousands of people to the most important Municipalities of the San Francisco Valley, Petrolina and Juazeiro, which speeded up the urbanization process. Seventy per cent of the 175,506 Juazeiro population lives in urban area, whereas in Petrolina this proportion is higher, 73 percent of a population of 218,538. These figures, provided by the IBGE census, reveal a continuous trend towards urbanization, making clear that fruitculture in the San Francisco Valley depends on workers who do not live on the farms. In the total population, female participation is around 51 %.

The presence of different social groups contributed to the specific development of the region. Simultaneously, this new system brought out differences and inequalities that proved to be a particularly fertile ground for growth (Cavalcanti 1996; 1998). Large and medium entrepreneurs, as well as small settlers, came to share the irrigated lands of the San Francisco Valley from the outset. At the beginning of the 1990s, the export of fruits became the main objective in the region; ideological and skill differences appeared between the large and small producers who were competing for markets and opportunities in what they considered "the business of the century".

Mario, an elderly man from the district of Araçatuba, was one of the first to implement grape fields in the Valley. He is the son of a Japanese family who migrated to San Paulo in 1927. His father came to San Paulo to work in a coffee plantation. With his savings he bought a 150 hectare farm and continued as a coffee grower until 1940, when there was a crisis in coffee production. He shifted production to silkworms until 1946; after that he bought a farm in the state of Paraná, where he worked until 1976. Mario worked with his father and in 1970 bought a farm more than 2000 hectares in size in the San Francisco Valley. There he started growing grapes in 1973; for

this he hired a manager and other consultants from Getulio Vargas Foundation in San Paulo. He had a dream: to produce grapes year round. "At that time grape season was only three months and I decided to produce for the national markets during the entire year," he stated, and hired about 800 workers for this job.

As a pioneer, Mario visited other irrigated lands in Israel, and Japanese farms in Los Angeles, California. Savings and credit from a bank loan helped him travel around to learn more about the business. To travel to different places in Brazil, he had a private airplane. Thinking in advance, he thought about diversification of production by introducing wine making, but was not successful. In 1989 he joined a cooperative which grew to a membership of 50 Japanese families. That cooperative was replaced by another, CAJ, in 1994 (Pires, 2003), now a well reputed exporter, according to external regulations. In 1990 Mario's firm bankrupted as he was not able to continue payment of bank loans. Now Mario realizes that he was not very organized, did not save enough, did not take advantage of the new export opportunities. Reflecting on his experience he states:

"What I did wrong was to want to solve the social question; I was not an individualist. In today's world socialist ideas do not survive....and my philosophy of how to run a farm came out of this kind of thinking. This is a Japanese philosophy, and Japan is facing difficulties to solve the problems raised by thinking about the others, not only about ourselves... let's think about creating jobs, more employment, more freedom."

The local or regional *colonos* (small farmers who received plots of irrigated land from CODEVASF through its colonization project) also felt the negative effects of harsh competition; they "didn't know how to be competitive in this new environment." Of 40,000 irrigated hectares that comprise the official colonization project, two-thirds were left to large enterprises, around 219 units, while the other third was used by 2,163 *colonos* units (Silva, 2001). The *colonos*, however, were steadily expelled from agriculture and replaced by larger independent farmers. They were unable to successfully compete in the markets for onions and tomatoes for processing and internal markets. While they tried to reconvert their plots to fruits, and grapes in particular, they lacked the necessary experience and credit.

They did not know how to address the issue of the new required quality standards for export. They did not know how respond to patterns, grades, wrappings and packages required. As part of this new world of production, they came to know that they could not be competitive enough to stay in this market: quality and timing became the primary obstacles to their success. "I could not produce on time" is the answer I received from members of a small cooperative whose commodities did not fulfill the standards for export.

CONSTRUCTING QUALITY FOOD AND INEQUALITY IN THE SAN FRANCISCO VALLEY

Quality is a matter of dispute among social actors in the global networks and as such is a source of inequality. The essence of the dispute arises from contents of the product, as defined by regulations. Recently there has been more concern about how to fulfill the expectations of consumers, formalized in the protocols such as EUREPGAP and in USDA rules; these instruments, codes, grades, standards are part of the '*knowledge*' of how to comply with consumers'/retailers' expectations. The prevalent idea in the San Francisco Valley is that those standards make it possible to trace all inputs and technological practices used, contributing to the accumulation of a 'know how' -- how to produce and reach the market in time. As a producer stated: "We have to learn how to produce in the market time", meaning that you have to produce out of season, out of a supposedly natural 'timing', in times of higher demand, i.e. a new notion of time is created, no matter how it will aggravate the conditions for the sustainability of local development or the environment. Processes of subverting seasonality, in advancing or postponing harvest of mangoes is very often used in San Francisco Valley (Marsden and Cavalcanti, 2001; Adam 1998).

In the attempt to enhance market opportunities, informational technology is being used by San Francisco Valley producers, thus making them up to date with market developments. They learn about *blanks and windows* for particular products, speed up their links with prospective buyers, producers, and their associations, and have their own electronic addresses and web pages in order to establish and improve commercial linkages world-wide. According to a director of an agro-industry, the use of computers and virtual programs are tools of control in agriculture. As a result, there is a displacement of elderly and illiterate workers who are replaced by the younger and better educated workers who are computer literate. A 19 year old with a secondary education and skilled in computers was hired to replace a 47 year old worker; an 18 year old female agricultural technician was also hired to register all the practices in the field of grapes, replacing a much older worker.

A 'knowledgeable' producer is one who knows how to assert him/herself vis-a-vis others in the market, who is able to foresee changes, counteract difficulties and multiply the effects of comparative advantages. She also needs 'to enhance her strengths and minimize her weakness', as a small entrepreneur describes: "To get to know the market is an asset to those who want to improve competitiveness." Producers, in general, have precise ideas of standards and products demanded by the markets at different times. Therefore, they organize farm activities accordingly.

'Quality' standards are now seen as the controller of production. Management strategies and decision-making processes are 'quality' led, as quality informs the deployment of technology, labor, and performance assessment. Quality fruits are produced to meet a certain set of parameters defined by prospective North American and European consumers (Marsden et al 1996; Busch, 2000; Barrientos et al, 2001). Producers usually say that the monitoring of fruit quality is largely in the hands of retailers at the expense of local producers. This is visible both in the fields and in the major retail distributing centers. In the fields, there is a strong feeling that each worker is closely watched, as is the producer. At the retail level, supermarket chains can make or break producers and regions by simply evaluating their ability to meet the "quality standards" that they adopt.

Due to its climatic and morphological conditions (it is a semi-arid area) and socio-economic features (immigration), the San Francisco Valley fruit production attracted unemployed men and women from the entire Northeastern region (Cavalcanti, 1997). In the cultivation of grapes women clearly outnumber man. In many ways, women benefit from this gender division of labor because they are viewed as particularly skilled to deal with grape pre- and post-harvest requirements. As indicated above in this sector, women constitute more than sixty-five percent of the work-force. Men, on the other hand, are the majority in the mango sector.

The gender division of labor has worked as a mechanism through which more women were incorporated into the fruitculture labor market. Women were put in charge of post-harvest tasks to comply with the 'quality' requirements imposed by external markets (Cavalcanti et al. 1998; Bendini and Bonaccorsi, 1998) and became known for their expertise in the tasks needed to produce quality table grapes. The duties of men and women were divided, in general, according to greater or smaller physical energy waste, based on the prevalent gender definitions of "masculine" and "feminine". In the San Francisco Valley, grape harvest tasks are considered to be feminine and mango tasks are masculine. Because the harvests are labor-intensive, and because the majority were female workers, grapes were considered proper for family farming (Cavalcanti, 1997; Cavalcanti et al. 1998).

However, due to the expanding markets for fresh products, the quality requirements associated with it, and the technological innovations introduced to meet the new and growing demand for local commodities, there have been extensive changes in grape production. The number of workers employed per unit of cultivated land has decreased by more than half, while new partnership systems have been instituted to guarantee productivity. As indicated above, the large number of women in grape harvesting made them active members of local unions. They created a gender-based agenda for better wages, working conditions, childcare and health care. Because of their organizational abilities but significantly because the expansion of the quality product markets and the requirements attached to this production, they were able to obtain important concessions on their agenda. This process empowered women as a group, but also exacerbated the inequality in the sector and area by engendering resistance and counteractions. In effect, male managers and farmers, including medium family farmers, were not particularly pleased with the new position of local women. To improve levels of productivity and counter the success of female laborers, they attempted to de-gender the division of labor, and tried to increase the number of men in the cultivation of grapes. This attempt eventually failed. Indeed, men were not very satisfied with their new activities, and women didn't like their husbands doing "female" tasks. Some farms tried bringing men and women together to carry on similar tasks in grape packing, but even this move was not particularly successful. The bottom line is that, in the San Francisco Valley, the implementation of new labor strategies generated a trend toward a reduction of the number of female workers (Marsden and Cavalcanti, 2001). This situation continues to exist in spite of the fact that some farms have been introducing equal opportunities or gender sensitive politics in labor to appease consumers sensitive to environmental friendly practices, feminist issue, and fair trade.

The fifty/fifty basis for hiring workers is advocated by one of the enterprises of this region. However, the feasibility of doing this type of hiring is questioned by those in the sector who believe that, because of the craft aspect of the production of grapes, men will not replace women. Furthermore, the enforcement of regulations under

new protocols, such as EUREPGAP and, to a lesser extent, those of ethical trade initiatives, is contributing to change this approach to the gender division of labor. I, however, agree with Barrientos et. al. (2001) that the codes of some of those protocols are not yet very sensitive to the gender issues. In the fields, every worker or manager talked about EUREPGAP, they bring these two EUREP plus GAP together for the matter, stressing that these are the major concerns for them. Ethical Trade Initiative, however, is favoring a gender division of labor. A newly bought agri-industry is advertising that the enterprise works on an equal opportunity basis. The context, nonetheless, is for more exploitation of workers in general. Women who work with grapes are working more hours, according to one 46 year old worker: "Because of the low wages and unemployment in my family I decided to accept the opportunity to work more hours a week."

Actually, what we observed is that the work load for women in the San Francisco Valley increased. Also, as technological innovations become more prominent in this particular region, the proportion of women in the labor force tends to be reduced; this is particularly so in packing and post-harvest activities. New machinery and new varieties of fruit are affecting tasks in the field, mainly reducing women's jobs, as in the case of the *seedless grape*. There is a tendency for more competition among workers, because their performance is being inspected and closely observed, while informational innovations continue to restructure working practices. The new protocols mirror this tendency. As Wilkinson (2001) comments: in the global restructuring, quality is a substitute for quantity. This aspect requires particular attention to the new regions of food production and processing that have been constructed under those limits imposed by new regulations.

CONCLUSION

Globalization is a complex process. Consumers, farmers, workers, retailers and processors are all connected through the production and consumption of world commodities. Central to this process is the existence of standards and the agencies and agents that allow their existence. The case study gave us some ideas of how this quality is constructed revealing how local farmers and workers are working under both tight control of regulations and regulators. The creation of quality food products is viewed by consumers of the affluent North as a desirable step to take: a norm that should be followed. To establish quality, instruments (standards and regulations) are created and actors and groups operate to employ these instruments. While it can be assumed that the consequences should also be positive for society, the analysis carried out in the article reveals a much more complex reality. The production and consumption of quality food creates new inequalities that disadvantage but also empower various groups. The quality fruit production that takes place in the San Francisco Valley is an illustration of this process. But it is also an illustration of the essential meaning of globalization. The links that connect global production affect groups and social relations in ways that were not seen before. Therefore, to understand globalization, the events of the San Francisco Valley's fruit production indicate that one has to pay attention to the complexity of relationships linking processes and agents.

In many respects this is the essential message of contemporary constructionist theories, such as those often employed to study agriculture and food standards. Complexity and heterogeneity of experiences and trajectories are much more pervasive in contemporary society than any of the common behaviors and world views so often affirmed in past analyses. While it is certainly the case that corporate actors (in this case retailers) are among the most powerful actors of globalization, consumers and their quest for quality consumption emerge as powerful actors under globalization. Their power constrains the lives and work of laborers in the distant South. These new forms of control are symbolic of the contradictory ambivalence of commodity production under globalization: the search for quality food items translates in new forms of exploitation and inequality.

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GLOBALIZATION, TRANSNATIONAL CORPORATIONS, THE STATE AND DEMOCRACY

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INTRODUCTION

Transnational corporations (TNCs) are the most powerful actors in the socio-economic scenario (e.g., Boggs 2000; Gilpin 2000; Harvey 1990; Sassen 1998). My past empirical research (see for example Bonanno and Antonio 2003; Bonanno and Constance 1966; Bonanno and Blume 2001) has underscored that under globalization, TNCs enjoy enormous powers which are historically unmatched. Their hyper-mobility (Harvey 1990) has provided TNCs with a dimension that their – even so powerful – multinational counterparts never had. These expanded powers allow TNCs to significantly affect a nation-state's actions and avoid unwanted state demands as well as those of a number of social groups. Accordingly, my answer to the first of the three questions [see the introduction to this issue] addressed to each of the contributors to this special issue of the *International Journal of Sociology of Agriculture and Food* is that TNCs are the most powerful actors under globalization.

My past research has shown that globalization has weakened the nation-state and transformed it into an agent of transnational capital ¹(see Antonio and Bonanno 2000; Bonanno and Constance 2000). The loss of these state powers is part of a broader crisis of the nation-state which finds its most relevant aspect in the reduced ability of the nation-state to legitimize globalized social relations. The nation-state, in other words, is required to legitimize phenomena which are increasingly outside its sphere of control. The crisis of the nation-state is also a crisis of democracy in that the inability of the nation-state to regulate and control global actions diminishes the ability of its citizens to participate in decision-making processes. Additionally my work points out that TNCs maintain a contradictory relationship with the nation-state. While they impose limits on state powers, TNCs require state assistance to carry out processes of capital accumulation and legitimize them to various segments of society. In essence, I stress that the often mentioned TNCs' ability to bypass the state is a factor which only partially works in their favor. It is limiting because it diminishes the state capacity to control social and economic contradictions and ultimately intervenes in favor of TNCs. It follows that my answer to the second question addressed to the contributors of this journal issue is that the crisis of the nation-state and the continuous contradictory relationship between TNCs and the state represent the most relevant processes under globalization. Dwelling on these two answers, I will employ the rest of this article to explore the issue of future outcomes of globalization. The point that I will argue is that while globalization is a response of the dominant groups to the gains and status that subordinate classes obtained under Fordism, it contains important contradictions that allow the possibility for the democratization of contemporary society. I will develop my argument through four sections.

It is important to note at this point that the argument made in this article derives from my study of the agro-food sector. The agro-food sector is arguably one of the most globalized among all the economic sectors. While it retains significant regional and local components, a number of agricultural and food products are either globalized commodities and/or are controlled by corporations that are global. This situation enables the agro-food sector to be used as the basis of making generalizations for society at large. In other words, in this article I will employ my knowledge of the agro-food sector to speak about globalization in general. Simultaneously, it is also relevant to note that in a society dominated by processes of globalization, general statements about the nature of global society, its most relevant actors and future trends can be applied directly to the cases of agriculture and food.

In the opening section of the article I will discuss briefly one of the most important components of the pre-globalization period: Fordism. I argue that under Fordism, subordinate classes' social and economic gains established never-reached-before levels of substantive democracy. Globalization, I continue, represents a dominant classes' strike against subordinate classes' gains and, above all, an attack on the historical Left's core: labor and class-based movements. The historical left's most important gains came from its ability to organize and find strength in the factories, agricultural fields, and the other places of "production." Through capital hyper-mobility, production decentralization, and transnational competition, globalization severely diminished the sources of strength of the historical Left. This situation weakened labor and class-based political organizations and the classical view that sees these groups as the emancipatory actors under capitalism. I continue by arguing that resistance emerged from new social movements. The environmental and consumer

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movements are two among these new social movements. Because of their focus on quality of life and consumption, they offer an historical possibility to counter the power of TNCs and establish substantive forms of democracy. My point is that these new social movements represent the new emancipatory actors in the era of globalization.

The second and third sections scrutinize the spaces of emancipatory action. I identify one of these spaces as the state. Because of the contradictory relationship between TNCs and the nation-state, the state is called to support and legitimize corporate actions in a situation in which TNCs tend to by-pass state demands and consequently limit the state's ability to assist them. This situation also opens up a crisis of legitimation in which the state is called to justify actions that it cannot fully control and regulate. I further argue that the contradiction of realization experienced by TNCs is another space of emancipatory action. I develop this point in the essay's third section. I argue that TNCs' need to realize their production – to sell the commodities they produce and transform them into money – makes them vulnerable to new social movements' demands and create the possibility for more ethically and socially acceptable forms of production.

In the concluding section, I maintain that in spite of the above mentioned contradictions and anti-corporate movements, TNCs remain firmly in control of contemporary society. This situation makes the attainment of more democratic conditions a contested terrain, the outcome of which is decided by the ability of alternative forces to exploit globalization's contradictions, identify and use spaces of resistance, and avoid globalization's empty promises.

GLOBALIZATION AND THE CRISIS OF THE HISTORICAL LEFT

Talcott Parsons (1971) spoke of the post-World War two era as the culmination of the modernization process, a period in which the parallel growth of the economy and the betterment of social arrangements provided the conditions for continuous stability and development. For Parsons and like-minded thinkers, the post-war Fordist era fulfilled the expectations of classical social theorists who saw, in the science guided-expansion of the economy and society the engines to achieve human prosperity. Even Marx – his sharp critique of capitalism notwithstanding – believed that the expansion of the forces of production would contribute to the development of society. Parsons' view presented the evolution of society in harmonious terms and failed to recognize the relevance of subordinate groups' opposition and their struggles in the generation of Fordist equilibria. At least in advanced societies, Fordism was characterized by the strength of organizations of the historical Left – and those based on labor militancy in particular – and their ability to establish *avenues* – i.e., codified collective actions – that they used to challenge dominant groups. These free spaces featured the subordinate groups' capacity to mobilize and use powerful instruments of protest which became codified in the laws and culture of numerous nation-states. The post-war social accord between management and labor gave considerable influence to the historical Left under Fordism. The strength of labor and subordinate groups' organizations and political parties also assumed historical relevance in light of the transformation of their social opposition. The Fordist period witnessed the final stage of the transformation of domestic capital into multinational capital. The emergence of a multinational bourgeoisie, multinational corporations, and state agents and agencies which operated in favor of multinational capital characterized this side of Fordism.

The struggle between subordinate groups and multinational capital defined the period's politics, equilibria, and, above all, contradictions. Fordist inclusionary pronouncements and outcomes never transcended the dominant classes' search for strategies to counter subordinate groups' power and remedy its consequences. This search came to fruition with the emergence of transnational social relations. The development of globalization meant that by altering established practices of capital accumulation and social legitimation, agents of transnational capital diminished subordinate groups' power and their ability to access Fordist emancipatory avenues. One result of this situation was that the organizations of the historical Left experienced difficulties in mobilizing their traditional members and responding to new corporate strategies. More importantly, they lost credibility and power which prevented them from countering processes of socio-economic polarization that dominated late twentieth century social arrangements (e.g., Coates 2000; Gray 1998; Greider 1997; Lash and Urry 1994; Walker 1997; Western 1995). Arguments equating expanded freedom with a reduced welfare state and the crisis of organizations and parties of the left delegitimized the historical Left agenda and legitimized growing class polarity. Paradoxically, under globalization, increased socio-economic polarization emerged along with the de facto elimination of the issue of class from contemporary social, political, and economic debates (e.g., Antonio and Bonanno 2000; Beck 1995; Eagleton 1996; Rieff 1993).

Framed in international competition for direct investments, TNCs' hypermobility pitted distant and different labor markets, pools of resources, and regions, one against the other. As often stressed, this situation reflected TNCs' ability to search for more convenient factors of production, a circumstance which rested primarily on the extent of social movements and political organizations' resistance. Additionally, this new organization of production entailed the fragmentation of labor in terms of both its physical utilization – through decentralized production processes– and its political unity –through the crisis of unionization (e.g., Gray 2000; Harvey 1990; Lipietz 1987). Simultaneously, the opening of global markets required communities to adopt new strategies to remain economically viable. Among those, the most frequently employed were the discounting of local natural resources, infrastructures and social services' prices, the introduction of tax abatements, and the adoption of general pro-corporate political measures, all of which were largely financed by public resources.

Because historically labor- and class-based movements identified production processes as the primary site of exploitation and the arena to concentrate struggles, their defeat indicates that globalization greatly advantaged TNCs at the *production level*. Indeed, the historical Left's most important gains came from its ability to organize and find strength in the factories, agricultural fields and the other places of production. Once production was decentralized across distant areas and in disperse subunits, labor pools were matched with far-away counterparts, and workers' sense of solidarity and cooperation were severely diminished by downsizing and transnational competition, it was clear that labor and its class-based ideology which defined its modern struggles lost most of its power.

At the same time, the nation-state entered a period of crisis and became increasingly – but not totally – unable to act as a counterpart to the economic and social demands of subordinated groups. The state's decreased capacity to control TNCs and a broader array of unwanted consequences of capitalism - e.g., unemployment, underemployment, social degradation - sharply lessened the effectiveness of subordinate groups' claims against it. In this context, the state became much less able to direct the socio-economic development of needy groups and region. The management of projects such as community development, enhancement of employment opportunities and regional planning became increasingly difficult for agencies of the state as they lacked the instruments to establish sufficient control over the most relevant components of development (e.g., Bonanno and Bradley 1994; Buttel and McMichael 1994).

The crisis of the historical Left, its increased inability to mobilize social forces and augmented TNCs' powers at the production level problematize labor's role as the subject of emancipatory actions. Certainly, this situation also reflects broader changes in the production sphere and civil society. The tertiarization of economic activities in advanced societies, the automatization and computerization of labor tasks, sharp increases in productivity, and other factors all contributed to a much weaker position of the labor movement and class based political organizations (Coates 2000; Money 1992; Regini 1992; Western 1995).

The situation is different for the case of other contemporary social movements. A current abundance of literature (e.g., Bauman 1998; Beck, Giddens and Lash 1994; Giddens 2000, 1994; Melucci 1996) stresses the role that *new social movements* played in the process of democratization of society. Great emphasis has been placed on the contributions that movements such as the feminist movement, the civil rights movement and, to a greater extent, the environmental movement provided to the establishment of democratic spaces. Because of their emphasis on individual emancipation, quality of life, and identity, these movements established a fresh version of radical democracy which broke decisively with traditional interest groups-based politics and political organizations. Proponents of this position argue that these movements have established new liberating sensitivities about the organization of society, its actors and resources which produced much desirable alternatives to exhausted welfare state-centered social democratic politics and repressive Marxist movements.

The environmental movement, for example, has been heralded as the force which could bring about new, more equitable and sustainable social arrangements and be the catalyst for the aggregation of emancipatory forces (e.g., Beck 1992, 1995; Buttel 1994; Dreiling 1997; Melucci 1996; Obach 1999; Schnaiberg 1980). This movement's challenges to traditional projects of socio-economic development, modernization theories, modern science and technology, sclerotic political strategies coupled with support for local groups, local knowledge, diversity, and identity contributed to the development of novel sensitivities which now permeate contemporary society and culture. Indeed, new social movements' emphasis on culture as the primary site of emancipatory struggles revived and reinvigorated – but also transformed – critical themes, which, in the historical Left was never able to elevate to shared societal visions.

The environmental movement – like other new social movements – is far from being a unified entity. Its fragmentation and plurality of theoretical outlooks have been widely documented (e.g, Benton 1996; Merchant

1997; Mingione 1993; Shabecoff 1993). Additionally, splits within the movement have translated into overt opposition and conflict in political debates and practices. Moreover, critics question this movement's ability to effectively direct anti-establishment struggles because they view it as a new form of traditional politics which divides progressive forces and neglects to address socio-economic inequality². The phrase "sandals turned into suits," captures the charge that environmentalism has become a new bureaucratically organized elite of pseudo-leftist professionals (Piccone 1995).

Regardless of the debate about the emancipatory power of the environmental movement and its capacity to propose new forms of radical democracy, its impact on the culture and practices of today's society is significant (Beck 1997; Giddens 2000; Gray 1998; Harvey 2000). Core items of the environmental agenda – e.g., protection of natural resources, sustainability and ecological equilibrium – are fundamental elements of contemporary discourses and represent new sensitivities which are now constitutive components of today's culture. As Beck (1995:6) states the environmental movement's "topics and issues have become established: all political groups have inscribed them on their banners." While pro-environmental claims vary, and it would be erroneous to equate them with substantive behaviors, they are commonly adopted across socio-economic and political spectra. For instance, corporations often legitimize their actions and promote products by stressing environmental responsibility and soundness while political campaigns list environmental issues among their most important objectives³. Additionally, as Lash and Urry (1994:297) pointed out, even phenomena which historically taxed the environment, like the expansion of consumerism, have been captured by this movement and contributed to the development of enhanced levels of consciousness about the centrality of ecological issues. Consumption is informed more than ever by an environmental consciousness. In essence, as Yergin and Stanislaw (1998: 385) put it: "after more than a quarter century of activism, the environment is firmly ensconced as both a national and international priority."

The environmental movement's success in bringing its agenda to the fore is particularly relevant for the agricultural and food sector. Here, issues about food quality, environmentally sound production practices, environmentally oriented research and quality of consumption occupy center stage in contemporary debates. Buttel (1994:23) eloquently argues that "... one of the keys to a more satisfactory account of change in farming and agro-food system is to give greater attention to ... the role of environmentalism in shaping the emerging politics of agriculture." Moreover, this is not just a matter of politics and policy construction as sensitivities about environmentally sound food production and consumption permeate the everyday life sphere. Never before have issues about the ways in which food is produced and consumed been so closely scrutinized by the citizenry than today. Indeed, environmentally sound food production and consumption have been elevated to the rank of important cultural components and as such they are recognized – albeit in different degrees – as some of the new "rights" defining this global consumption oriented society (Lash and Urry 1994:297).

That environmentally sound food production and consumption sensitivities are significant parts of contemporary culture and occupy a center stage in public discourses are items of importance for this discussion on emancipatory actions. This importance rests primarily on the fact that the cultural relevance of environmental related issues contributes to the emergence of *historical possibilities* for the development of emancipatory struggles in contemporary society. The concept of historical possibilities indicates that conditions exist for the development of struggles which find in environmentally centered issues their *objectives* and in pro-environment groups their *subjects*. In this regard, the agro-food sector has already been the theater of numerous instances in which pro-environmental groups have been able to successfully counter the actions of transnational corporations and advance a pro-environment agenda⁴. More importantly, struggles for the creation of alternative forms of food production and consumption not only denounce and contrast TNCs' actions, but propose strategies which transcend the accumulation-based rationality of mass food production⁵. The point is that because of the widespread pro-environmental consciousness existing in today's society, there is a favorable climate for pro-environment calls which demand the opening of democratic spaces.

Consumption patterns based on new social movement-centered sensitivities represent important forces in countering the behavior of TNCs. In the case of agriculture and food, for instance, the emergence of new social movement-based demands for environmentally sound and healthier food items affected production, distribution, and social sites of consumption. Because of the large economic power associated with these types of consumers, TNCs have been particularly attentive to their demands⁶. In arguably an extreme rendering of this situation, Bauman (1992) maintains that consumption-substituted labor as the primary social site where identity and behaviors are formed. Standing at the opposite extreme, Fredric Jameson (1984,1994; see also Eagleton 1996;

Rieff 1993) questions the emancipatory scope of consumption. He points to TNCs' hegemonic powers and their ability to transform new and augmented consumption into novel markets which expand sales and corporate power⁷. While this objection captures some of new social movements' limits and the extent of TNCs' clout, it overlooks evidence pointing to the impact that environmental and other emerging sensitivities have had in the creation of fresh patterns of consumption.

In a recent book, Kim Humphery (1998) describes food consumption as a potential arena for the empowerment of individuals, the development of cultural alternatives and political resistance. Moreover, he insists on denouncing the misguided view that consumers are simply instruments of corporate power. Consumers, instead, are viewed as active actors who – while remaining subject to the clout of corporate guided consumerism – are the producers of usage and meanings which transcend the intentions of producers. In other words, it is erroneous, in this author's view, to reduce consumers to passive recipients of corporate messages and objectives. They form a group which has historically empowered itself in contemporary society. Similarly, Tim Lang (1999) stresses the emerging power of the “food movement” which despite setbacks “...has been successful in questioning the New Right logic of laissez-faire and deregulating” (Lang 1999:175; see also Gabriel and Lang 1995; Miller 1995).

Addressing the same issue, Lash and Urry (1994:296-8) indicate that contemporary social arrangements translate into expanded consumerism as individuals augment their ability to consume. This expanded consumption, however, entails a departure from early established, quantity-based models. Today's consumers, they continue, tend to stress quality rather than quantity of consumption. Consumers, in other words, are much more thoughtful about the content and values of their consumption and these are processes often inspired by the quality of the environment (air, water, scenery) which precedes, accompanies and follows consumption. This “reflexivity” about the conditions of consumption becomes an emancipatory process, they continue, which remains a condition for the creation of free spaces in society. Their notion of aesthetics captures the emergence of consumption patterns centered on meanings established through a critique of conventional postures. Departing from postures which do not problematize consumption, my point is that the convergence of new social movement-based sensitivities and consumption offers an historical possibility for the democratization of social relations.

THE SPACES OF EMANCIPATORY ACTION: THE STATE

My use of the concept of historical possibilities contemplates the fact that the existence of possibilities for emancipatory struggles does not translate automatically into actions. As indicated above, the environmental movement is split and its critics have been skeptical about its emancipatory capabilities. Moreover, the “green garb” has been adopted by a multiplicity of actors including transnational corporations. In this respect, the content of progressive actions and the extent of their emergence depend upon historical specific instances and their time and place-based particularities. More importantly, they depend on the extent to which critical stands are actually developed and opponents' weakness exploited. These are situations which cannot be established *a priori* without following mechanistic readings of social relations. What can be established, though, is the identification of possible social sites where the conditions for emancipatory struggles can mature. These are sites in which dominant groups can be contested and democratic spaces established. This statement requires additional discussion.

In my past research (e.g., Bonanno and Constance 1996), I stressed that TNCs and the state maintain a contradictory relationship while displaying internal contradictions. Accordingly, the pro-corporate stands taken by the state in globalization and the expanded powers of TNCs are accompanied by *limits*. This situation indicates that globalization is not automatically a sustainable system of capital accumulation and social growth and therefore conditions are present which can potentially open up possibilities for the democratization of these institutions.

In the case of the state, the possibilities for its democratization find their roots in the state's contradictory task of fostering capital accumulation while maintaining social legitimation. Under Fordism, this contradiction was managed by the establishment of an interventionist state which successfully balanced pro-accumulation measures with inclusionary social policies (Antonio and Bonanno 2000; Bonanno and Antonio 2003). The crisis of Fordism signaled the end of this equilibrium as mounting economic, social and political costs accompanied state intervention. Under globalization, the contradiction between capital accumulation and social legitimation remains. It has been contained, however, through economic growth fueled by the introduction of neoliberal economic policies and the concomitant reduction of state intervention. The latter has been employed to indicate increased individual freedom and, therefore, to legitimize current social arrangements. Despite its “success,”

this equilibrium runs into the problem of the unresolved issue of the anti-democratic dimension of the restructuring of the state under globalization, or the *defordization* of the state. Claims of enhanced freedom and economic growth stand against a situation in which the defordization of the state engenders reduced spaces of public participation in decision making processes, diminished control of TNCs' actions, and augmented socioeconomic polarization. The previous discussion on the current characteristics of the nation-state is illustrative of this situation as declining state intervention translated into a crisis of democracy. This point can be further illustrated by employing the case of the growth of transnational forms of the state. It has been argued that the emergence of transnational state forms fills the vacuum left by the crisis of the nation-state. Because TNCs' scope of action is larger than that of the nation-state, coordination and promotion of capital accumulation must be elevated to the level of transnational state forms. Institutions, such as the WTO, United Nations, IMF, NAFTA and particularly the European Union, have appeared as entities whose more-than-national scopes allow them to perform these roles.

The instance of social legitimation is different. Contrary to the case of the nation-state, transnational states are mostly shielded from direct public participation in decision-making processes, facts which sharply diminish their "duty" to legitimate. Indeed, their functioning is largely based on the executive actions of elite bureaucracies with only remote – and in some cases non-existent – links with the constituencies they are supposed to represent. As indicated above, the WTO – perhaps the most important economic regulatory agency at the global level – has virtually no connections with the citizens of member countries. Even the European Union falls into this category. Despite its heralded democratic dimension and some important progressive postures that it maintained in a number of situations, its legislative and executive powers are detached from its elected bodies. To date, the directly elected European Parliament maintains only advisory rather than legislative powers (see Bonanno 1993). In this respect, Murray Low (1997) argues that because these forms of transnational state are, by design, insulated from public pressure their democratization is nothing more than a contradiction in terms (Low 1997:159). The result is that transnational states can foster capital accumulation while maintaining limited concerns about legitimizing it to subordinate groups. This task is left to the nation-state which is faced with the task of legitimizing events which do not necessarily involve popular participation. In other words, because the nation-state remains the site where citizens and government maintain forms of political interaction, the state is charged with carrying out processes of social legitimation whose roots derive from events that it can hardly control. The so often debated "revolt" of locally and regionally based groups against their national states can be explained in these terms.

This contradictory condition is magnified by the fact that the nation-state is a fragmented entity. This fragmentation of the state derives from the fact that subordinate groups control some of its parts. Because of this fragmentation, the class nature of the nation-state does not automatically translate into its total subordination to the interests of dominant groups. Indeed, this situation makes the nation-state the site of resistance to dominant groups' designs as the actions of subordinate groups problematize the state's ability to perform social legitimation.

It is important to stress that this situation does not translate automatically into an overt crisis of legitimation. The economic expansion of the last decade, TNCs ability to co-opt opposition, and the crisis of alternative projects, such as socialism, have been among the events which contributed greatly to the legitimation of the status quo. However, these contradictions remain and the ability of dominant groups to manage them is not necessarily a given. Indeed, the actions of subordinate groups do problematize the precarious connection between the expansion of current forms of globalization and the claims about enhanced democracy and freedom.

THE SPACES OF EMANCIPATORY ACTION: TNCs, CIRCULATION AND THE CONTRADICTION OF REALIZATION

TNCs encounter limits in their effort to accumulate capital. TNCs encounter resistance from a number of sources including social movements, segments of the nation-state and other TNCs. They are also exposed to a set of contradictory relations, including their position *vis-a-vis* the nation-state and their own internal conflicts. These conditions open up spaces where resistance can be translated into TNCs' democratization since subordinate groups can force TNCs to conform to more democratically-oriented conducts of action.

Indeed, there is a dimension of TNCs interaction with society which points to the emergence of a possible site for TNCs' democratization. I refer to the fact that TNCs are vulnerable to actions which are directed at

affecting the process of *circulation of commodities* and the related phenomenon of *realization of capital*. More specifically, TNCs are vulnerable to new social movement-centered consumption which finds, in the process of transformation of commodities into money, the locus of TNCs' weakness. My argument goes as follows. Commodity circulation is one of the primary aspects of the overall process of capital accumulation. For economic growth and equilibrium to occur, money must be transformed into commodities which in turn must be transformed back into money. Since the classical period, economists recognized that all products (commodities) must be sold. That is, they must be transformed into monetary forms if the condition of economic system equilibrium is to be achieved. Classical economists also indicated a second dimension of this process consisting of the fact that money must be invested in the next economic cycle to ensure continuous economic growth. Indeed, the velocity with which the money-commodity-money transformation occurs qualifies the rate of expansion of the economy as it allows a faster reinvestment of capital (capital accumulation). In his classical formulation, Adam Smith maintained that the equilibrium between all the items produced and those sold would be achieved through the free movement of the market. More contemporary economic doctrines, such as Keynesianism, acknowledge the difficulties that free-market-based equilibrium entails and contemplate the possibility of state intervention. For Keynes, the transformation of commodities into money is maintained through state regulation and control of markets.

In his *Capital*, Marx distinguished between circulation and realization of capital. The first refers to the scope of circulation of capital. That is, through circulation, time- and place-bound production escapes its original condition and acquires new forms and meanings. This is a situation which cannot be omitted since commodities "cannot acquire universal social validity ... except by being converted into money." (Marx and Engels 1977:201). Additionally, "the ceaseless augmentation of value ... is achieved by the more acute capitalist by means of throwing his money again and again into circulation" (Marx and Engels 1977:254-55). The second refers to the fact that production must be "realized," that is it must be transformed into money (i.e., sold) for the process of capitalist accumulation to continue. For Marx the primary contradiction of realization rests on the fact that capitalist production mandates the creation of surplus value. Surplus value refers to the quantity of value created by workers through labor which is expropriated by the capitalist class (profit). Because the quantity of value produced (more or less the equivalent of commodity prices) is always greater than the amount of value (wages) received by workers, the latter cannot consume what they produce. This situation generates crises which can be defined in terms of overproduction or underconsumption. Avoiding deterministic postures, some segments of the Marxian scholarship recognized the existence of factors which delay the realization crisis. One of these factors is the expansion of consumption fueled by financial strategies (credit) and cultural models (consumerism) (e.g., Mandel 1976; Marcuse, 1964; O'Connor 1988; Sweezy 1942).

The processes of circulation and realization of capital mandate the lack of obstacles to the transformation of money into commodities and back into money. Yet, as it has been recognized by both classical and contemporary theories⁸, the manner in which commodities are transformed into money is determined historically, that is, it depends on the availability of socio-economic conditions which allow the equilibrium between production and consumption to be achieved. This situation signifies that the ability of TNCs to realize capital depends on the conditions which characterize processes and markets through which their commodities are produced and exchanged. Under globalization these conditions involve, primarily, the achievement of equilibrium between TNCs' hyper-mobile global production and the existence of stable communities of consumers which can effectively contribute to the process of capital realization. It depends ultimately on the recreation of levels of social interdependence that have been disrupted by the crisis of Fordism and its equilibria. In the current historical conditions, the establishment of these equilibria are affected by the socioeconomic polarization which increasingly marginalizes significant segments of the world population⁹ and by the type of consumption that characterizes contemporary social arrangements (e.g., Gray 1998; Hammond 1998; United Nations 1999).

One category of consumption which is relevant to my argument is that of "new social movement-centered consumption." As illustrated above, this is a type of consumption which Lash and Urry (1994) called "reflexive consumption" and Humphery (1998) described as one which empowers consumers and pushes them toward cultural subversion and political resistance. It mandates consumers' behaviors which are inspired by new social movements' sensitivities, and therefore, pay particular attention to the forms of production and products' social contents. As illustrated by pertinent literature (e.g., Lang 1999; Lash and Urry 1994; Miller 1995), this type of consumption questions key features of global corporate production (e.g., it stands against sweatshop-based manufacturing; the use of child labor; the exploitation of women in maquiladora plants; the abuse of human and environmental resources; the destruction of cultural enclaves, etc.) and the quality of products (e.g., it supports

healthier, environmentally sound, multicultural products). More importantly, this type of consumption expresses a critique of TNCs' established behavior which favors quantity-based mass production over quality. The existence of new social movements centered consumption signifies that individuals and groups who share this posture have the opportunity to establish enhanced forms of democracy by intervening in the realization process. Because TNCs need to realize, emancipated consumers can demand that TNCs modify their actions to generate qualitatively advanced products and more ethically and socially acceptable forms of production. They can use this corporate weakness to control TNCs' activities and demand accountability in a context in which other forms of control (i.e., the nation-state) experience a crisis.

CONCLUSIONS

These possibilities of establishing democratic spaces are contextualized in a situation in which TNCs remain endowed with significant powers including that of shaping consumption. Even as consumers escape the "logic of capitalist production," Jameson and like-minded thinkers remind us that new and potentially emancipatory forms of consumption can be turned into profit enhancement instruments. Additionally, the actual exploitation of TNCs' weaknesses depends on the strength of anti-corporate movements which seldom appear to be unified and armed with coherent visions which decisively break with patterns of global capital accumulation. Yet, globalization's contradictions remain. TNCs' expansion has been based on the breaking of Fordist arrangements and the transnationalization of social relations. While production and consumption increased to the benefit of the upper and middle classes, socio-economic polarization has risen, as well. Both within and between the North and the South, social and economic inequalities grew. More importantly, they are now largely viewed more as physiological rather than pathological forms of development. Additionally, the exclusion of subordinate groups and regions from economic expansion is mirrored by augmented exploitation as production is increasingly based on global sourcing for less costly resources and capital friendly socio-political conditions. This is a situation that dramatically re-proposes the question of sustainability at its various levels. For how long can capital hyper-mobility and global sourcing define the expansion of the economy without triggering a global crisis? For how long can global economic growth be based on the rampant and unchecked exploitation of natural resources? These are some of the questions which do not find adequate answers in the current trends of globalization.

This polarized economic scenario has been accompanied by the crisis of available instruments of control and organization of capitalism. Primarily, this situation is due to the crisis of the nation-state which historically has been the agent which coordinated capitalism and controlled its unwanted consequences. Alternative forms of the state have emerged. However, their ability to legitimize capital accumulation remains problematic at best. In effect, the current globalization continues to be a system incapable of maintaining legitimation at levels comparable to those previously generated by the nation-state. Simultaneously, the nation-state experiences a similar legitimation crisis as it is called to justify conditions which are largely defined outside its sphere of action.

Globalization emerged amid the promises of enhanced economic well being and freedom. Economic growth – although significant – is geographically and socially circumscribed and justified through the theoretical formula of the two-thirds society coupled with neoliberal policies. Though the combination of soaring financial markets and technological breakthroughs seduces the upper and middle classes of the North and the ruling elites of the South, it condemns growing segments of the world to marginalization and blames them for their assumed inability to take advantage of the new and abundant free market-based opportunities. The transnational states' neoliberal postures offer no alternatives to this pattern. Indeed, they propose its continuation through the further enhancement of the free circulation of capital, the abatement of pro-environmental and socially oriented regulations, and the restructuring of economic policies directed to the impoverished South.

The promise of enhanced freedom appears to be equally difficult to maintain and legitimize. Some theorists such as Lash and Urry (1995) heralded globalization as the era of renewed individual freedom as they demonstrated that individuals can create emancipated selves. However, they also indicate that the globalization project lacks the institutional instruments to reduce inequalities and address the demand for enhanced popular participation in decision-making processes. The crisis of the nation-state and the "covert" nature of the polity at the transnational state level are conditions which clash with the democratic dimension of popular participation in public life. Protests against the secretive, elitist, and pro-corporate posture of transnational organizations, such as the WTO, capture the difficulties that the legitimation of the pro-corporate globalization process encounters in the early part of the XXI century. The conditions of democracy, therefore, are defined by the ability of alternative forces to exploit globalization's contradictions, identify the spaces of resistance, and avoid

globalization's enchanting but often empty promises.

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ENDNOTES

1. This issue has also been widely debated as some authors provided diverging explanations and indicated that not only the nation-state has not been weakened, but that it continues to retain significant powers (e.g., Gordon 1996; Hirst and Thompson 1996).
2. Research documented the difficulties that the environmental movement encounters in dealing with demands stemming from labor. It has been argued that often the environmental movement and labor stand in opposition as the former's agenda leaves the question of the economic well-being of lower classes unattended (e.g., Bellamy Foster 1993; Faber 1998). Because the environmental movement identifies in capitalism and its practices the primary sources of environmental degradation, it seldom distinguishes between the social position of labor and that of corporations. This posture results in environmental protest being equally directed against labor and corporations. Simultaneously, affected workers often respond by opposing environmental struggles (e.g., Bellamy Foster 1993; Obach 1999; Schnaiberg 1980). Additionally, research has also underscored that the emergence of environmentally based movements does not necessarily mandate anti-establishment consciousness. This type of protest is inspired by much narrower interests which do not transcend participants' survival strategies (e.g., Llambí and Gouveia 1994). Simultaneously, it has also been recognized that a progressive alliance between the environmental movement and labor not only is a situation which materialized in the past, but it is practiced in the present (e.g., Bonanno and Blume 2001; Dewey 1998; Dreiling 1998; Gordon 1998; Gottlieb 1993).
3. Lash, Szerszynski and Wynne.1996:19 write on this issue: "By the late 1980s in most industrial societies environmentalism has been adopted as an 'official' agenda of big business, government and international institutions such as the OECD and the EU."
4. My previous research alone illustrates a number of instances in which anti-corporate struggles emerged around environmentally based issues. Some of these struggles include the tuna-dolphin controversy (Bonanno and Constance 1996), the protest against industrialized hog production (Constance and Bonanno 1999) and the resistance against exploitation of timber resources (Bonanno and Blume 2001). Another example is the struggle against genetically modified organisms(GMOs) and their use in food production. A recent (1998-99) and corporate resisted boycott of GMOs in Europe motivated Archer Daniels Midland (ADM) to halt purchase of genetically modified grains from US farmers. Similarly, Heinz and Gerber suspended the production of baby food containing genetically modified components (Barry Johnson, Wagner, Underhill and Angell, 1999; Kluger 1999). These are examples of relatively successful struggles in which groups endowed with limited resources and experience were able to counter large and powerful transnational corporations.
5. For instance, the above mentioned struggle against GMOs has been accompanied by calls for the promotion of "slow food." This is an integrated system of food production and consumption which stands in opposition to corporate managed fast food (Miele and Murdoch 2000; Kluger 1999).
6. My research on the tuna industry is a case in point. The demand for environmentally sound production of tuna stemming from affluent, yet pro-environment oriented consumers altered established corporate strategies. Though continuously resisted, these actions represented a victory of the environmental movement over TNCs (Bonanno and Constance 1996). This research also is illustrative of the emergence of new views which break with traditional theorizations which dualize consumption and production by separating them (Dixon 1999: 152). While these postures find their roots in the Marxian critique of distribution-centered analyses and in marginal

economics responses, they contemplate consumption either as a almost direct derivation of production processes (e.g., Friedmann 1990) or as an entirely autonomous form socio-economic behavior (Parsons 1971).

7. Similarly in a recent study of hog production for alternative consumers in Iowa, Mark Gray (2000) argues that producers have little knowledge of the motivations, lifestyles, and consumption patterns of their clients. They consider this “informed consumption” a niche market to be exploited.

8. Marx describes this condition in these terms: “The division of labor converts the product of labor into a commodity, and thereby makes necessary its conversion into money. At the same time, it makes it a matter of chance whether this transubstantiation succeeds or not” (Marx and Engels 1977:203). Keynes speaks of the inadequacy of models which contemplate the automatic translation of the production of commodities into money. He, therefore, is careful in highlighting the danger of underconsumption as the socially grounded phenomenon in which production cannot be sold, i.e. transformed into money. Underconsumption along with its opposite, overproduction, have been the subjects of intense debate during the course of the second part of the twentieth century. More recently, James O’Connor (1988) stresses that the crisis of realization – or the first contradiction of capital – is accompanied by a second fundamental contradiction. He refers to the argument that capitalism undermines the reproduction of the conditions necessary for production (conditions of production). For O’Connor, the second contradiction of capitalism is the outcome of the capitalism engendered environmental crisis. In this case, the deterioration of environmental conditions generates capitalist underproduction or the inability of capitalism to maintain adequate conditions for the expansion of the forces of production.

9. Recently published data for the United Nations further indicates that the gap between the rich and poor is widening. It is maintained that economic globalization is fueling a “dangerous” polarization between a small group of super rich and a large segment of impoverished members of the globe’s population. According the data, in from 1995 to 2001 alone, the 200 wealthiest people of the world doubled their fortune to more than one trillion dollars while the number of those surviving with only one dollar a day has remained constant at 1.3 billion. In the early seventies, the wealthiest fifth of the world’s population was 30 times richer that the poorest fifth. By 1990 this ratio grew to 60 to 1, and at the end of the twentieth century it stands at 74 to 1 (United Nations 2002).