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Economic and Agrofood Studies in Brazil: Combining Social Networks, Convention and Social Movement Approaches

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Introduction

Economic sociology has now become well entrenched in Brazilian social sciences, evident both in academic production – original articles, translations, bibliographical references – and institutional recognition – established courses in a range of graduate studies, a working group for a number of years within the Brazilian graduate association for social science, official funding for national events. It has also become quite diversified in its thematic concerns – relation to classical social theory, finance, technology, and of course markets – and reproduces the increasing diversity of analytical and theoretical currents within economic sociology globally.

In each country economic sociology has had a different dynamic depending on the way the various disciplines have been consolidated and the key questions which have informed academic traditions and Brazil is no exception. Political economy with a generous overture to the Marxist tradition has long been a strong influence in Brazilian social science allowing for an easy co-existence between political science, economics and sociology approaches. A further defining feature has been the strong presence of French intellectual traditions, particularly Bourdieu in anthropology and sociology. Economic sociology, therefore in Brazil has, on the one hand, to compete with alternative interdisciplinary approaches and, on the other, finds a strong stimulus in the increasing attention to French contributions within the consolidation of economic sociology globally.

The breakthrough for economic sociology in Brazil was perhaps provided by the fall out from the collapse of the

Washington Consensus phase of acute liberalization. Institutions had now to come to the rescue of markets and the hitherto unquestioned hierarchy of economics was challenged with increasing confidence. Social capital and social networks became themes of both academic and policy concern and while agency and transaction costs approaches may prevail in micro level analyses they increasingly have to take on board notions of embeddedness and trust dear to economic sociology. Such concerns have been reinforced by the political legitimation of SME actors in Brazil both in the urban and the rural contexts, but particularly the latter and the Italian economic sociology of industrial districts and local development has also served as a model here.

Although originally from England and happy to see myself mentioned in the review of English Economic Sociology in an earlier number of this *Electronic Journal*, my encounter with economic sociology has been from an eminently Brazilian perspective, unsurprisingly perhaps since my academic affiliations have been in Brazil since the early '80s. As such I have been influenced by both the above formative tendencies adopting initially a political economy perspective (which, however, I first took up, it should be recognized, in England) and then engaging with a range of French contributions, although less Bourdieu and more regulation, convention and actor-network theories.

My first contact with economic sociology, however, was Granovetter's classic text on embeddedness which led in turn to a more systematic reading of his work on social networks which I adopted as an alternative to agent and transaction cost theories for my own analysis of the persistence and dynamism of local and informal agrofood markets in Brazil. A year's sabbatical in France in the early '90s gave me the opportunity of appreciating the reception of Granovetter's work within a broad range of social science traditions – regulation and convention theory, the MAUSS current, actor-network theory and cultural anthropology. In particular it opened me to the potential of convention theory for the analysis of agrofood markets as evidenced in

the INRA publication *La Grande Transformation dans l'Agriculture* (1995).

More recently I had the opportunity to participate in an international research network on Fair Trade which led me to explore the consumer dimensions of markets and the way new types of social movements negotiate the producer consumer divide. My field of research, as far as economic sociology is concerned, has also been informed by the academic and policy attention given in Brazil to SME actors, particularly what has become known as the family farm sector and corresponding market and development issues.

In what follows I will present an overview of the way I see economic sociology combining the above three components – social networks, conventions/actor network and social movements - to throw new light on the dynamic of the family farm sector and the markets within which it participates.

Artisan and Small-scale Economic Actors in Agrofood

Standard economic theory has little to offer for an understanding of artisan agrofood activities in the rural context, particularly when these are no longer integrated into traditional commercial circuits but look for autonomous forms of market insertion. Small-scale is associated with the inefficient use of resources or insufficient access to these resources. For oligopoly theories, small undertakings may survive to the extent that their inefficiency can be the basis for higher than average profits for leading firms. Neoschumpeterian approaches, on the other hand, focus on the importance of innovative small firms for technological development and the identification of market niches. Applied to the agrofood sector, however, this tends to favour newcomers into the rural areas, particularly those with urban expertise.

The “industrial districts” and “clusters” traditions provide a more adequate framework to the extent that they identify agglomeration and proximity effects which can offset the individual advantages of scale. They do not explain so well, however, the persistence of traditional forms of production where these advantages are not apparent, nor have they been as successful in identifying how to compensate for their absence. In many cases, therefore, and particularly so in developing countries the continued existence of artisan food processing activities is associated with “spurious”

competitiveness deriving from a mixture of tax evasion, poverty and lack of basic sanitary and hygiene practices in contexts of low risk perception by consumers. Without theoretical “justification” these traditional activities have seem fated to go under in the face of demands to adapt to new norms and regulations on sanitary conditions and quality standards.

Social and “actor” network approaches, together with convention theory have provided key analytical tools for overcoming the limitations of the approaches indicated above. They capture both the dynamic features of markets currently occupied by artisan agrofood activities and identify the conditions for gaining and holding new markets, increasingly a precondition for survival. In today’s world, however of global markets, highly concentrated retail and less interventionist State policies, the persistence of the artisan world depends increasingly on the consumer mobilisation provided by new market oriented social movements.

Markets as Social Networks

Granovetter’s (1985) has justifiably become a reference for the analysis of markets through the lens of social networks. With this objective he initially reworked Polanyi’s concept of embeddedness (1957) to carve out a conceptual space equidistant from what he considered the twin weaknesses of traditional social science – an oscillation between over or under-socialised conceptions of economic action. According to this view, economic activity in traditional societies was totally subsumed within broader social practices, whereas modernity is characterised by the immunization of economic activities from social contamination. Economic behaviour, therefore, is seen as either being entirely determined by inherited norms and rules which are simply internalised, or as obeying ahistorical principles of rationality whereby the economic agent is unaffected by social determinations. Although diametrically opposed, both views converge in excluding the influence of contemporary social life on economic behaviour. Social network analysis argues that economic calculation is not absent from traditional economies nor are social influences excluded from the modern day economy. In varying degrees economic calculations have always been present but they are elaborated and pursued from within social networks. The nature of such networks and the position of the actor within them should, therefore, provide the point of departure for economic analysis.

Granovetter developed his notion of networks through research on employment and concluded that most jobs do not emerge on the basis of previously defined supply and demand. Those who look for work through formal channels are precisely those who have little insertion into social networks. In fact, he argued, jobs obtained through formal channels tend to be worse paid than those through social contacts. Here, therefore, we have a classic case of the way in which the embeddedness of economic action in social networks influences the workings of the market. The idea of embeddedness in social networks is intimately related to questions of trust. The possibilities for malfeasance may be heightened by the collective trust engendered by social networks. The latter, however, with its complex mix of sanctions and mutual support provides an ideal milieu for effective collection action. As such it can explain, in a way that the transaction costs approach with its methodological individualism finds difficult, how complex economic transactions can be conducted without recourse to specialised institutions for monitoring, promoting and sanctioning.

The approach to social networks which has built on this tradition of analysis is particularly useful since it goes beyond general principles and specifies the dynamic of different types of networks and the importance of the position different actors occupy within social networks. Granovetter combines the notion of embeddedness with that of the "social construction" of markets. In the former, as we have seen, the workings of the market are filtered by existing social relations. In the case of social construction, networks are actively mobilised with a view to creating new market opportunities. Of particular importance is the strategic position some actors are able to assume to the extent that they are linked into various networks and can become the gateways connecting different actors and networks. This insight, characterised by Granovetter as "the strength of weak ties", provides an important qualification to discussions of social capital which give exclusive attention to the mobilisation of endogenous resources.

From the perspective of social networks, we can understand local artisan food production, circulation and consumption circuits as extensions of family and neighbourhood social relations. Within this framework the market as such is unproblematic since production evolves in accordance with demand. Trust in the product spills over naturally from confidence in the producer and question of hygiene and quality need no formal guarantees. Within the bounds of the local community, the product may often be

unregistered but this does not prevent it acquiring a reputation for quality with opinion formers (doctors, lawyers and other professionals). Family relations, the vantage point of neighbours and personal acquaintance in the context of repeated transactions confirm reputations and consolidate loyalties making these markets relatively immune from external pressures, whether of the formal market or regulatory prescriptions. Such markets are as solid as the social networks which feed them.

The reasons which explain the persistence of local artisan food production also account for the frequent reluctance to expand activities and look for new markets. The markets coincide with the social networks in place and the actors are immersed in social circuits which replicate already existing contacts and knowledge. They exhibit strong characteristics of redundancy and an "excess of social capital". The challenge of expanding production, therefore, is not limited to the problems of managing larger-scale operations or assuming the risks of greater fixed costs but derives from the difficulty of expanding the market beyond the confines of the social network within which it is embedded.

An orthodox response would be to adapt the product to the requirements of formal commercial circuits and train producers in the new knowledge associated with these markets. Such a view presupposes that formal and long distance markets function without the intermediation of social networks, which are associated only with traditional communities. As against this a social network approach sees the development of new markets as the result of extending social networks and overcoming the limitations of closed circuits. The "strength of weak ties" concept referred to above reinforces the importance of extending networks and mobilising other social networks in support of local actors.

The social network approach has analysed the expansion of markets in the wake of the migration of its members. In his analysis of the Chinese diaspora, Granovetter shows how markets can travel across frontiers and operate at a distance on the basis of informality and trust to the extent that they are managed within the same social networks but now on an extended scale. Applications of this insight by other analysts have revealed the weight of family relations and ethnic groups in the expansion of international trade both in the past and today. Similarly within countries regional products, even when excluded from formal trading circuits, often maintain strong consumer appeal in the urban context through the presence of migrant communities.

Market embeddedness, therefore, guarantees the persistence of local markets whereas the social construction of markets becomes crucial in contexts of adaptation to new market conditions. In many regions, particularly also now in developing countries, the embeddedness of local informal markets which has long served as a natural protection is being threatened both by competition from formal markets which directly focus artisan market niches and by pressures to adapt to new hygiene and quality regulations. A simple adaptation to these demands leads to high mortality rates for small undertakings which have to assume costs disproportionate to the scale of their operations. The alternative involves defending appropriate regulatory standards for artisan activities in which the non-negotiable criteria of salubrity are distinguished from specific technical solutions favouring only one type of actor.

Markets and Values

When dealing both with the expansion of local markets and their adaptation to quality regulations, the markets as social networks approach is best complemented by actor network and convention theories. The former has focussed on the challenges of accessing distant markets without losing the values associated with proximity while the latter, in addition to this, has addressed the negotiation of a plurality of value systems governing the organization of economic activities. The great merit of convention theory is that it makes explicit the world of values hidden behind norms and techniques and identifies the debates on standards as the privileged forum for the negotiation of interests and values in today's agrofood system.

In a first step, this approach shifts the discussion from the simple identification of the interests at stake to the justification of action in terms of values. It then goes on to identify a number of coherent values systems which have informed different approaches to economic activity. The values of creativity, craft traditions, reputation, civic accountability, technical efficiency and scale economies, and market sensitivity all have their place and involve different logics of action. These logics can often be shown to be complementary and in different aspects of a large firm's activities they may be reflected in the acceptance of different work norms and conventions. There has been a tendency, however, for the twin logics of technical efficiency/scale economies and market values to overshadow and redefine other practices. In the more recent period, these values have tended to prevail in the definition of new

quality and sanitary regulations, thereby threatening the survival particularly of craft traditions and local production systems. In response, as we will see below, new global social movements have emerged around the values which are in danger of being squeezed out by the dominant market/industrial paradigm.

The most important tensions in the regulation of agrofood systems have been produced by the conflict between industrial and artisan principles. For the industrialist, the organizing values are associated with efficiency expressed in unit costs achieved through scale economies. For the artisan the product quality is the result of adhering to, and evolving within, collective practices consolidated over time. The artisan has his corollary in the "craft consumer" (Campbell) just as the industrial product has its values recognised by the "time-scarce" consumer. The most notorious and well documented cases of conflicts between the industrial and artisan worlds have been in the dairy sector, particularly with regard to cheese-making. The convention approach has shown how such conflict can be negotiated to the extent that actors on both sides go beyond a simple defence of their corporative interests and justify the compatibility of their interest with the "common good". It is not appropriate to argue in favour of pasteurisation in terms of the increased scale economies it permits, or to defend untreated milk because it is responsible for the originality of the cheese taste and aroma. Both must show that the values they espouse are compatible with a higher good, namely public health and the well-being of the consumer. In this light, if alternative options are available for accomplishing this finality both industrial and artisan production may co-exist, the former adopting the downstream technology of pasteurisation and the latter intervening upstream to ensure the health of the dairy herd. Here, the often-experienced correlation between standards and standardisation, with the imposition of the values of one economic logic over all others yields to the recognition of a plurality of technical norms to the extent that they are consistent with common values in relation to public health (Valceschini, 1995; Sylvander, 1998).

Similar principles are being more broadly applied to artisan food production both in developed and developing countries with the emergence of specific legislation for micro and small-scale enterprises. In many cases such legislation is applicable only in the case of local or sub-regional markets, but in others artisan standards are compatible with participation in national and global markets. Negotiations can become particularly sensitive in the case of highly per-

ishable products in tropical countries and are currently the subject of conflict and negotiation. In such cases, however, the simple defence of small producer interests is no longer adequate and proposals for specific regulations depend on the ability to demonstrate that public health is not at risk. On the other hand, it is clear that in many cases existing regulations have adopted mass production norms without considering the viability of alternative systems.

Global Markets and New Social Movements

Artisan food production systems, as we have seen, have persisted through the resilience of social networks which have simultaneously guaranteed markets and been the basis of their expansion as urbanisation and globalisation accelerate migratory flows. On the other hand, specific regulatory systems and alternative quality recognition systems (farm product status or geographical indications) have been necessary to consolidate market presence beyond the limits of localities and related social networks. This has been possible given strong State intervention in the support of disadvantaged producers and regions and the existence of a competent public technocracy in rural development issues and food safety regulation and control. In particular, it required the consolidation of sophisticated institutional competences to recognise, implement and supervise complex collective rights related to artisan food production. Although these conditions persist in a significant number of countries, many countries and regions can no longer or have never been able to count on such public support. In yet other countries, public sector support is crucial but insufficient to promote and consolidate the artisan and local food production sector. This is particularly the case as the dominance of increasingly global markets by large-scale retail creates entry barriers for small-scale producers and even for traditional centres of artisan food production.

The globalisation of the dominant food system, however, has also seen the emergence of its counterpart in the form of new social movements mobilised around a range of increasingly convergent issues relating to the defence of artisan producers and local production systems (Brunori, 1999). If we look at these movements in the light of the different logics of action identified by convention theory we can see that they focus precisely on redefining the hierarchy of values established by the dominant food system. These include the struggles against the appropriation

of biotechnology innovation within an exclusively industrial logic expressed in the movement against GMOs. This movement has led to innovation being repositioned, with considerable success, as conditional on civic accountability. They also include mobilisations to redefine the status of reputation, demanding that this be measured against the values of labour rights, as in the campaign against Wal-Mart. In their turn, artisan and local food systems are now identified with sustainability, a transversal civic concern of new social movements. Previously, artisan production was supported as a means of protecting marginalized regions on the condition that it adhered to concerns over public health. Today, defence of this sector is identified with global preconditions for sustainability, as the guarantor of biodiversity and protector of natural resources.

While globalisation has led to a relative shift towards ethical considerations rather than those of taste, it is increasingly through the market and not subsidies or other forms of public support that the various movements (organics, fair trade, slow food, local food markets), must achieve their objectives. This raises questions about the nature of the new political consumer movement (Micheletti, 2003, Wilkinson, 2007). This consumer movement can be seen to have three components – the activists of the social movement; a broader layer of political consumers who are the basis of current strategies towards the mainstreaming of the movement's products; and the public sector as consumer (particularly evident in fair trade products).

From a different angle, however, the social movement itself can be understood as a very effective alternative marketing machine. As a global social network in the sense of Granovetter it is able to transmit the values of the producer community directly to distant consumers. The dedicated shops of the Fair Trade movement express this dynamic perfectly. Global NGOs such as Greenpeace and movements such as Slow Food, together with nationally-based global players such as Oxfam, Global Exchange, GEPA or Altromercato are able to activate the values of reputation and have now acquired brand status which can substitute for formal qualification systems. At the same time, the campaigning base of the movement serves as a publicity machine popularising the movement's products and amplifying market penetration among the political consumers identified above. And finally, the political wings of these movements can be effective in the promotion of a range of public initiatives at global, national and local levels.

These new market oriented social movements, therefore, are ideally placed to defend the interests of small producer communities, given their ability to operate as global networks, their media oriented politics, and their increasingly "global brand" reputations. As we have seen, through their campaigns they continually grow the market on the one hand and pressurise Governments to take initiatives on the other. This in turn contributes to popularising the issues and broadening the political consumer base. There is no guarantee, that the combined "carrot and stick" of oligopoly power and corporate social responsibility will not ensure large-scale retail's domestication of these markets (Fonte, 2006). However these movements show great aplomb in outflanking such strategies, continuously innovating in product range and market positioning.

Conclusion

Social network analysis provided an initial and very effective response to orthodox economic theories which condemned the artisan producer to increasing marginalisation. In addition to accounting for the persistence of local markets it was able to highlight the consolidation of long distance circuits as these networks themselves expanded with rural-urban and global migration. Actor network and convention theories, in their turn, have allowed for an understanding of the conditions for extending these markets beyond social networks anchoring them in the recognition of plural economic logics and formalised systems of quality recognition. Such systems, however, show themselves vulnerable to assimilation within dominant circuits particularly under the impact of globalisation which has simultaneously weakened public support structures and strengthening coordination and regulation setting by mainstream private actors. In these conditions, analysis of the increasingly central role of global social movements in the definition and dynamics of markets becomes key to understanding the continued vitality of small scale artisan production, now within the broader justification of social justice and sustainability, which is providing a permanent challenge to the hegemony of transnational food corporations and large-scale retail. We are currently exploring how the major agricultural commodity markets are also now being redefined by the dynamic of the global networks and social movements initially mobilized around the construction of niche markets for small-scale and artisan production.

These themes have been developed in the National Research Council (CNPq) research group: Markets, Networks

and Values under my coordination at the Graduate Centre for Development, Agriculture and Society, Federal Rural University, Rio de Janeiro. To date theses, dissertations and articles have been produced on organics, fair trade, sustainable production, indigenous products, transgenics, geographical indications. Our current concern is to integrate the dynamics of consumption within this framework and analyses the way in which networks, the negotiation of values and social movements are now central to all forms of market construction in the agrofood system.

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