

Globalization, the State and the Environment: Exploring the Limits and Options of State Activity

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The paper explores the relationships between globalization and the state with reference to three interlinked aspects of environmental concern (agriculture-environmental relationships, environmental planning and policy and retailer regulation and food quality). New models of regulation emerge which suggest both a more variable and contingent conceptualization of the state is necessary. Social empowerment and the transposition of power with particular private economic sectors means that we must be more concerned with the substantial socio-political content of state power relations, rather than ascribing singular or coherent roles to the institutional matrix which traditionally defines "the state."

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Introduction

Over the past decade there has been considerable change in the roles and functions of the state. The changes highlight some of the inadequacies of our earlier interpretations of the state (see Bonanno, 1992). In particular, the tendency to see "the state" as a separated and functional entity capable of acting coherently has increasingly been brought into question. Moreover, the functions and morphology of the state has been given precedence over the state as a set of social and institutional practices which are variable over time and space. This paper aims to begin to re-conceptualize the position of state activity in the context of the new period of globalization, as it is associated with the agro-food complex. In doing this the following questions will be addressed:

- what are the limits the state encounters in its actions with respect to the substantive area of the rural environment and food quality?
- what are the new spheres of action entered into by the state in the global era in these substantive areas?
- can we say that the state still performs the role of mediator between opposing classes in society and acts in support of accumulation and legitimation? If so, is its ability to perform these actions enhanced or hampered by globalization?

- can one say that the state is still a class state? To what extent has globalization altered the class dimension of the state?
- should the state be conceptualized in national terms?
- what alternative conceptualization can be proposed, given the analysis of the substantive area of environment and food quality?

In attempting to begin answering these questions, reference will be made to three different bodies of research recently conducted in the European context. These are associated with agriculture-environment relationships, environmental planning and policy, and food quality and retailer regulation.

These related spheres of state activity will be discussed in turn, showing how state policy has changed, and identifying some new conceptualization of state-society interactions in a new period of globalization. In the second part of the paper the broader implications of these results will be addressed. This will start to build a new interpretation of the state as a *sociological* phenomena.

Re-regulation and the Consumer Interest in the New Global Era

For over a decade now the process of "de-regulation" of state structures as part of a neo-conservative project has been a dominant political process in both advanced and third world countries. De-regulation of Keynesian welfare structures in the North (particularly in Britain and the US) has been matched with "structural adjustment" programs in the South, creating new rounds of international competition between regions, nation-states and, increasingly, trading blocs. This dominant political discourse, ideology and strategy has undoubtedly been assisting multi-national capitals in their attempts to re-organize pro-

duction and exchange, incorporate new technologies and accumulate profits from new spatial locations based on least-cost principles. Whether the neo-conservative project can ever deliver a sustainable mode of social regulation equivalent to the Keynesian-Fordist hegemony of the post-war period is highly questionable. Nevertheless, the move towards--however unevenly--a "Schumpeterian workfare state" (Jessop, 1992) is providing new institutional structures enabling new rounds of exploitation and uneven development to take hold.

Several observations and qualifications need to be made concerning these developments at this stage. First, it is clear that while such changes have become dominant in many nation-states, the reorientation of state policy is based on contestation rather than a new consensus. In this sense, it would seem, that the application of sets of neo-conservative rules often produce the very opposite effects, particularly at local levels concerning economic development or environmental protection. *Policy dissonance* comes to characterize much of the impact of new deregulatory reforms. Second, it has become clear that while neo-conservative ideology may wish to portray and project a reforming process of state-breaking "deregulation" -- as captured in such phrases as "Lifting the Burden" (DOE, 1984) or "the government that governs least governs the best"-- these ideologies are usually based upon retrospective denial of one type of regulatory system and its replacement by another. An unanticipated and partly unintended consequence of "deregulation" of one level of the state, is its proclivity to emerge elsewhere *and* in different forms. We are thus now seeing the emergence of revised forms of regulation of productive and market sectors (Cerny, 1991). While neo-conservative policies which have been adopted in most advanced societies may well have been initially successful in breaking

down traditional Keynesian orthodoxes, concerning support for the public sector and collective forms of consumption, they have progressively confronted the social limits of individualization and the "bazaar of the market." This has been particularly noticeable when we begin to consider environmental and food quality concerns. In particular, in these spheres the very emphasis upon globalization as a transcending force in modern society has tended, by the early 1990s at least, to have a rather opposite social and political effect. For instance, whereas recourse to arguments about the inevitable transnationalization of economies, and particularly its consequences for labor productivity and technological advances, has been a major legitimacy argument in nationally based political ideology -- bringing forth (and partly legitimizing) high levels of unemployment, national and regional competition and general economic volatility -- when considering issues concerning environmental and food consumption the role of globalization as a legitimacy bulwark of the neo-conservative project breaks down. The recognition of global environmental risk tends to de-legitimize such neo-conservatism, at the same time that food consumers increasingly expect imported food commodities to be highly regulated around quality criteria. Thus, individualized, state-breaking ideology surrounding transnational production does not hold for a growing range of consumption concerns. Moreover, globalization as an "inevitable" process cannot be so successfully employed to legitimate the deregulation of production and market spheres. Increasingly then we must begin to perceive such types of regulation as competing, as they reflect power holders attempts to make and break hegemonic projects.

Third, this is raising the question of the sustainability -- socially and politically -- of the globalized neo-conservative model and, in particular, its power in overcoming new wel-

farist and reorganized local and socially regional concerns. These latter movements -- associated with environmental and food consumption, for instance -- are showing a growing ability to also capture globalization arguments for *their* own benefit. In this sense the arguments about globalization have to be located in the contested political discourses which are attached to production, consumption and regulatory change. In this perspective, the growing consumer orientation for "quality" goods and services represents a major influence upon challenging state policy and in reforming it around revised sets of principles. Hence, one of the issues becomes how the powerful and the powerless struggle to monopolize the reality and rhetoric of globalization. Growing consumer concern for quality goods can bear down heavily upon otherwise deregulatory governments, tempering the legitimization of globalization as an "inevitable" economic reality.

Fourth, these points place a renewed emphasis for nation-states as well as transnational and national capitals upon consideration of who controls and delivers consumers "rights." Which agencies and interests are given the responsibility to ensure public demands for quality? And how are new forms of commoditised consumption (rather than explicitly state-based, public-good consumption) to be sustained? These issues become more salient with the increased significance of consumption processes in the legitimization of the state and the corporate power it aims to represent. As Saunders and Harris (1990) admit, a key feature of the neo-conservative project throughout the 1980s involved unleashing new and revised *rights to consume*. These became, they argue, much more significant in sustaining the neo-conservative political project than the re-privatization of the means of production. Moreover, once rights (particularly market rights) to consumers were

unleashed (for instance, in the form of purchasing former public housing, private education and health; the purchase of new food products and the experience of different rural environments) to a widening group of consumers, they could rarely be retracted. In the corporate retail sector in the UK we see one manifestation of this. Once the doors of a new "out-of-town" center are opened consumers are presented with an array of new possibilities. Patterns of food consumption are modified, national trade gaps in food and drink widen and public expectations change. Hence we can begin to see the development of the new political significance of widening commoditised consumption, where costs and choices are explicit, variable and often class positional. These features become important legitimacy features of the neo-conservative state. But the interesting sociological question becomes how are they sustained and by whom? An important mechanism deserving more consideration here is the way in which markets are now geographically and temporally regulated and constructed by the state, not necessarily directly, but through the uneven rights conferred on different sets of economic and political sectors. State power is a transnational phenomena rather than a binary absolute. Christopherson (1993:276) argues, for instance, concerning the re-regulation of financial and retailing markets:

while it is relatively easy to accept the abstract principle that markets are politically constructed, the question of political construction is complex because of the way it is framed in different national contexts... Although conceptions of regulation influence how regulations develop and what forms it takes, an interpretation of regulation as encompassing public and private activities offers richer analytical possibilities. An understanding of regulation as an activity carried out only by the state lends itself to a binary, 'on-off' conception of regulation as a form of intervention that can be

eliminated, leaving a self-regulating market. This is impossible in the second, broad conception where continuous regulation, by private as well as public sectors, is assumed. Regulatory change does not mean the end of regulations, but affects the relative political power of regulatory sectors and organizations. If regulation is conceived of in this broader way, encompassing both private and public sectors, the US does not appear as a ruleless, deregulated system but as one in which the rules (and 'rulers' governing market institutions) are changing.

Thus, one important focus within a more neo-conservative policy context, where legitimation is achieved through the shop as much as it is through the workplace, seems to lie in reconstituting former state-corporate sector relations. The attention now being given to corporate "governance" needs to be developed with regard to how markets are constructed, regulated and sustained. New relationships and models need exploring in the state-private sector matrix. The rest of the paper will explore these issues in relation to the agro-food sector and environmental quality. In particular, the foregoing discussion will focus on *how to conceptualize state relations* given changing sets of production-consumption links within a neo-conservative context.

Agriculture/ Environmental Relationships

Three major distinguishing features of rural environmental-state relationships are:

- the importance of land;
- the importance of the natural environment;
- the importance of often vulnerable societies and cultures associated with (historic) land use patterns and other exploitative practices.

Land represents a particularly complex amalgam of socio-economic characteristics. In economic terms it is, simultaneously, a productive, a consumptive and a capital asset. Its use and value depend on the markets for the goods and services produced and the inputs and physical capital required in the production process; income, leisure time and personal tastes, and the psychic "income" associated with land ownership; and the macro-economic variables important to financial investments, especially interest and inflation rates. Few, if any, other economic goods or assets are subject to such a range of influences.

It holds the additional properties of being uniquely heterogeneous (in the sense that no one parcel is identical to another, if for no other reason than its precise location), and largely non-renewable or reproducible, though subject to either degradation or "improvement." It is thus subject to monopolization. It is often "lumpy" as a capital input to production processes and subject to irreversibilities following development or improvement; in addition, production and consumption activities associated with land usually exhibit "externalities." Some land-based products also display "public good" characteristics. One, the product is non-rival in consumption -- my consumption (of an attractive landscape, for example) does not deny your consumption of that same good. Two, the product is non-excludable -- the owner/producer of the landscape cannot prevent or exclude people from its use or enjoyment, and thus cannot charge for its production.¹ Land is also often a "positional good."² An individual's valuation and action may depend on restricting the ability of others to consume. Certain types of specialist recreation, exclusive forms of housing and industrial developments fall into these categories. This catalogue of economic and socio-political characteristics provides a classic recipe for

"market failure" where the competitive performance of markets is prevented from achieving a socially optimal allocation of resources to production and of goods and services to consumption or investment. Finally, the important question of distribution (of consumption and ultimately of economic resources) among the population is, historically, tied to the private ownership of land, in spite of some of its non-rival and non-excludable characteristics. Since private property rights are unevenly distributed (affecting the operation of markets as well as social judgments about the desirability of market outcomes) this feature, too, is likely to be critical. From a political economy perspective, therefore, land-based activities and their associated market behaviors are likely to be continually and systematically regulated by the state, representing non-market valuations and norms and socio/political judgments about the institutions of private property and the effectiveness of market mechanisms.

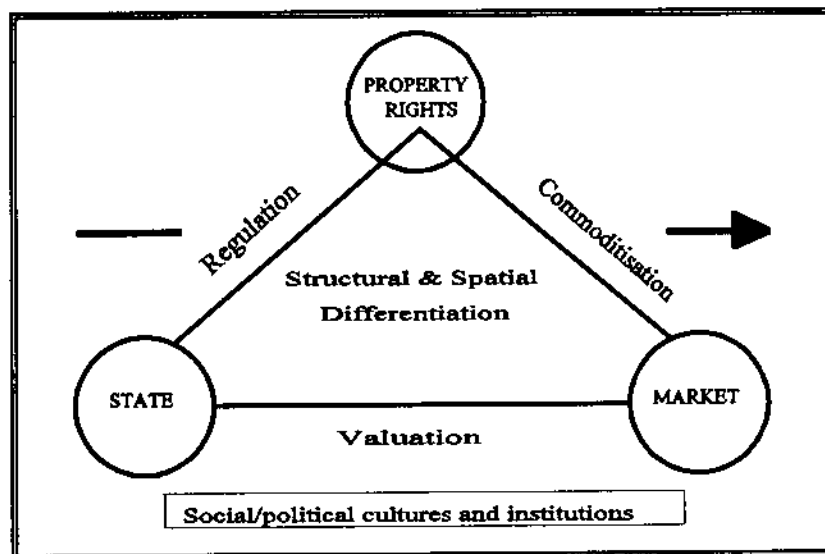
From this perspective, rural land (and its ownership and use) continues to influence the structure of local power. As a source of wealth, as a means of access to income generation and development opportunities, and as an important cultural symbol of heritage, tradition and continuity in a changing world, private property rights contribute significantly to the uneven sectoral and spatial pattern of rural economic and social development. Moreover, many rural policies are still directed towards the use of the land base (e.g. the CAP) and only through that, indirectly to rural businesses, families and individual citizens.

The combination of these features leads to distinct patterns in the relationships between the *state*, as the collection of publicly determined procedures and decisions from local planning to international policy, and the *market*, as the summation of individual, household and commercial decisions and interactions. A

principal fulcrum for these relationships is rights over property, especially those vested in land, and in the increasingly sophisticated and variegated knowledge required to take full advantage of these rights. Moreover, competition and political conflict over these rights intensifies as consumption demands for rural space increase.

example, it is clear that the characters of the State and Market are different from those of Property Rights. While the State and Market are often portrayed as alternative processes through which social choices are made, property rights are a principal medium through which these processes have their socio-political and economic effects. The proper functioning of any market, though, is dependent on the existence of the state to define and enforce property rights. As Marquand (1988:101) argues:

Figure 1: State-market interactions in rural environmental change.



...governments precede, and could reasonably be thought of as more 'natural,' than markets. The truth is that it is as misleading to talk of the state 'distorting' the market as it would be to talk of the market 'distorting' the state. Without the state there would be no market: at the door of the auction room stands the policeman.

Rural change can thus be pictured as the outcome, in part, of interactions between two composite spheres of activity -- the state and the market -- through the cog of property rights (Figure 1). The interaction of these spheres against a background of the physical and natural characteristics of the land itself (which is more all-encompassing than can be represented in Figure 1) and conditioned by the changing socio-political terrain, leads to the structural and locational patterns of economic development and land use. These outcomes, in turn, alter the terrain. As with any abstraction, the picture is over-simplified. For

In the Marquand sense, the policeman plays a crucial, if usually passive, role in governing the valuations decided in the auction room, either through direct regulation and enforcement of property rights, or through conditioning the form of the auction.

Two examples from different aspects of British environmental policy serve to illustrate some of these ideas.

Landscape Policy

It has long been recognized that market forces alone cannot ensure the conditions for the conservation and amenity use of particular

landscapes, but the response has changed significantly from the designation of National Parks in the late 1940s and 1950s to the introduction of Environmentally Sensitive Areas (ESAs) in the late 1980s. National Parks rely upon the direct intervention of the state, through the establishment of National Park Authorities. They are empowered to regulate the use of certain property rights within the Park boundaries in accordance with public or social requirements for conservation and recreation. These limitations embody new public rights which can be thought of as representing non-market goods created by the state acting in the public interest. The valuations of specific property rights are left implicit, while the extent to which rights can become commoditised, and thus subject to trade, is also restricted.

The more recent ESA policy, while pursuing broadly similar objectives regarding landscape conservation, seeks to modify the market system through payments for the provision of specified environmental "goods." This approach augments market signals. It provides an explicit public valuation of these goods, and at least a partial commoditization of them, though trade in them is restricted by their character. In this way regulation is achieved not through augmenting the statutory planning system but through an extension to existing property rights.

The approaches adopted in each case represent different forms and levels of regulation. The essential distinction between them is that planning procedures in National Parks serve to prevent the creation of negative externalities through appropriate financial incentives. The former is coercive, in that it constrains the permissible set of development options, while the latter is voluntaristic in seeking to modify behavior by altering the rewards associated with alternative courses of action. The policy choice, between a state sponsored market so-

lution or the assertion of certain collective rights, has no doubt been colored by ideological considerations, but information, institutional, transaction and decision costs are also important factors.

The possibility of an intermediate position -- of a blending of administrative intervention and financial incentives -- arises with the designation of parts of two National Parks as ESAs. This has helped raise the issue more generally, of whether there is a need for local administration of conservation payments to farmers. On the one hand, there are those who argue that such an intervening level would represent an unwelcome layer of bureaucracy, increasing the policy's transaction costs, and that the beauty of the British landscape lies in its great diversity, the product of farmers' individual actions. They prefer a menu approach to conservation payments, whereby farmers could sign up individually for particular elements in a scheme that suited them and their farm, and would receive payments accordingly. On the other hand, there are those who argue that local administration has a crucial role to play. Payments should be targeted, and the responses of farmers need to be orchestrated locally as part of a clear vision of a regional landscape to be achieved. Farmers also need advice and guidance if they are to make the transition towards becoming more effective managers of the rural environment.

Agricultural Policy

Until the 1980s, agricultural policy in the EC had been largely driven by a productivist ethic, encouraging production and related investment in land through a state of subsidies. One result was the increased market value of land as an agricultural asset. In addition, planning regulations presumed the priority of preserving prime agricultural land from urban development. During the last decade or so, the socio-political terrain has altered. Reduction

in product price subsidies (most recently through the MacSharry reforms of the CAP) has been coupled with the introduction of subsidies for environmental conservation and regulation of production practices (set-aside and stocking rate restrictions). Meanwhile, the international GATT negotiations have focused attention on the question of the appropriate value (price) of agricultural products, and indirectly upon the societal value of particular forms of agricultural production (e.g. small family farms) over others. Should prices be determined on a level playing field of free-trade or should they be subject to national intervention? And what role, if any, should be allowed for regulation of production (i.e. land use) through supply control measures? These international considerations and developments are affecting the use and value of land for agricultural purposes, within and between nation-states, as well as potentially influencing the structure of the farm systems in terms of the numbers and types of farms, their ownership and operating arrangements, and their relations with input suppliers and the providers of physical capital (plant, equipment, buildings and works).

In both illustrations, the interactions between the state and the market, through property rights in land, have adjusted or been adjusted in response to the changing terrain of socio-political culture and institutions. The development of the "market philosophy" of the Conservative administrations of the 1980s dominant political culture, clearly conditioning the shift towards a "market choice" approach to rural development and away from a more planned, regulated-public interest system. But the question now becomes how to re-regulate (through the multiplicity of options available) the more deregulated macro economy unleashed during this period, given growing concerns for environmental protec-

tion over and above agricultural production for its own sake.

New Patterns of Food Regulation: Public Interest Regulation Versus Private Interest Government

More broadly in most advanced countries new rules, regulations and a changing political context have led to revised patterns of intermediation between the farming community and government, and between the government and food processors and retailers. While the nature of contemporary economic changes are now relatively well understood, the same is not true of the emergent forms and processes of political regulation. More generally, as Cerny suggests (1991:192):

The analysis of deregulation and re-regulation is of a state mediating between powerful opposing interests, deregulation here, and reregulating there, normally trying to change as little as possible while adapting to limitations imposed by wider markets of institutional/technological conditions, but occasionally having to impose more extensive changes in the balance of interests which are given priority or special attention.

The question is how can we conceptually and empirically progress these issues so as to weld together a more meaningful analysis of the state/food sector nexus?

At the conceptual level it is possible to distinguish at least two emergent regulatory frameworks: **public interest regulation** which from the 1980s has essentially involved local forms of re-regulation (see Marsden et al. 1993); and **private interest regulation**, whereby one actor or set of actors, usually economic, regulates the activities of another set of actors. There will be an inevitable tension between these two pure forms as they attempt to serve different productive and con-

sumption interests. Consequently they are unlikely to be found in pure form, but regulatory frameworks will show a tendency to collide with one another. Within the UK both systems are long-standing, but they have been given new direction by the neo-conservative agenda dominant since the mid-1970s.

A system of **public interest regulation** is one where the state has some direct involvement and which is nominally claimed to operate in the public interest, or which is at least open to some public participation and scrutiny. It is a form that is intimately associated with the Keynesian and welfarist politics of much of the post-war period. Most often it involves the regulation of productive interests with the state acting in a benevolent manner to represent marginal interests; such as administering wages councils to protect low paid workers, or as an actor capable of protecting and promoting the common public good. With its attempts to curtail the rights of private interests and attendant bureaucracy, most forms of public interest regulation have, at a minimum, been subject to unprecedented scrutiny, and more likely to reform, as the government attempts to role back the "frontiers of the state."

Probably one of the clearest examples of public interest regulation is the British planning system (Marsden et al, 1993). During the 1980s, attempts were made to liberalize its operation through reforms at the national level. This created unanticipated opportunities for interest groups and professionals to develop local forms of regulation (e.g. local plans) to control private sector land development. Here the practice of regulation is locally variable, depending crucially upon the nature of the locality and its political culture. More specifically, because of the nature of the professionalized planning system, and the opportunities for public participation and impacts on public goods, the service classes are likely to play a prominent role in shaping these forms of local

regulation. Particular selected social groups are empowered in many Northern European countries; even where neo-conservative national policies have been well-advanced, public interest models of regulation are emerging. With the gradual decline in productivist priorities of agriculture, local forms of planning regulation have lost a major regulatory principle; i.e. to presume that land for agricultural purposes should be given precedence *as of right* over and above other developments of rural land. The removal of this principle has occurred simultaneously with the increase in the numerical and political power of the service classes. This conjunction has provided new opportunities for local planning to adopt service class inspired preservationist policies. Central Government responses to these sets of circumstances is not necessarily antipathetic. In the UK the 1991 *Planning and Compensation Act* and various other circulars encouraged a more plan-led system whereby "development control decisions shall be made in accordance with the plan unless material conditions indicate otherwise." These changing state relations suggest the move towards a more regionally variable regulatory system which allows degrees of local discretion in environmental management. The demise of the highly centralized and corporatist agricultural productivist policies of the post-war era are giving way to a more consumer oriented preservationist public interest model. Local middle class groups have been bestowed more power to create space in their own image. Nevertheless, such a change does reflect a different model of regulation; one where the nation-state, mindful of its broad middle-class constituency, bestows local discretion for environmental management on local regulatory systems. More specifically, new forms of plan-making at the strategic and local levels pays increasing attention to environmental

protection in the context of a more diversified agricultural base.

The best examples of **private interest regulation** can be found within the food system. Moreover, the changes within the regulatory system clearly illustrate the impact of the restructuring of economic and political relations. During the post-war years EC agricultural policy has been highly regulated and centralized. The links that developed between the National Farmers Unions and the Ministry have been regarded as the classic case of corporatism in the UK (Cox et al, 1987). This enshrined the importance of private producer interests, indeed for the state to confer them legitimacy, at the expense of other bodies who would have wished to be involved in the making and price setting of agricultural policy. Public policy was not open to public participation or scrutiny. For food manufacturers and retailers these arrangements were acceptable so long as it could ensure plentiful supplies of good quality *cheap food and food inputs* to the down-stream parts of the food chain. Agriculture's exceptional political power was not a problem as the policy suited the other sub-sectors in the food system. For example, farm income support through support prices maintained a vibrant market for agricultural inputs up until the mid-1980s. A lobby that was united around the principles of an increasingly capital intensive and productive agriculture was a boon for those interests both upstream and downstream of farmers.

However, the relationship between the state and farmers was to be undermined both politically and economically. Entry to the EC destroyed Britain's traditional patterns of food production and supply, and helped stimulate new forms of processing and sourcing. Britain had to cope with new forms of internationalization and this began to test the national forms of productivist corporatism. Movement to the European stage of policy mediation weakened

the relationships between MAFF and the NFU just at the time when the magnitude of agricultural support was to be more seriously questioned. Moreover, faced with fiscal crises, successive Conservative governments recognized the need to attack corporatist type relationships. They were seen as privileging the wrong sectional interests in policy making and impeding the free working of markets. Moreover, the maintenance of such relations in Europe were seen as impediments to the illusory "level playing field." The maintenance of a separate government department to deal with agricultural and food issues may have delayed the process of regulatory change but it has not been able to curtail it.

What has emerged is that the traditional form of agricultural producer corporatism has been progressively superseded by new forms of private interest micro-corporatism. The state has sought to disengage as much as possible from direct involvement in food regulation, passing the responsibility onto the retailers and to a lesser extent the other non-farm parts of the food sector. It is the multiple-chain retailers who become the key actors in post-productivist food system, and who now have political legitimacy for regulatory control. Consequently, although consumption interests may appear to be to the fore, certainly if one accepts the rhetoric of the retailers, they are in fact continually constructed and expressed through private interests. In other words it is left to the retailers themselves, who are involved in socially molding and creating demands, to represent their consumers interests.

Wrigley (1991) has described the period since the mid-1980s as "the golden age of British grocery retailing," an era characterized by a "benign regulatory environment" (Wrigley, 1992:779). It is perhaps more accurate to speak of the retailers operating in a regulatory environment in which they play a leading and directive role. They have *partly*

created and then reproduced the benign environment. Statutory legitimation of this came with the Food Act 1990. This can be seen as equivalent in symbolic importance of the links between the state and sectional interests as that of the 1947 Agriculture Act for farmers. The 1990 Act was a response to EC pressures and domestic concern surrounding food hygiene, following a number of health scares in the late 1980s. The passage and the establishment of the Act tended to veer towards the interests of the food industry. The stated aim was the management of consumer protection in the context of protecting "the needs of an innovative and competitive food industry by avoiding unnecessary burdens and controls" (HMSO, 1990). The Act permitted the selective irradiation of food products, a move favored by the processors and some of the retailers as it prolonged shelf life while reducing the risks of contamination. Government needed to "keep pace" with technologies rather than control them, and it was the job of government policy to "protect the consumer" in the context of a technologically progressive and internationally competitive industry. The nation-state observed the logic of globalization and technological sophistication conveyed to them by the retailers.

While irradiation was the most controversial aspect of the Act amongst food campaigners, more significant in policy terms was the shift in responsibility for food quality control away from the public environmental health inspectorate and towards the private retailers. Local government faced severe financial constraints throughout the 1980s, and with a growing number of food hygiene issues environmental health officers were spread too thinly. Moreover, they were not regarded by central government as a key professional group and rarely seem to have been consulted in the preparation of new legislation.

It is now the responsibility of food outlets to demonstrate that they have taken "all reasonable precautions" and shown "due diligence" in the manufacture, transportation, storage and preparation of foodstuffs. As one managing director of a large retailing firm has commented, even a small manufacturer can:

gain access to very large markets because all he has to do is produce the product. Now in doing this he gets immense support from his customer. He gets technical advice in producing the product, in maintaining quality standards, in adhering to the Food Safety Act, and we (the retailers) have an obligation to exercise due diligence....(Agriculture Committee, 1992, p111).

In exercising "due diligence" retailers are likely to take a different approach to that of the environmental health officers. The latter have tended to focus on point-of-sale inspection rather than monitoring the food manufacturing process (see Painter, 1981). By way of contrast, we can begin to see a new phase international food procurement, whereby retailers rather than food manufacturers -- let alone EHOs -- are privately "looking into the mixing bowl." They may have to transgress national forms of food hygiene and environmental regulation in sourcing countries by their privately defined quality assurance criteria. In addition, they begin to create new products built around such criteria.

As part and parcel of the legitimation of its regulatory responsibilities the retail sector has had to reconcile itself at the political level to deal with government. Having created lucrative markets during the 1970s and 1980s, and having developed internationalized systems of product sourcing, the key now is how politically to sustain these. This requires constant political activity within state agencies. Of central importance here is the development of the diverse activities of, inter-alia, the Retail Consortium (see figures 2-5). Constituted from

Figure 2: Stylized Structure of British Retail Consortium Links

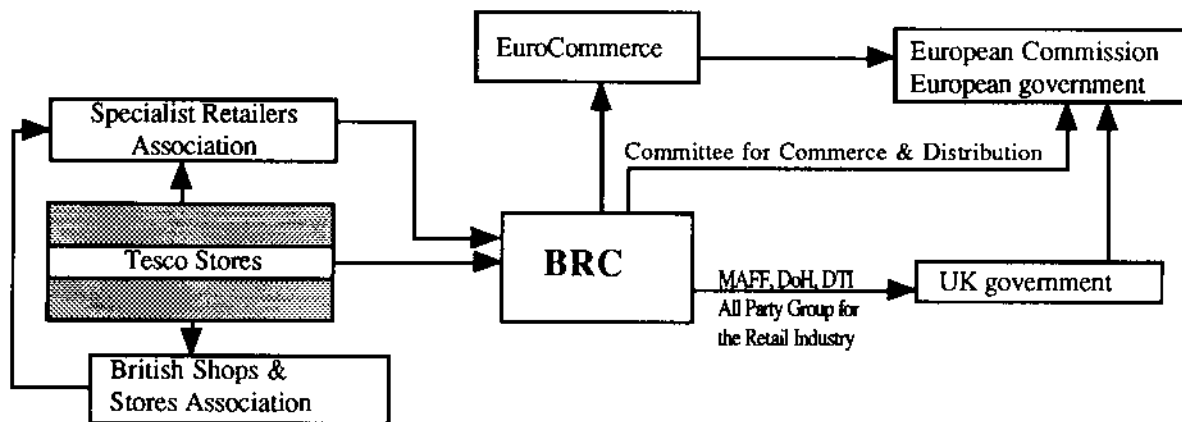


Figure 3: Stylized Structure of Food Industry Organizations

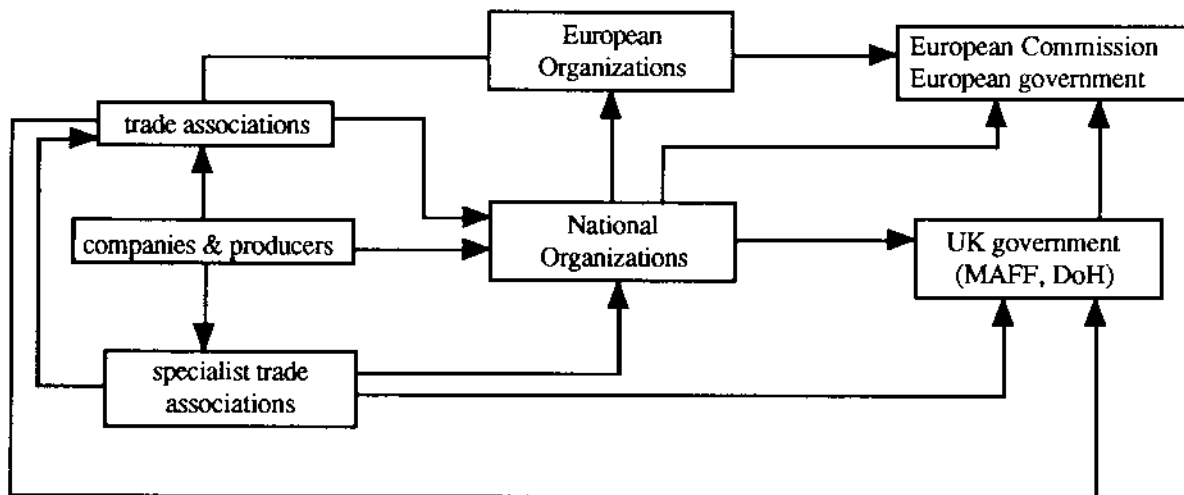


Figure 4: Stylized Structure of Food & Drink Federation Links

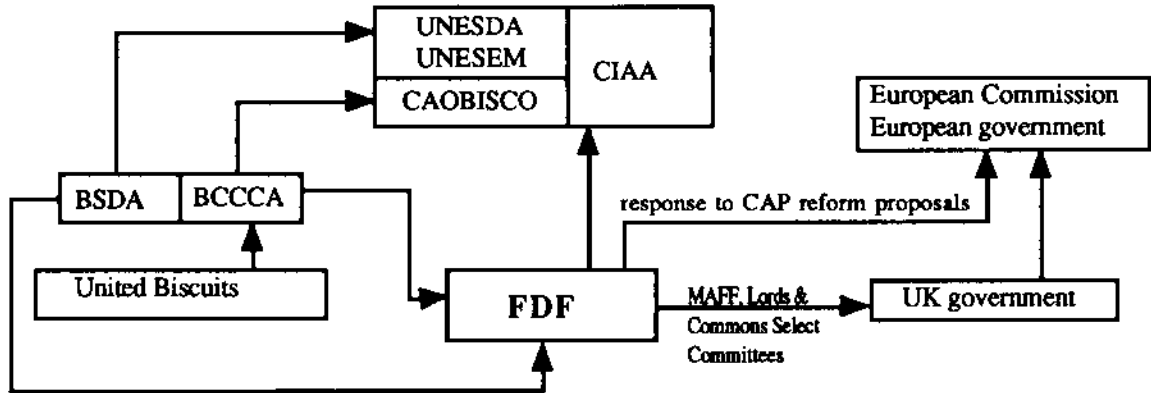
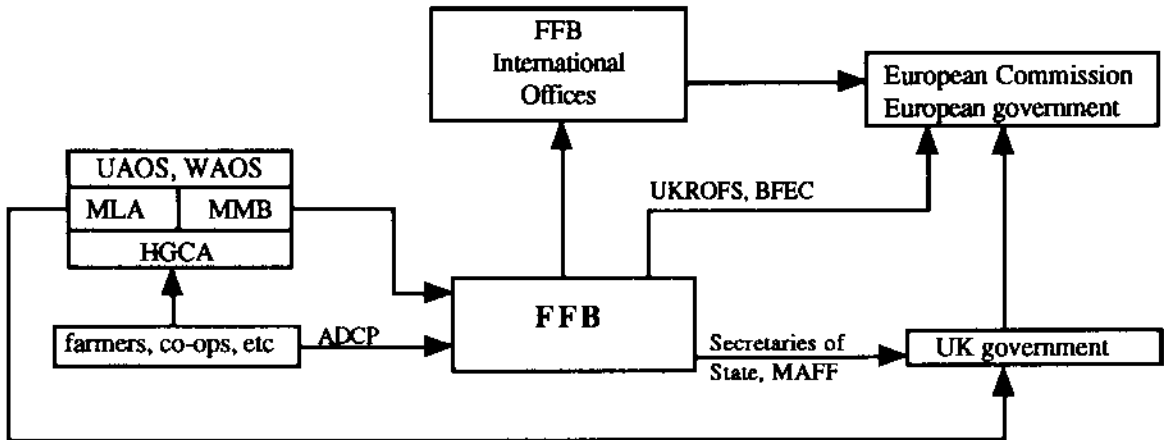


Figure 5: Stylized Structure of Food From Britain Links



the representatives of all the major retail companies, it merged with the British Retailers Association in 1992. Both were long-standing organizations with established reputations for representing the retail industry. The merging of both company and trade association interests has been made so as to enhance the representational power of the retail sector to government, both at the national and international level. Retailers have to increasingly keep one eye on the competitive food chain and another on the Europeanization of markets and food regulation. As the chairman argues:

Legislation and regulation emanating from the EC are rapidly overtaking that from Westminster in their direct and indirect impact on our industry. The past year (1991) has seen numerous proposals in the Social Action programme; protectionism on food issues masquerading as consumer protection; major proposals on eco-labelling and packaging waste; the continuing debate over VAT and excise duties; and many more. (RTA, 1991:4).

As the responsibilities conferred on the retail sector have increased in the UK over the course of the last decade, they have been forced to diversify their representational interests to a whole range of concerns associated with trading, planning and the environment, credit supply and social order issues. With other groups the Consortium seeks to press its views on government through briefing meetings with MPs on relevant legislation passing through Parliament; arranging lunch meetings for key policy makers; contributing to an all party group of MPs and peers on the retail industry; and participating and lobbying at the European level in groups such as the European Multiples Federation (GEDIS) and the European Confederation for Retailing (CECD).

These diverse sets of political relations are suggestive of a powerful regulatory role both

within the specific food sector and beyond. They begin to formally represent and construct the "consumer interest." They are currently influencing directly the development of European wide standards for food quality, arguing against specific and separate food commodity measures and for more generalized guidelines. Three-cornered negotiations occur on a range of food quality issues involving MAFF, the retailers and EC directorates. The consortium has pressed the government to dismantle the monopoly powers of the Milk and Potato Marketing Boards and to remove the imperial privileges conferred on Caribbean banana exporters. It has supported the deletion of the requirement from the EC that produce be labeled to show pesticide treatments (i.e. P number labelling), and it successfully defended "members rights" to continue to use the term "free range" on a variety of poultry products.

In these ways we begin to see how retailers are managing the process of competitive and regulatory internationalization both in the supply and delivery of food and in its regulation. They are operating both within national government as well as beyond it. While these retail interests are still largely nationally based, they need to influence off-shore markets and regulations from a position of national strength. These processes are not necessarily producing retailers as, in Grant's term "stateless firms" (Grant, 1992); rather, they have to negotiate and attempt to manipulate sets of nationally derived *and* internationally mediated public and private concerns. They attempt to maintain competitive market space by means of influencing and directing emerging legislation from the EC *and* the UK. Much of this is undertaken privately under micro-corporatist conditions. Moreover, it is occurring during a period when the nation-state becomes increasingly dependent upon retailers

to deliver consumer rights as part of a revised legitimation process.

New forms of internationalization and the increasing power of the consumer end of the food chain are combining to create new forms of national regulation as distinct parts of international, power "corridors." These are hastening the demise of producer based corporatism, so much a feature of the post-war national farm policies of most advanced nations. New forms of private interest regulation, whereby the *state empowers particular private interests to act on its behalf* are reinforcing the differences between types of public interest regulation (as concerning the rural planning system) where public participation, local responsiveness and scrutiny play an important part in the steering and spatial organization of economic change. Internationalization is likely to play an increasingly important role in developing these systems of regulation and it remains to be seen whether the different models initially developed in this discussion will compete both *within and over* national boundaries, particularly as the pressure for more common European policies develops (for example, harmonization and or mutual recognition mechanisms). National agricultures begin to play a less significant role in the food procurement policies of food manufacturers and retailers (either in terms of the proportion of value added or in terms of the volume of products required of individual farms). Moreover, corporatist agricultural policy starts to give way to more localistic service class demands for environmental and amenity goods. These tendencies operating within and between nation-states begin to promote new models of state mediation based on the delivery of new consumer demands rather than the provision of publicly inspired cheap food. The re-regulation of quality supply becomes paramount at the same time as national-states

paradoxically attempt to economically "deregulate" production and markets.

Disenfranchisement, Empowerment and the Construction of Global Markets: From Models of the State to Regulation Processes

The focus on the *food system as a dynamic and competitive matrix* begins to tell us a lot about the regulatory state in the post-cold war and post agricultural world. The ability of the state to retain a certain amount of adaptability, creativity and capacity for action reinforces its spatial variability and contingent nature. As a result, our focus here on retailers suggests the inadequacy of most of the generalized models of "the State." The competitive and contingent state, after the radical changes brought forth over the past two decades, is neither simply "elitist" nor "autonomous."

Regulating production, labor and now increasingly new and more variable forms of consumption, become high risk areas for the nation state. The allocation of consumer rights through the delegation of power to the retailers produces a new custodialism not only within the food system, but also in terms of the protection and promotion of consumer rights. It remains to be seen whether the regulatory state and the retailers can sustain their new found -- privately implementable -- public responsibilities.

What do these case analyses, associated with environmental and food quality, tell us more broadly about the limits and sphere of state action? How do we conceptualize state action?

Undoubtedly, the imposition of neo-conservative principles on macro-economic management has encouraged the internationally based food manufacturing and retail sectors to pursue and construct new value-added markets

under what Wrigley (1992:779) has modestly termed "a benign regulatory environment." The deregulatory nation-state -- in the UK at least -- has delivered cheap pools of unskilled and semi-skilled labor for retailers while simultaneously encouraging "service class" purchasing power of niche market and value-added food goods. However, these regulatory patterns are subject to considerable dissonance and contestation between as well as within the nations-states of Europe. The uneven adoption of the "social chapter" after Maastricht is in part an expression of the differences in neo-conservative nation-state policy. In the UK, maintaining a cheap labor force and positional buying power is seen as a priority in encouraging the flow of inward capital investment and low paid employment. In other European countries the promotion of highly skilled and state guaranteed labor is seen as higher priority, for the encouragement of output. Hence, the extent to which the nation-state forfeits welfarist principles in favor of projecting its global competitive status is highly variable. A key feature of most advanced nation-states has been, however, the increasing *disenfranchisement* of a growing and often multi-ethnic underclass and simultaneously, the empowerment of the service class consumer. In this sense the state still reflects and, indeed, generates class relations, but it does this increasingly through the *sphere of consumption* as well as production. Consumption cleavages are redrawn.

Consumption relations, not least associated with environmental quality, become more significant in class reformation. In particular, the acquisition and occupancy of property in rural areas becomes a major axis around which class relations are formed (see Savage et al. 1992). Moreover, food purchasing and consumption also reflects the growing social distance between the underclass and the service classes. Increasingly, the state is not operating

coherently in pursuing particular class interests. The state is not simply of a class. Rather the state and many of its models of regulation (for instance, the private interest government and public interest models outlined above) become active *agents in class formation* and fracturing. One feature of this becomes a growing spatial polarization and differentiation. Class; partly because it is more clearly defined by consumption and property, becomes more place specific. The state is then forced to protect these class spaces from "invasion." These class groupings once formed begin to construct new markets, attempting to further empower themselves with new consumer rights. Corporate capital, in the form of manufacturers and retailers cooperate in constructing and then regulating these markets. Environmental and consumer concerns however widespread and publicly recognized only *empower certain groups* in the neo-conservative state. They are far from "mass movements" in the traditional sense. Rather, they are partly defined by their *boundaries* with others. In particular service classes and corporate retailers have been two such empowered groups over the past decade. However internationalized corporate capital or state structures become, the protection of such empowered markets and constituencies is an overriding priority. Both the private sector and the more "deregulated" state have to constantly legitimate their actions to these nationally based and value-seeking groups of consumers. At the same time, however, they have to act transnationally in order to maintain and regulate their markets. This places more analytical emphasis not so much upon state structures per se, as it does on the practices and actions which run through them. The socio-political *practices* involved in regulation become a prime focus for research.

As some of the recent literature on regulation suggests (Clark, 1992; Jessop, 1990), the

changing characteristics of regulation at different institutional, sectoral and spatial scales, provide an active context for accumulation, social legitimation and reproduction of labor and consumption. Increasingly -- in the advanced world at least -- it would seem that these long-standing regulatory dimensions are now more embedded in consumption processes. The differential rights to consume become an important axis upon which accumulation occurs and is socially and politically sustained. The question becomes, how sustainable are the accumulation strategies of retailers and food manufacturers in the 1990s and how is the regulatory state to react to the dual pressures of underwriting private accumulation and maintaining a divergent public interest? So far it would seem that different regulatory models are operating at different points in the state-food matrix. For instance, private interest government expects the retail sector, as with other sectors such as the privatized utilities, to embody individualized and public goals and goods and to continuously legitimate these in its relations with the consumer. This is far from a smooth or functional process, however, and it presents the regulatory state with a new set of contradictions. In part it cannot control or "ring-fence" food supply or food quality as it once did under the largely nationally based agricultural corporatist model. A major concern for the state apparatus now becomes how to delegate state power to the private sector while also keeping some responsibility for the public interest.

In addition to these inherent contradictions in *transposing state power onto private sector interests through micro-corporatist relations and practices*, the tendency for the growing transnationalization of policy and corporate activity tends to progressively confront these nationally based arrangements. In the area of food standards and competition policy, EC directives can confront prior agreements made

between the retailers and the British state. Given the persistence of producer-corporatism in mainland Europe, in addition to concerns about guaranteeing workers rights and welfare, private-interest government models of regulation generated in Britain may not be a sufficient basis for the international expansion of the British retail sector. There may indeed be nationally specific forms of micro-corporatism developing across Europe at the same time as retail firms become more internationally connected. It is, therefore, important to recognize that the processes of transnationalization may unsettle nation-state generated regulatory models, but that this will *not necessarily discourage new regulatory development emanating from nation-states*. Public environmental concerns and consumption practices remain largely national concerns. *Corporate capital needs nationally generated regulation* as much as it needs to exploit transnational markets. The need is to study the contested and contingent cross-links and matrices between international and national regulatory relations; and particularly how these define the competitive space for corporate capital, on the one hand, and sustain and legitimate consumption practices on the other.

The ability of state practices to retain a certain amount of adaptability, creativity and capacity for action reinforces its variable and contingent nature. The study of state regulation in the period of "new" globalization needs to jettison the generalizable "models" of the functions of "THE STATE." It is more than simply a study of institutional morphology. As some of the regulationist and policy community and network literature begins to suggest corporate reorganization and consumer empowerment requires a continuous redefinition of the boundaries of competition and accumulation. Both require *contingent state practices* to help to continually construct and legitimate

these social conditions at the national and international levels.

Notes

1. While landscape is an obvious example of a land-based public good, others include the conservation or preservation of wildlife and habitats, the provision of public access and amenity features, and even the concept of a secure (i.e. domestically produced) food supply.

2. See, as the prime discussant of the characteristics of positional goods, Hirsch (1976).

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