Food, the State, and The World Economy

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The growing literature on the "internationalization" of agricultural and food systems has paid too little attention to the way in which the state itself not only sponsors this process, but is changed by it. In most accounts of internationalization, the state (and state system) is taken as a given. This paper attempts to remedy this by offering a sketch of the world historical character of state-economy relations, across different periods of world capitalism. The goal is to stress that currently the transnationalization of the state is a key to the internationalization of agro-industrial food systems.

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Introduction

The recent trends in the global organization of markets have sparked an interest in the so-called new internationalization of agriculture and food systems (eg., Sanderson, 1985; Barkin, 1987). By and large, the literature has focused on the structural-economic dimensions of this process, with little attention paid to theorizing the changing role of the state in this movement. This paper addresses this issue because (a) the state is central to the process of the internationalization of capital, and (b) the current form of internationalization of capital is transforming the state. There are two primary issues. The first is theoretical, and concerns how we relate the state to (global) economic change. The second is more directly historical, and this concerns the global context within which the process of internationalization takes place.

The link between a theoretical and a historical understanding of the state is made through a historical conception of the state. My own perspective is to view the state as central to the historical genesis of capitalism and its subsequent spatial forms, governed by an evolving state system that is neither uniform nor stable across time. Within this framework we can examine the shifting political dimensions of international agro-food systems, the goal being to comprehend

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more adequately current forms of internationalization. This task is informed by four propositions:

1. That agro-food internationalization must be related to the more general process of internationalization of capital.
2. That to theorize state-economy relations historically, it is useful to consider the state as a relation of production itself.
3. That states need to be conceptualized as members of the state system, to provide historical context for the modern state.
4. That it is important to distinguish the nation-state from the state as such, in order to grasp the fluid political character of the state within the development of capital.

Towards a world-historical view of state-economy relations.

Current conceptions of the crisis and restructuring of capitalism by and large retain an unproblematic conception of the state. While economic relations and processes are reorganized globally, the state is taken as a given, substantively. That is, the state may organize new transnational linkages (Evans, 1985), but this is understood instrumentally, rather than as a qualitative shift in the character of the state. Underlying this view is an unexamined assumption that the state is a national construct, reproducing capitalism nationally (Gordon, 1988). From a historical viewpoint this assumption is untenable, since the nation-state is a recent, and increasingly fragile, form of state political organization. And this historical fact is related to capitalism's transformation from a national, to an increasingly transnational, form.

It is important not to conflate state and nation-state here, recognizing that the latter is a historical form deriving from the social movement of the nineteenth century, and that it is the state's national organization that is currently in crisis. It is in crisis precisely because capital, in all its forms, is reorganizing above and below the administrative level of the nation-state. It is directly challenging the national constraints (such as social and financial regulatory policies) that evolved within the social-Keynesian era. The state itself is still critical to the movement of capital, albeit in a transformed sense. From a brief historical overview, I shall argue that the state/capital relation is presently undergoing restructuring, and that this process can be observed at the level of agro-food systems.

a. State/Economy relations.

Orthodox Marxism perceives the state as a politico-legal superstructure astride an economic base, with causal movements either from base to superstructure, or, more subtly, either way, depending on the circumstances. This perception, however, reinforces the separation of economy from politics identified by Marx, and later Polanyi, as the fundamental shortcoming of liberal economic theory. For Marx, granting autonomy to the economy from its socio-political foundations, was the essence of commodity fetishism. That is, the representation of economic relations as discrete categories is a historical product of capitalist development, and must be understood as such. In the post-feudal era, economic relations formally appear devoid of political and social attachments, and yet substantively they are saturated with social relations. For Polanyi, the belief in a "self-regulating market" gave rise to fictitious conceptions of the requirements of modern social organization (1957). As both analysts have shown, the market economy is a historical institution that cannot be understood apart from its political elements. From this point of view, the state must be understood, among other things, as a relation of production itself (cf., Corrigan et. al., 1980)[1]. The following discussion attempts to locate the history of the state, and state system, within the broad, global, movement of capitalism.

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b. Political origins of capital's world market. Historically, capitalism has always been international, having had its genesis in the fusion of the state and commercial capital. This fusion was simultaneously a nationalization and internationalization of capital, where Absolutist rule depended on a (mercantilist) world market based in rival colonial systems (cf., Polanyi, 1957:65; Mann, 1980:176). Thus the history of capital dates from the integration of age-old merchant capital into the structure and functioning (trade and national debt) of the early modern state. Politically-organized markets provided the conditions for systematic accumulation of capital through the regulation of private property as a social form involving labor force formation, banking regulation, contract law, and so forth. States' organization of markets and legalization of ownership of rights to mobile capital institutionalized (initially merchant) capital's distinctive ability to link and unify regions/systems of production, laying the foundation for the rise of a state system (McMichael, 1987:189).

The institutional distinction between state and private property facilitated the cumulative and reciprocal development of each, producing the classic division, or opposition, of 'state' and 'society.' Private property inevitably imposed itself upon the state-making process, via the mutual dependence of rulers and merchants, and the growing class power of the bourgeoisie (cf., von Braunmuhl, 1979:174). Thus the partnership into which the early modern state entered with merchant capital, laying the foundations of capital's world market, transformed both state and capital. It was in the age of industrial capital that this nexus, rooted in world commerce, assumed an increasingly national form, as the economic movement and political relations of capital insinuated themselves into the home markets and institutions of the metropolitan states.

The national movement stemmed from the development, organization and regulation of wage labor in the nineteenth century. The colonial system was the principal mechanisms for generating surpluses for the metropolitan economy, and markets for metropolitan manufacturing. This global process anticipated and then coexisted with wage labor, as the Industrial Revolution heralded a new regime in the history of capital. It was new in the sense that capital now controlled, rather than mediated, production, and the enhanced scale and productivity of wage labor generated new (extra-colonial) markets and a mode of self-expansion leading to the relaxing of mercantilist regulations. While non-capitalist colonial labor was incorporated into the industrial regime alongside new wage and family farm labor systems, all commodity-producing labor was subordinated to the competitive requirements of wage labor in a truly global economy.

c. Rise and demise of the national movement. The distinctive feature of the nineteenth-century world economy was the national movement. While originating within the metropolitan center, it was projected via British hegemony as a political-economic principle throughout the non- and post-colonial world (McMichael, 1985). Within this dynamic, the attempt to establish a self-regulating (world) market via the gold standard institutionalized national banking and political constitutionalism (see Polanyi, 1957). Britain's global engineering to constitute itself as the "workshop of the world" provoked rival nationalist capitalisms, anchored in the new central banking.

What we are witnessing today is the ***denouement*** of this nineteenth-century national movement. It is neither clear-cut nor inevitable, nevertheless it is arguably the principal source of tension in contemporary global political-economy. Briefly, as the "nationally- organized" capital of the nineteenth century has been replaced, or subordinated to, conglomerate, or "transnationally-organized" capital in the post-World War II era, so the state-economy relation

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has been transformed. In order to ground this movement in our subject, it is useful to sketch out the associated developments within the agro-food sphere. This will help to specify the changing role of the state. A fruitful method of conceptualizing the modern history of agriculture is through the idea of the "food regime," derived from Friedmann's initial conception of the "international food regime" (1987). The "food regime" is an international political-economic relation linking food production and consumption to dominant historical forms of capital accumulation. It directly implicates, and shapes, the state system across time. Two such food regimes have been identified (Friedmann and McMichael, 1989).

First food regime: 1870-1914. This was characterized by an **extensive** form of accumulation, geared to lowering metropolitan wage costs. Here, exports from New World family farms (and ranches) provisioned the new European proletariat with relatively cheap staple wage-foods in the forms of grains and meats. This regime comprised two related, but opposing movements.

First, was the culmination of colonialism (e.g., the late- nineteenth-century imperial scramble, expressing emerging national rivalries (US, Germany and France vs Britain; Britain retreats to its dominions), and yielding supplies of tropical products to provision new metropolitan class diets (sugar, tobacco, coffee, cocoa, tea, vegetable oils, bananas) and to supply new industrial raw materials (cotton, timber, rubber, indigo, jute, copper, tin).

Second, was the rise of the nation-state system, as new settler states established an alternative post-colonial system organization of the world-economy in political and economic terms. Politically, representative governments regulated national economies (including complementary commercially-specialized agricultural and industrial sectors) within their jurisdiction. Economically, competitive inter-national trade in temperate agricultural products and manufactures, replaced complementary colonial trade in tropical products in exchange for manufactured goods. With this movement emerged a truly inter-national division of labor, as settler states replicated European agricultural and industrial production on a more cost-efficient basis.

The agro-industrial complex implicit in this national articulation of economic sectors, especially in the U.S., would become the foundation of the second food regime, based as it was in U.S. hegemony. That is, the United States became the model of national economic organization —both in European and East Asian post-war reconstruction schemes, as well as in the post-colonial world. Substantively, the model presumed the industrialization of agriculture, and, therefore, a fluidity of sectoral boundaries. This had two spatial dimensions. Economically, there was the growing subordination of agriculture to capital begun in the nineteenth century as a commercializing trend— initially separating agriculture and industry into distinct economic sectors, then reuniting them in the agro-industrial complex as the concentration of capital and the industrialization of food proceeded. The steady erosion of the sectoral boundaries of agriculture continues, where "by 1980 some two-thirds of the total final value of agricultural production in the USA was realized 'downstream' of agriculture itself, in processing, packaging, transport, storage and distribution. Of the third remaining to agriculture 80 per cent went out again in expenditures on inputs, equipment, services and debt-service" (Raikes, 1988:114).

Politically, there was the growing possibility of internationalization as the subordination of agriculture to capital promoted specialized sub-sectors, which, like components of industrial processes, could be relocated and/or reintegrated globally (as agro-food chains) in a relatively open world economy. This process fragments national agricultural sectors, and promotes

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international competitive advantages which often redefine national food security as access to commodities in the world market. In short, the industrialization of agriculture embodies an ongoing tension between national and international forces.

Second food regime: 1945-73. This was characterized by an intensive accumulation process geared, not to cheapening consumption, rather to incorporating consumption relations into the accumulation process itself as required by the Fordist model of a rising wage/productivity contract. It intensified the industrialization of agriculture, producing new durable foods, which paralleled the role of "consumer durables" in the prosperous post-war Pax Americana.

This regime comprised two related, but opposing movements. First, the state system was extended to former colonies. This destroyed the political base for specialization within protected colonial trading blocs, expressed in declining markets for tropical exports such as sugar and vegetable oils as a result of metropolitan import-substitution. Food surpluses from the intensive metropolitan accumulation in turn provisioned an emerging Third World proletariat —largely through the US food aid system, constructed to offset agricultural overproduction and to replace now protected European markets with those in the post-colonial world (Friedmann, 1982).

Second, agricultural sectors were restructured transnationally by agro-food capitals. Intensification of metropolitan agriculture involved first, the elaboration of agro-food chains across national boundaries, and second, the increasing conversion of food from final-use farm products to manufactured, even durable products. This restructuring occurred via two new complexes:

(a) the intensive meat complex, which integrates separate and specialized animal and grain (carbohydrate)/soy (protein) producers across national borders (originating in advanced capitalist countries, and spreading to state socialist countries, like Hungary and the Soviet Union, and middle-income Third World countries like Mexico, Brazil, Korea, Taiwan, and more recently, Thailand). For the intensive meat complex we have the analogue of the 'world car' in the 'world steer': combining for example, European antibiotics, US feedgrains, and Mexican calves moved to US feedlots to produce boxed beef for Japanese consumers (Sanderson, 1986).

(b) the durable foods complex, built around the principle of "substitutionism": either reduction of the agricultural product to an industrial input, and/or its replacement by non-agricultural components (Goodman, et. al., 1987). This complex transformed food from a local, perishable ingredients into globally marketed manufactured products, frozen, processed and reconstituted with key ingredients such as sweeteners and fats.

d. Conceptualizing "internationalization" vis-a-vis the state

Following the above sketch of global trends whereby national economies are compromised by this process of transnational intra-sectoral integration, it is now possible to theorize internationalization as a process implicating the state. I begin with the proposition that since capital is constituted through the circulation of money and commodities, it is inherently non-national in its characteristics. While the circulation of value in its various forms (money, commodities and labor) is not coincident with geo-political boundaries, and may be subnational or transnational in scope, this does not mean the state is insignificant. It is quite the contrary. The production of value depends on state-secured property relations, and its relative mobility depends on monetary, trade and investment controls (Bryan, 1987). From this perspective, the modern state is not so much a self-evident (national) economic unit, as a social and institutional complex governing segments of value circuits, some of which are international. While production (organization of labor markets and

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processes) occurs within a national context, associated processes of realization and reproduction (purchase of means of production) may occur in national or international settings.

In this sense the domestic economy is constituted by fractions of capital that have different, and often contradictory, political and social interests. Bryan (1987) has classified these fractions into four types of capital circuits: the "national circuit" (import-competing production and reproduction encouraged by the state), the "global circuit" (world market production by TNC's in multiple national sites), the "investment-constrained circuit" (export production under special conditions guaranteed by a state), and the "market-constrained circuit" (import-competing production in one or more national sites by TNC's). Aside from the first type of circuit, internationalization can take these three other forms — individually or in combination. In principle, there is no common pattern nor trend since for historical and structural reasons there are various combinations, implying different styles of state regulation.

The state is the arena for competition among these various forms, meaning that internationalization itself has dynamic and diverse manifestations in any one state. And the heterogeneity across the state system is also a condition for fluidity. Of course certain dominant trends appear in the state system at certain conjunctures —such as the phenomenon of export-oriented production in the 1970s, but there are a variety of forms of export production and reproduction. At the same time, it is possible to see that the process of concentration and centralization of capital has intensified the internationalization process—but again, without necessarily taking any one particular form, or direction, of internationalization process. Thus, while there are definite secular trends to be identified, such as the intensification of transnational capital circuits associated with global banking and the integration of specialized sub-sectors of production across national boundaries, the process of internationalization within states assumes a variety of local forms. We now turn to the experience of internationalization.

Current restructuring of state and economy

The breakdown of the post-war food order is commonly identified with the dismantling of the Bretton Woods system in the early 1970s. In fact, this event precipitated the current erosion of the nation-state in the face of an intensified internationalization of capital in general. In order to understand the current transformation of agro-food systems, it is useful to summarize trends in global economy during this period, and their implications for the state. The issue is not whether internationalization is a new trend in global integration, but what kind of integration is afoot. The most obvious feature of the internationalization of capital has been the increased velocity of capital mobility in the world economy over the last two decades. Both institutional (dismantling of national currency regulation via the gold-dollar standard with the breakdown of the Bretton Woods system), and compositional (centralization of banking capital on a world scale) changes underlie the globalization of markets that is responsible for destabilizing conditions for national accumulation policy (see Raynolds et al.).

The vortex within which the state currently finds itself is the increased tension between national and international forces. New social movements press their national governments for material (including food) security (Gouveia and Stanley, 1990; Walton and Ragin, 1990), while international capital and its financial agencies impose austerity policies and commodity export-production schemes which gear Third World economies to world markets. Liberalization policies attempt to substitute market regulation at the global level (administered by para-global-statal agencies such as the World Bank and the

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IMF) for the political regulation of national economies.

With the disintegration of the Bretton Woods system there emerged new institutional mechanisms of control and cooperation in the global movement of capital. Briefly, transnational banks wield influence in the multilateral lending institutions, and among OECD policymakers. The Structural Adjustment Loan indicates the resulting shift in multilateral financial institutions. Adjustment lending differs from traditional lending for short-term balance of payments adjustments (IMF) and development projects (World Bank). Adjustment loans typically extract and underwrite policy changes such as market liberalization, sectoral restructuring, privatization, and export promotion to service debt. At the same time, the policy shifts redistribute power within the state from national program-oriented ministeries (e.g., social services, agri-culture, education) to the central bank and to trade and finance ministeries (Canak, 1989; Bienefeld, 1989). This process of "trans-nationalization" of the state includes the displacement of the policymaking framework from South to North (see McMichael and Myhre, 1991).

At this juncture it is difficult to know whether and to what extent the displacement of national policy is a secular trend either within the South, or indeed within the state system in general. The 1980s were a decade of class restructuring, under the effect of near universal neo-liberal policies responding to the global accumulation crisis. These events, which compromise national coherence, were cyclical, although it may be that the world has entered an "end-of-the-millennium" era of "permanent crisis" (Shanin, 1988:111). What does seem clear is that to the extent that the gross inequality between North and South (loosely speaking), is thereby reinforced, the actual meaning or possibility of a national project in the South is fundamentally compromised in the long run. After all, the national movement is possibly only a moment in the history of capitalism, realized most fully in the above outlined settler project, and thence projected as a contradictory ideal in the postwar world. Since then there has been a consistent disjuncture between the aspiration to, and the reality of, the ideal of national organization for states.

In the post-World War II era, the national organization of capital was on the policy agenda, being the idealized model of U.S. development informing both contemporary social theory and U.S. foreign aid programs. The model was possible so long as the dollar/gold standard operated. In real terms, the gold standard imposed a requirement of a stable national trade account as a condition of low interest rates and therefore a favorable environment for capital. Stable trade depended on national success in the world market. And so, the ideal conditions for development were those elaborated by the nation-state (Phillips, 1977). National management of "development" stemmed from the nineteenth-century movement, as demonstrated by Polanyi, and was legitimized by Keynesian theory of national regulation. In other words, viable capitalist development (and socialist development, under the circumstances) depended ultimately on the nation-state.

The essence of the national model was a dynamic complementarity between the agricultural and industrial sectors (Johnston and Kilby, 1975; Senghaas, 1988). Third World states sought to escape the colonial model of tropical export agriculture by encouraging metropolitan capital and technology to modernize their agricultural sectors and so provision a growing national industrial sector with food and labor surpluses. The Green Revolution was a form of agro-food import substitution. Paradox-ically enough, it internationalized the US model of capital-intensive agriculture geared to new class diets of wheat products and animal protein. Allegedly a vehicle of national food security, the Green Revolution internationalized the industrial food system (George, 1984). This contradictory outcome stems from the idealization of the US

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model. While it did represent a goal of national articulation of agriculture and industry as national economic sectors, this was ideal-typical only. Its very success was the foundation of international agribusiness (see, e.g., Burbach and Flynn, 1980), which, supported by US global policy, threatened the possibility of inter-sectoral integration as an inclusive, national phenomenon in most of the developing world. Where post-colonial states by definition lacked coherent national organization (cf., Migdal, 1988), instead of actively denationalizing agro-food systems — outside of exceptional cases such as Mexico's Sistema Alimentario Mexicano, abandoned in 1982 (Barkin, 1987) — internationalization has by and large been a preemptive movement.

The context of this movement has been the fundamental asymmetry of the state system with respect to the national regulation of agriculture. Levels of agricultural protection divide fairly evenly (in a declining trend) along North/South lines. A 1985 World Bank report stated that: "the industrial countries have erected high barriers to imports of temperate-zone products from developing countries and then have subsidized their own exports" (quoted in Danaher, 1989: 42). This asymmetry is rooted in the concentration of agro-industrial capital, including farming capital — a process reinforced by metropolitan states via commodity support price schemes, which promote single crop specialization (Bonanno et. al., 1990). Metropolitan protectionism in turn destabilizes world markets by subordinating them to the politics of farm subsidies, overproduction and intense competition (Runge, 1988:144). The lowered prices resulting from this "trade crisis" (Hathaway, 1987) in turn influence Third World national food price policies, often under-cutting domestic food self-sufficiency schemes (Barkin, 1987).

In addition to the political-economic subordination of the Southern state within the state system at large, the internationalization of capital has intensified with the diffusion of the U.S. model of capital- and energy-intensive agriculture. Internationalization has taken several forms. The technological dependence inherent in the Green Revolution represented one form of internationalization, which, following Bryan (1987), can be termed the "market-constrained circuit of capital" (import-competing production in one or more national sites under the joint sponsorship of transnational capital and the state). This has extended into the so-called "second Green Revolution" associated with the "new agriculture" (Feder, 1983; DeWalt, 1985; Rama, 1985), and involving two other forms of internationalization: "investment-constrained capital circuits" (export production under special conditions guaranteed by the state) and "global capital circuits" (world market production by TNCs in multiple national sites). In these latter forms of internationalization, state policy has encouraged the supplying of high-value markets for luxury foods and agro-food components in both local and export markets.

Associated with this technological change in world agriculture has been the proliferation and transnational integration of specialized sub-sectors of production stemming from the long-term processes of industrialization of agriculture (Goodman, et. al., 1987). Growing consumption of animal protein intensifies market competition in feedstuffs, as countries like Brazil, China and Thailand rival traditional exporters such as the ex-settler states. Grain substitutes, such as cassava, corn gluten feed and citrus pellets, have become key export commodities in the restructuring of international trade, since they have been unprotected imports to the EEC (Hathaway, 1987:30). As substitutes, they furnish new accumulation strategies for agribusiness firms in a glutted world market.

These trends have transformed production relations within Third World agriculture, giving rise to new farming classes such as capitalized family farmers geared to grain, forage and feedstuffs (Byres, 1981; DeWalt, 1985; Llambi,

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1989; Barkin et. al., 1990); and contract farmers: peasants reconstituted via integration into agribusiness operations organized variously by public, local private and TNC capital (Watts, 1990; Mackintosh, 1989). As Sorj and Wilkinson have noted:

> "Technological modernization has, in fact, been the main avenue through which peasants have come to participate in the (dys)functioning of the state system via credit, insurance, subsidies and technical assistance. These new levels of integration have been responsible for modifying the politico- ideological universe of technified family farmers, leading to a shift in demands away from questions of land redistribution in favor of issues related to agricultural policy" (1990:131).

However, the other side of this process is the steady marginalization of the non-integrated peasantry, which loses not just its land but also its political mass. Among this group is the growing mass of multiple job holders whose fragmented employment patterns express the processes of cross-national, and cross-sectoral integration of production, further undermining possibilities for political action.

Thus, throughout (and via) the world market new class diets, in conjunction with structural adjustment policies promoting export agriculture to repay mounting debt, have recomposed class and production relations in the "new agricultures" and their associated industrial food systems. The "new agriculture" is capital-intensive and invariably state-supported — whether under pressure from international financial agencies, such as in the case of Mexico (Barkin, 1990; McMichael and Myhre, 1991), or submitting to the logic of the global market, such as Chile (Petras, 1988; Goldfrank, 1989), Senegal (Mackintosh, 1989) and Thailand. Agro-industry, even when geared to affluent markets at home, stimulates "export-substitution," replacing or complementing traditional primary commodity exports and/or strategies of export industrialization promoted across the Third World from the 1970s. The new export-oriented luxury-food agro-industry is the fastest growing sector, accounting (in 1980) for 25% of the Third World's total processed food output, much of which is marketed by a handful of transnational corporations (Ho Kwon, 1980:53).

For example, Thailand's recent foreign debt-financed state-led development strategy, encouraged by a 1978 World Bank report, has given highest priority to the agro-food sector. This shift in strategic sectors exemplifies the new politics of agro-food expansion, where "while much emphasis was placed upon the promotion of manufactured exports, it was soon realized that export oriented industrialization (EOI) was not merely a strategy for industrial manufacturing and that the export of luxury foods is a logical extension of the strategy" (Hewison, 1989:87). Agro-food development from the 1970s has led to land concentration and intensified contract farming (Chiengkal, 1983:357-358). Targeted as "Asia's supermarket," Thailand's food processing industry has expanded rapidly on a contract-farming basis. Food companies from "Japan, Taiwan, the U.S. and Europe see Thailand as the most promising base for export-oriented production, especially in comparison with competitors like Indonesia, the Philippines, or Taiwan" (Goldstein, 1988:48). The Thai Board of Investment first encouraged large agribusiness feedstuff producers with investment promotion privileges in 1969, subsequently extending this privilege to corporations exporting processed chicken (Chesley, 1985:69-70). Thailand's intensive poultry sector (sourced by local feedstuffs) has become a dynamic source of exports, 90% of which supply Japan's broiler market—surpassing U.S. broiler exports to Japan in the late 1980s (McMichael, 1990).

In all these cases, while agricultural

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productivity increases, raising some rural incomes, those rural producers not expelled from the land are inevitably incorporated into higher-value or global markets at the expense of staple food production, most dramatically expressed in the substitution of feed for food grains (Barkin et. al., 1990). Meanwhile the dispossessed often cannot afford the new foods (Goldfrank, 1989; Bouis and Haddad, 1990). Scholars may debate the impact of cash/export crops on nutrition levels (see Maxwell and Fernando, 1989), but the overriding issue is that where states are compelled directly or indirectly to adjust agricultural policy to the logic of the world market, in which industrial/luxury foods increasingly dominate investment decisions, local food markets and the (potential) national coherence of agricultural sectors suffer.

The social consequences of commodification and subordination of food supply to world, rather than local, markets, is underscored dramatically by Yotopoulos: "For the first time, whether wheat produced in Australia will go to feed people in Bangladesh, pigs in the USSR, or sheep to be exported to the EEC, becomes a question for the world market to decide" (1985: 447). Of course, the "world market" is not an entity with a life of its own. It only assumes those proportions when the full force of class advantage in the state is concealed behind the universalist appearance of policies pursuing national trade and financial equilibrium. And this has been occurring more frequently lately as international financiers impose stringent criteria of solvency on states. Under these conditions, it is difficult for governments to maintain consistent and coherent national policy with respect to such basics as entitlement rights to food at accessible prices and in culturally and nutritionally appropriate form.

Conclusion

The elevation of the world market stems from three key forces. First, the expansion of transnational corporations in the organization of the production and circulation of food, especially as "substitutionism" has enhanced the profitability of agro-food investment. Second, class recomposition on a global scale, involving a concentration of social power within states of wealthy classes with global horizons, the transnational integration of consumption circuits and the biasing of food markets. Third, the power of (increasingly centralized) transnational capital (Andreff, 1984), institutionalized in the international financial agencies and their economic prescriptions for borrowers to adjust and open national economies to global markets.

At the same time global food markets are politically structured by the unequal pattern of agricultural protection in the state system. Persistent Northern farm supports have enforced a global division of labor, where a ready supply of (cheap) low-value crops form the North dictates Southern investment in high-value agriculture for the world market at the expense of a domestic basic grains sector (Buttel, 1989). Third World exports expand to finance food imports — since 1970 growth in export production has outpaced basic food production by two and one half times (Danaher, 1989: 6).

In conclusion, the state/economy relation has been transformed, not only in the sense that capital, arguably, has gained the upper hand, but more fundamentally in the sense that state structures are undergoing a process of "transnationalization." For want of more adequate language to convey the erosion of the national movement, this means that states' political bureaucracies, and economic capacities and policies are increasingly geared to extra-national demands and markets. Whereas internationalization historically linked specific sub-sectors within states to global circuits as a basis for domestic accumulation in the process of nation-state building, there is an apparent intensification of this process that contradicts the integrity of national economic and political

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organization. This development has its clearest statement in the growing movements of opposition to the dismantling of such organ-ization (the proximate cause of which is the draconian adjustments meted out to indebted states by the international financial community). That is, it is ultimately a political question and necessarily imprecise.

We live in an age in which there is a strong legacy of national organizing capacity, deriving from the historic role of the nation-state as a material and ideological force and recently institutionalized in international agencies geared to national solutions. Twentieth-century state-building has included the provision of social rights, including food security organized via national agricultural sectors on the ruins, or residue, of local subsistence agricultures. This process was never complete in the post-colonial world, and is in decline now in the First World. We also live in an age in which transnational capital, with or without the assistance of states, is reorganizing space, and therefore, the nation-state itself. Capital can be global precisely because, unlike the nation-state, it can coordinate production and circulation activities across national boundaries. Where corporations organize agro-industrial complexes transnationally, they preempt national agricultural complexes by transforming specific crops into world market commodities. States certainly mediate this, partly because they have little choice if they wish to benefit from the increased exchanges. And some states do more than mediate —for example, the U.S. actively promotes export markets for its agricultural products, and Japanese foreign aid programs sponsor agro-capital investment to resolve Japan's food dependency problem (Berlan, 1989: 227).

World markets may be of net benefit to a nation — there is nothing inherently superior about local markets (other than freshness and energy conservation), especially when social and economic equality is not guaranteed. The issue rather is how markets are structured according to class privilege, and whether they are regulated via the state, or state-system, for the purposes of production/distribution on a world scale geared to social justice and long-term environmental security. At present it is clear enough that this not the way in which the world market is organized. Further, its very organization is eroding the possibility of national, or collective international, action to secure these goals. This process is by no means even, nor clear cut, since there remains a strong residue of national organization in the current world order. However, we are witness to growing political tensions as the contradiction between private (global) accumulation and the national-political legitimacy of states intensifies. One of the clearest currents in this development is the food security movement, which at its most elemental level expresses the decline of community and the subordination of the state to global economic forces.

Notes

1. Methodologically, we cannot appropriate the material world without thought, but that process of abstraction (conceptualization) reifies categories where it accepts them at face value, so to speak. In other words, the base-superstructure terminology in Marx is a metaphor for the process whereby we abstract from real social relations: the "base/superstructure metaphor applies to the relation between social being and social consciousness, it is not a putative model of societal 'levels' at all" (Sayer, 1987:92).

The point of this methodological aside is to conceptualize the state as a historical category which has both ideal and real conditions. That is, the state is an institutional feature of capitalist development, broadly conceived. It is an arena of social action, in which policy emerges under the mutual conditioning of real (briefly, structures of accumulation) and ideal (briefly, projections of social interest) forces. The contradictory character of state and state policy is largely due to the considerable discrepancies between ideal and real forces in time and space (for example, policies pursuing national prosperity may be undercut by cyclical and/or international movements of capital).

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■

RESUMEN

Alimentos, el Estado y la Economía Mundial

La creciente literatura sobre la "internacionalizacón" de los sistemas agrícola y alimentario ha prestado poca atención a la manera como el Estado, no sólo ha sido responsable de dicho proceso, sino que al mismo tiempo, también es cambiado por él. En la mayoría de las consideraciones sobre la internacionalización, el Estado (y el sistema estatal) se asume tal como este se presenta.

Este trabajo analiza el carácter histórico mundial de las relaciones Economía-Estado a través de diferentes períodos del desarrollo capitalista. Su objetivo es resaltar que la actual transnacionalización del Estado es una clave de la internacionalización de los sistemas alimentarios agroindustriales.

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