

Why and how can the State intervene in the development of the social economy?

1. Justification

Agriculture is in the midst of a crisis which is manifesting itself in many ways.

Under the still-dominant productivist model, agriculture is increasingly running up against the negative effects of its own success. Pushed to extremes, the model gives rise to unceasing restructurations of whole branches of the sector, leading to reductions of the working population - or even its total disappearance in certain sectors or regions.

The process which is now going on often results in a standardisation of products, at the same time as it generates new health risks.

Agriculture is also confronted with a crisis of consumption, which is also evolving in different directions. Demand for standardised goods at low prices coexists with new demands (safety, environment, support to development).

Demand is thus less homogeneous and harder to evaluate, as it is often formed outside of the agricultural sector itself.

Agriculture is also confronted with the ecological crisis, in the broad sense of the term. If the latter manifests itself most often in local and regional conflicts between environmentalists and farmers, it nevertheless has a wider dimension, which is that of the confusion created by external effects, sometimes positive but uncompensated (landscape), often negative and increasingly penalised (pollution). For the farmers, it is a sign of the rupture which has taken place between themselves and the rest of society.

Finally, agriculture is confronted with an institutional crisis which is revealing itself as a crisis of confidence : consumer confidence in the quality of the food supply, confidence of the producers in the systems which constitute the framework for their activities.

This framework often results in the production of standards (environmental, health, market) that are so overlapping and entangled with one another as to create an "environment" which appears chaotic to both the producers and the consumers.

2. Objectives

The multiple dimensions assumed by the agricultural crisis justified a careful study of the processes in progress, especially since one cannot reduce them to a pure economic strategy, a pure instrumental logic (segmentation of the market, marketing policy).

Among these processes, this research sought to evaluate the potentials and difficulties of collective initiatives on the part of both producers and consumers in the direction of new food product networks.

3. Research method

The research is based on an inventory - as exhaustive as possible - of initiatives coming from the base (bottom-up), thus forming part of what one commonly calls *self-organisation*, in the agri-food sector. Nearly two hundred initiatives were catalogued in Belgium, more frequently discovered in Wallonia and in the provinces where European programmes have been developed.

Rather than performing a quantitative evaluation of these initiatives (in terms of employment, production, etc.), the research developed an in-depth analysis of six initiatives : two farm-product co-operatives, an association to promote integrated pest control in fruit tree cultivation, a labelled beef network, the " farmer's markets " and the " food teams " which specialise in direct collective sale of farm products to consumers.

Each case study formed the object of an economic analysis (transaction costs), a sociological analysis (socio-technical construction) and a demand analysis (laddering method).

4. Results

Demand of the consumers

Examined via a marketing-type study (laddering method), demand proves to be oriented (in descending order of importance) by safety criteria (health), criteria of taste, environmental concerns, and finally practical criteria, notably those of accessibility and cost.

These results cannot be extended to all consumers, but they reveal - whatever the network studied - a sort of typical portrait of a fraction (which, in our opinion, is growing) of consumers who are concerned about quality, which perhaps reflects structural evolutions in overall demand.

Quality

Concern for quality is a point which is common to the networks studied, but this concern is firstly a complex process where the essential stake is the qualification of the product. This process entails work on signalling which is both credible and meaningful for the consumer.

In a context of high uncertainty (as a result of the various earlier and more recent crises), it also implies (re)building a relationship of trust between producers and consumers, a relationship whose mechanisms rely as much on personal systems (farmer's markets) and impersonal (labels). It is undoubtedly a notable characteristic of these collective initiatives that they seek to give a strong identity to their product, but also an identity which is meaningful and credible in the eyes of consumers.

The dialogue between producers and consumers

The detailed monographs nevertheless clearly indicate that this process of qualification is not restricted to simple labelling and marketing actions (which are altogether necessary, however).

The initiatives all attempt - to varying degrees - to enter into contact with the consumer, whether they are represented directly in the associations and co-operatives or are brought in via visits, open-house days, etc.

Qualification is in fact a long and widely-ramified process embracing producers, popularisers, consumers, processors, certifying bodies, etc. It is a matter of progressively adapting, often in a slow and hesitant way, the competencies of producers, the technical choices, the marketing constraints, the demands of consumers. This is more of a process of reciprocal apprenticeship than one of popularisation.

Collective action

These different networks were subject to a detailed economic analysis in order to understand how they operated and evaluate their viability. Their chances of survival appear good, provided that the collective action is supported. The analysis of the transaction costs allows one to demonstrate the important role played by collective action in these initiatives. It presumes both the taking of risks and the making of collective investments (in training and communication, for example) which exceed the individual possibilities of most producers. Moreover, a substantial number of these initiatives appear to be economically adapted to small-scale producers.

Economic analysis also indicates the importance of the organisation of these initiatives. The higher the costs of specific investments (e.g. for defining specifications, organising training sessions, etc.), the more important it is to have a strong organisation in order to save on transaction and operating costs.

5. Conclusions and prospects

This research makes it possible to open up the question of the State's role in this particular sector.

It appears that the State should certainly contribute to the discussion about the choices and order of priorities with regard to collective goods, especially when market mechanisms are inappropriate for making them emerge.

Moreover, this is a task customarily assigned to the public authorities : guaranteeing the general interest. However, regulatory or incentive intervention find its limits here, especially since the process now going on is taking place within a context of high uncertainty and incomplete knowledge about the most adequate models of organisation, or even about the definition of legitimacy.

If the role of the State therefore remains one of arbitration, it must undoubtedly reflect on the most appropriate forms of intervention for performing this difficult task.

Evaluating, registering, supporting and encouraging innovation, drawing lessons from experimental itineraries must undoubtedly more than ever guide the State's action in this field.