

State X Society Interfaces - the key role of policies, cooperatives and markets for inclusive rural development.

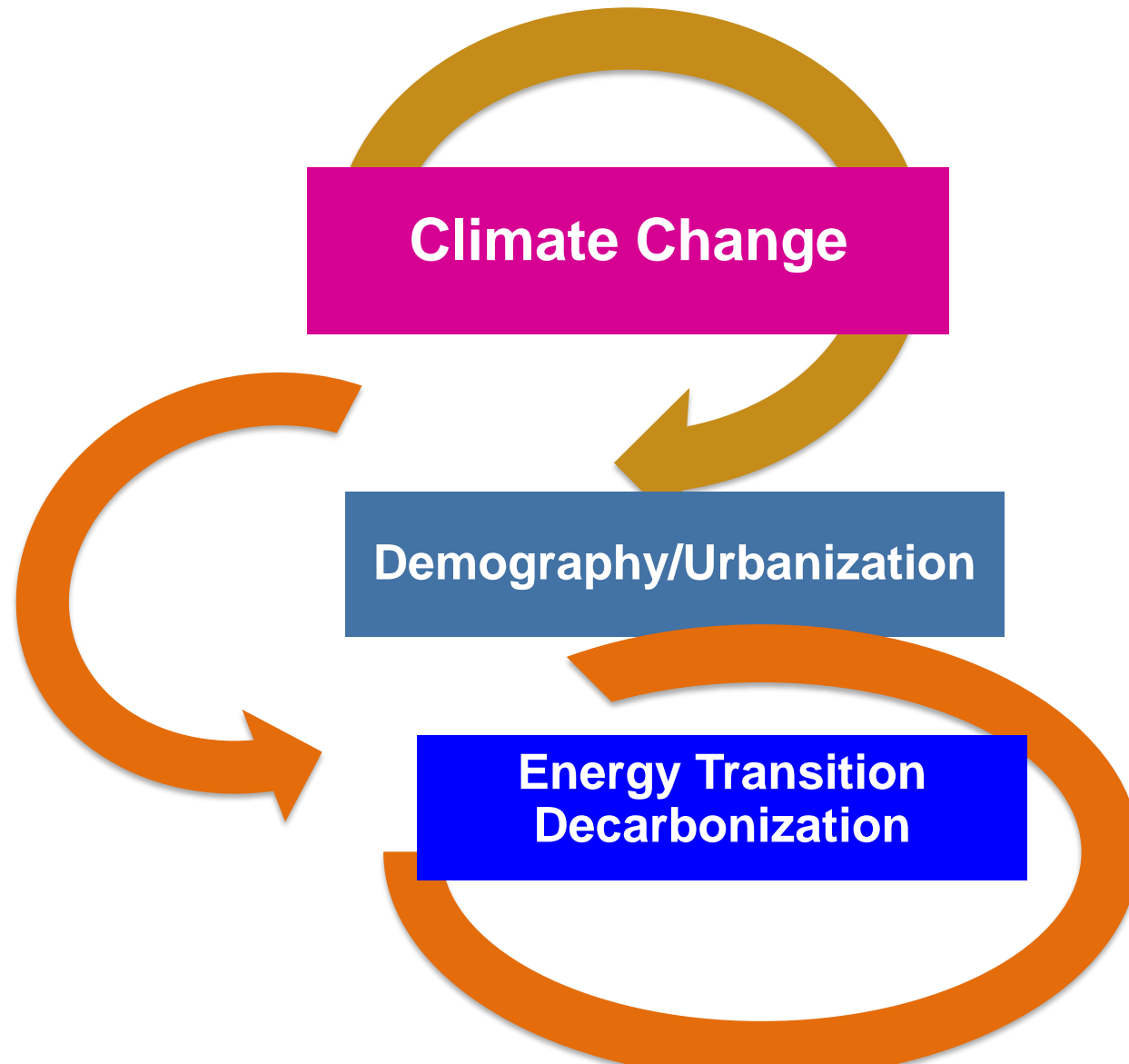
Prof. Sergio Schneider
Federal University of Rio Grande do Sul - Brazil

1. This Presentation is in Memory of My/Our Dear Friend/Colleague Flaminia !



1. The Nature of the Crisis we are Living in

The Main Problems we Are Facing are Intertwined



The
Consequences
for Our Daily Life

Predictability

```
graph TD; A[Predictability] --- B[We Lost Our]; B --- C[Safety/Trust]; B --- D[Incrementality]
```

**We Lost
Our**

Safety/Trust

Incrementality

**Uncertainty,
distrust**

??

**Environmental
risks**

**Increasing
Inequalities and
Multiple Exclusions**

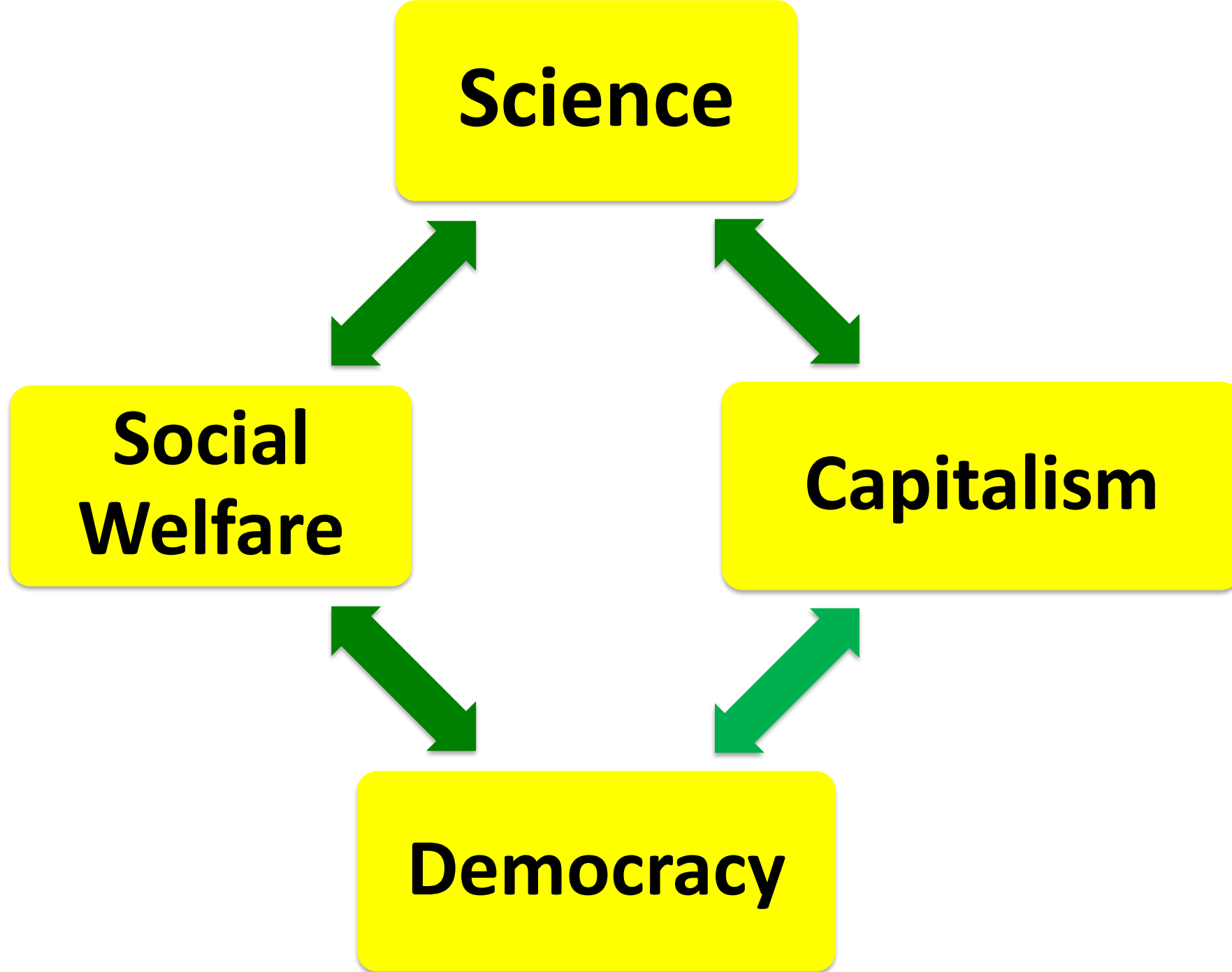
We Are in Crisis !!

***Defining and
Understanding Crisis***

The *Permacrisis*

denotes a static and permanently difficult situation in which doesn't exist perspective or hope to surmount whats next or to change the future in relation to the past or even in relation to the previous moment.





2. Transitions or Transformation

?

Crisis

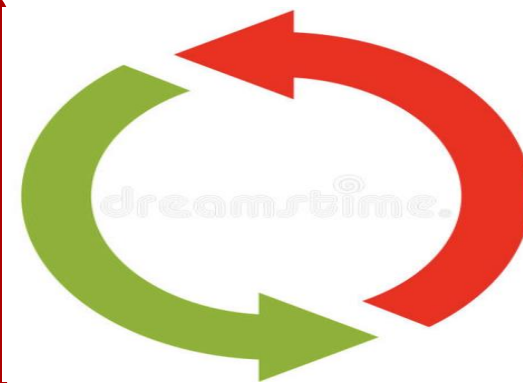
***Transition and Transformation are PROCESSES,
which presuppose change.***

***Changes can be retroactive, evolutionary or
static.***

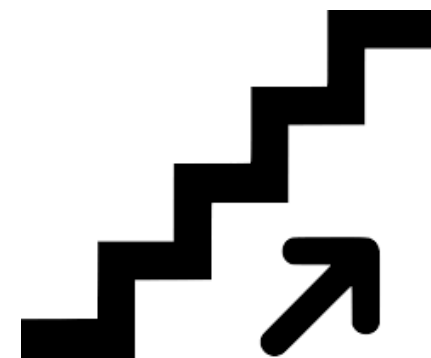
***It is possible to change to leave everything as it
is, although it is desired to change to alter, to
transform and, if possible, to improve !!!***

CHANGE
By

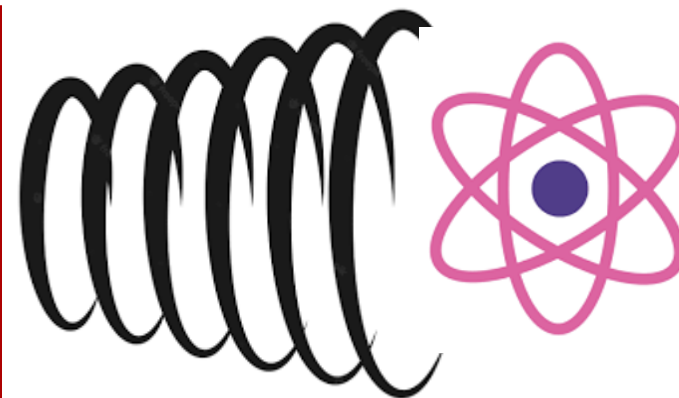
Reconversion



Transition



Transformation



CHANGE By

Reconversion

*change to conserve –
business as usual*

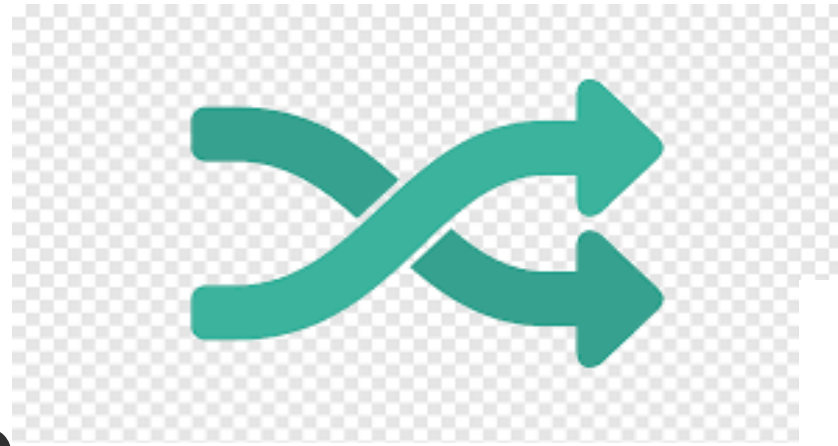
Transition

Change to modify –
doing better with less !!

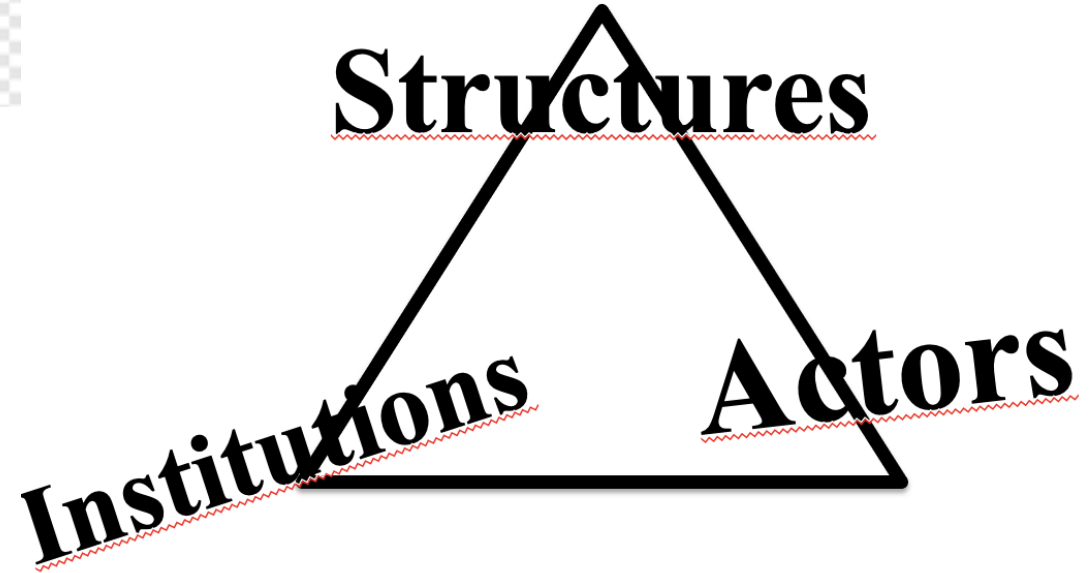
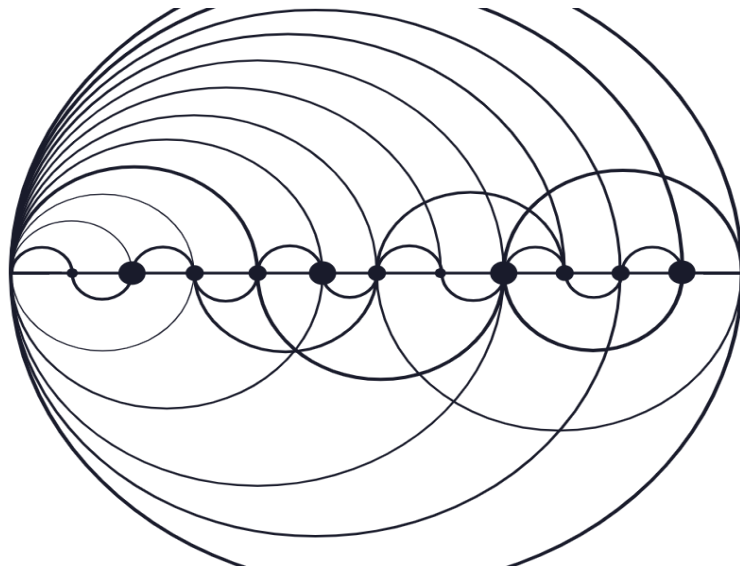
Transformation

Change to transform
To build a new one

**We Need Transformative
Transitions !!**



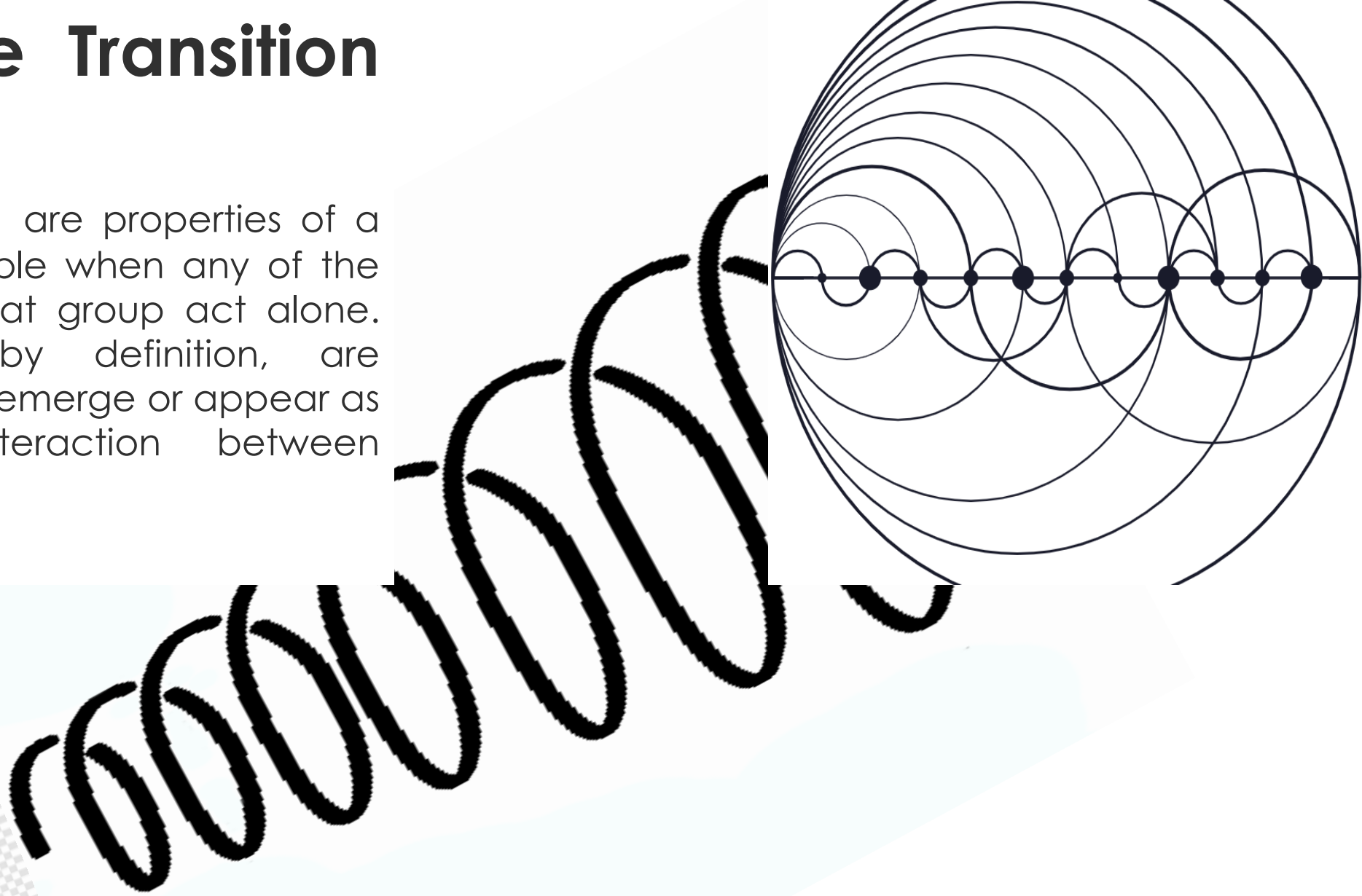
**Transformative
Transition**



Transformative Transition

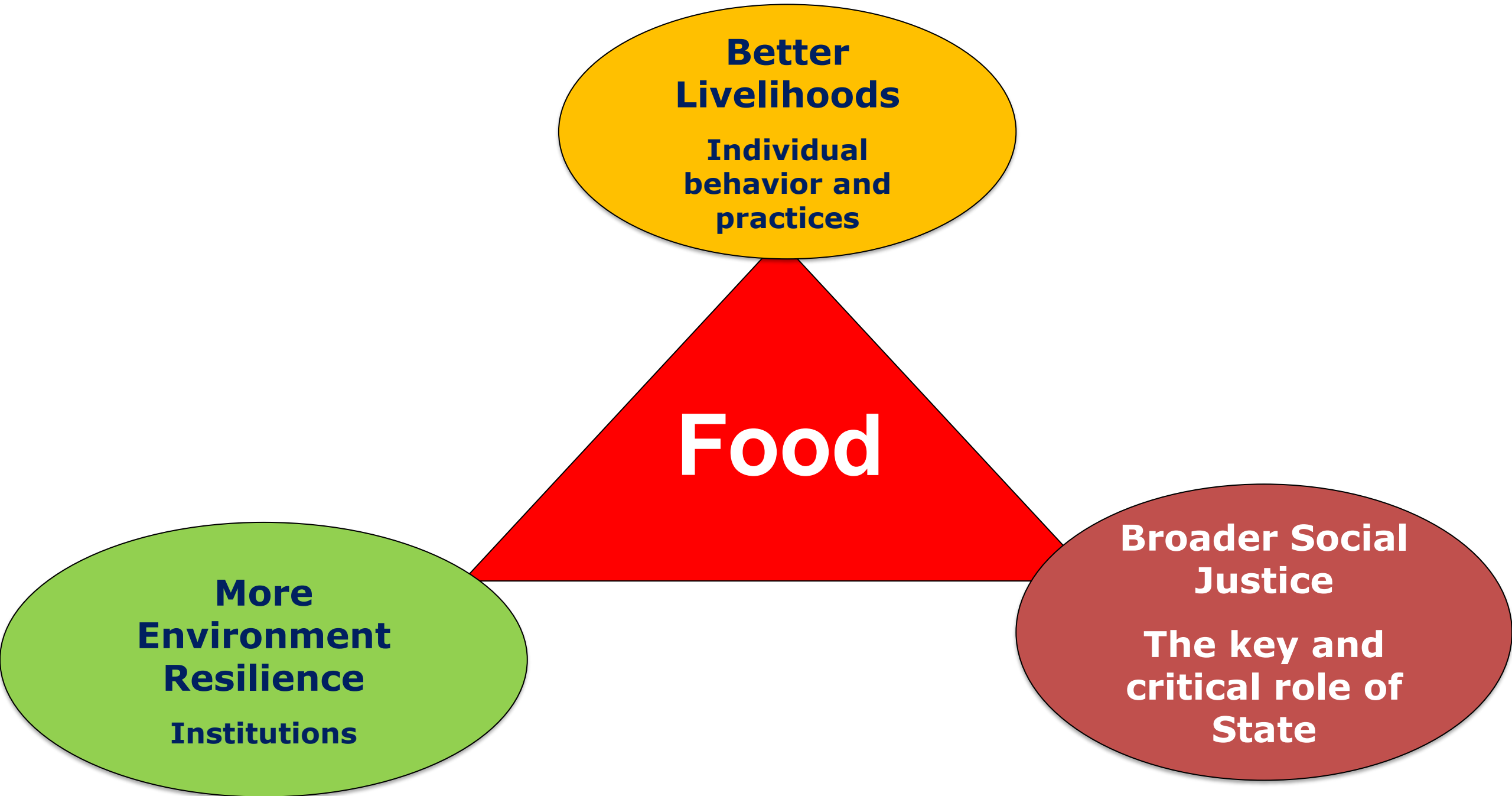
as

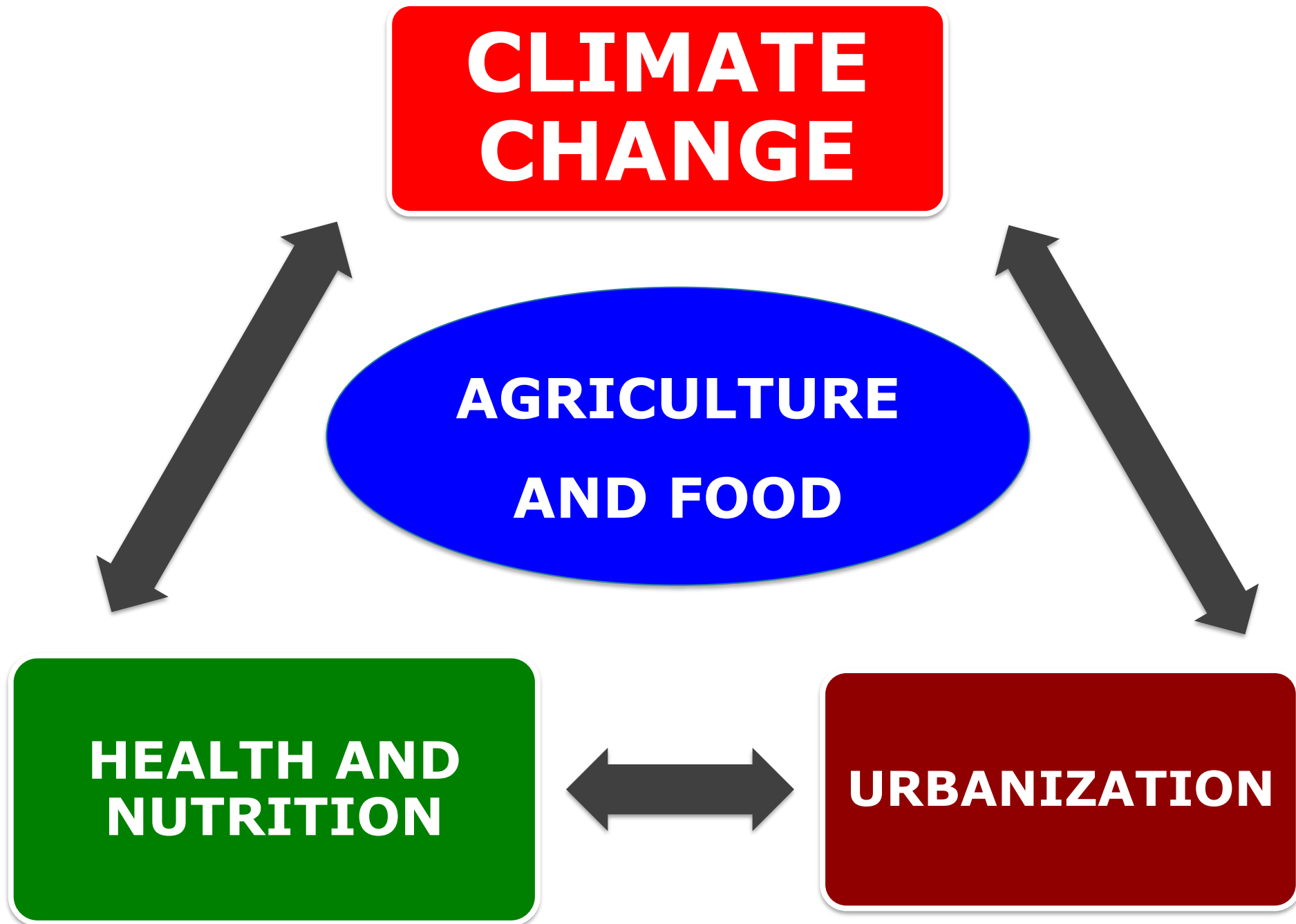
Emergent properties are properties of a group that are not possible when any of the individual elements of that group act alone. Emergent properties, by definition, are collective properties that emerge or appear as a result of the interaction between components.



The Key Role of Food

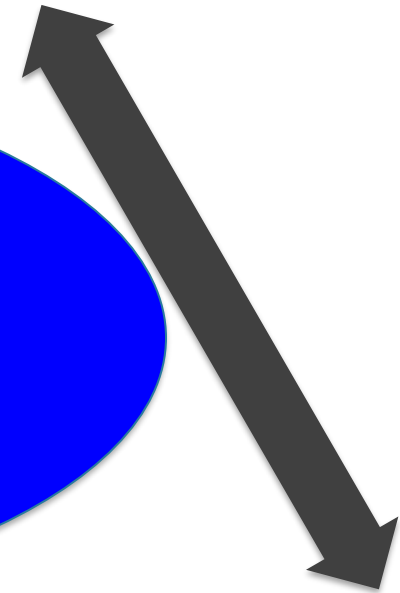
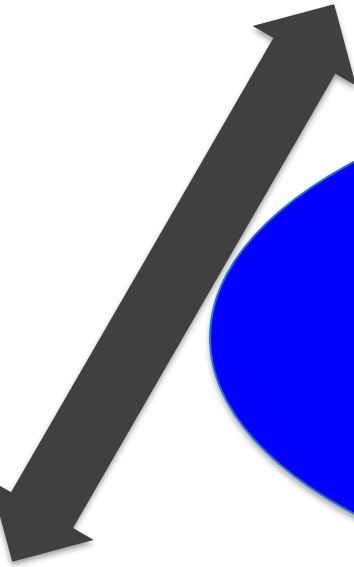
Emergent Property





**CLIMATE
CHANGE**

**Transformative
Transition**



**HEALTH AND
NUTRITION**



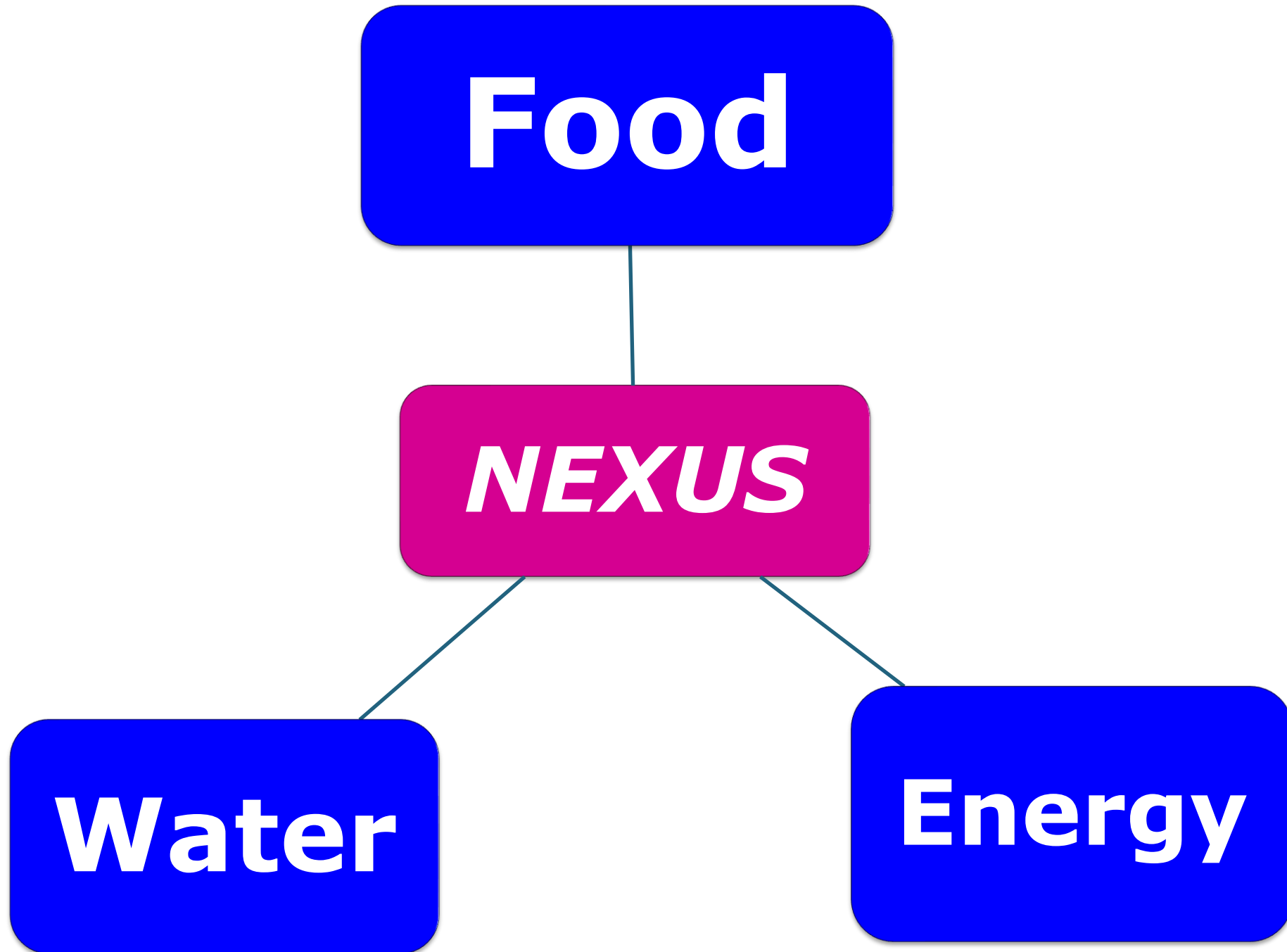
URBANIZATION

Food

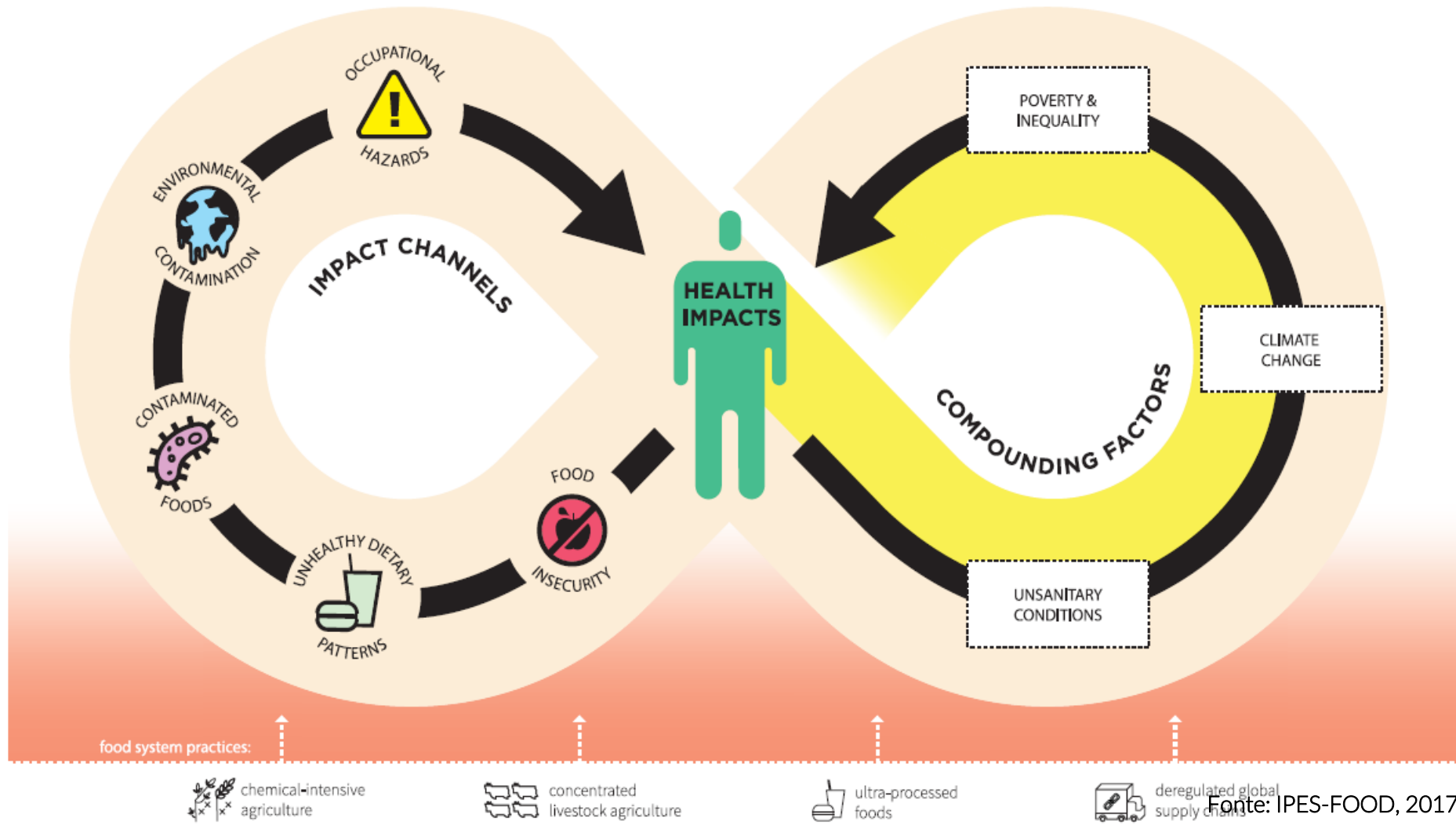
NEXUS

Water

Energy

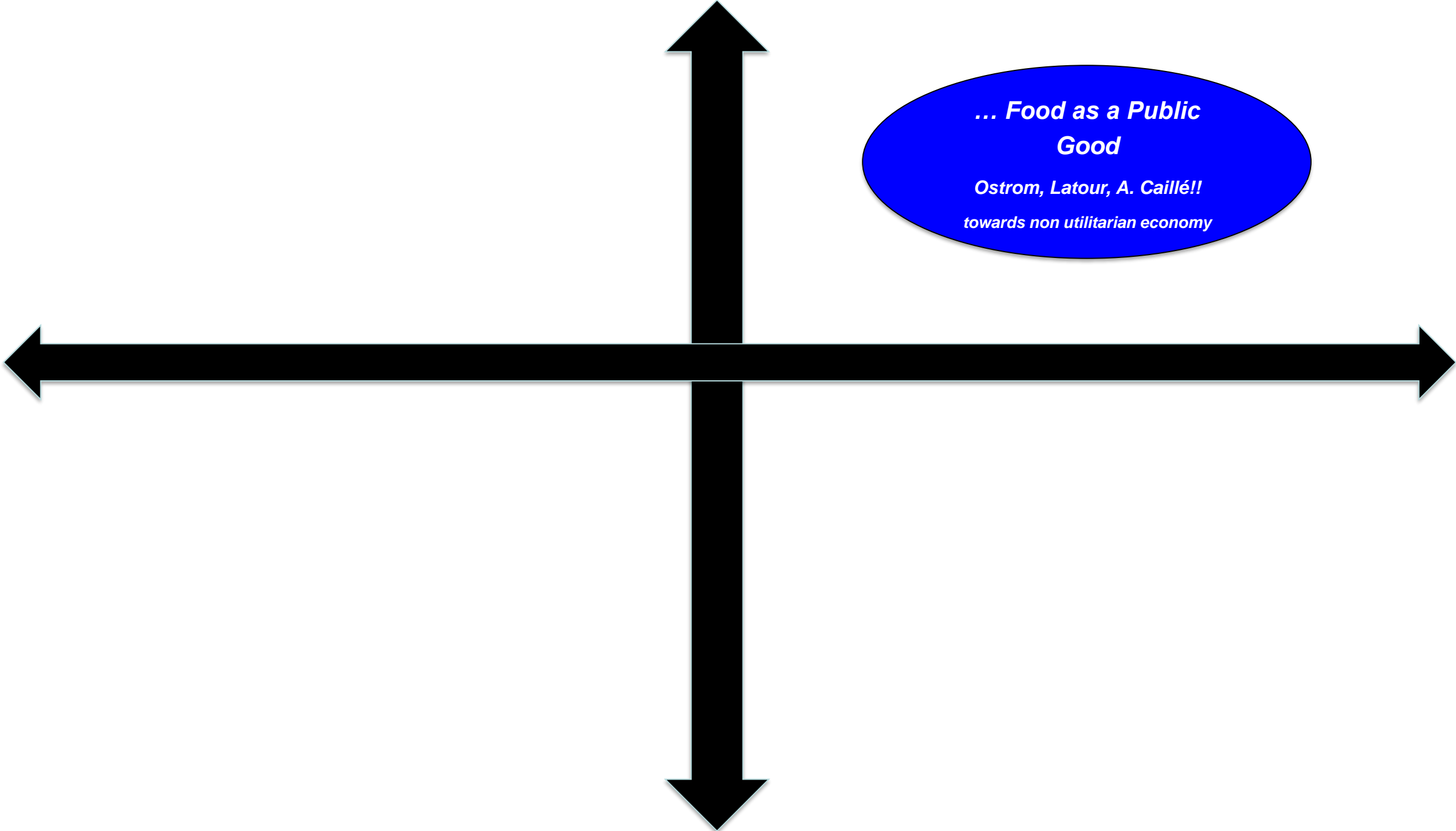


Agriculture Will Become More Sensitive to Nutrition



3. How and By Whom?

Crisis and Food Systems



*... Food as a Public
Good*

*Ostrom, Latour, A. Caillé!!
towards non utilitarian economy*

*Food as a Driver for
Social Justice
Inequality Reduction
T. Piketty*

*... Food as a Public
Good*

*Ostrom, Latour, Caillé!!
towards non utilitarian economy*

*Food as a Driver for
Social Justice
Inequality Reduction
T. Piketty*

*... Food as a Public
Good
Ostrom, Latour, Caillé!!
towards non utilitarian economy*

*Food as New
Utopia in Times of
Distopia !!
Social Moviments*

*Food as a Driver for
Social Justice
Inequality Reduction
T. Piketty*

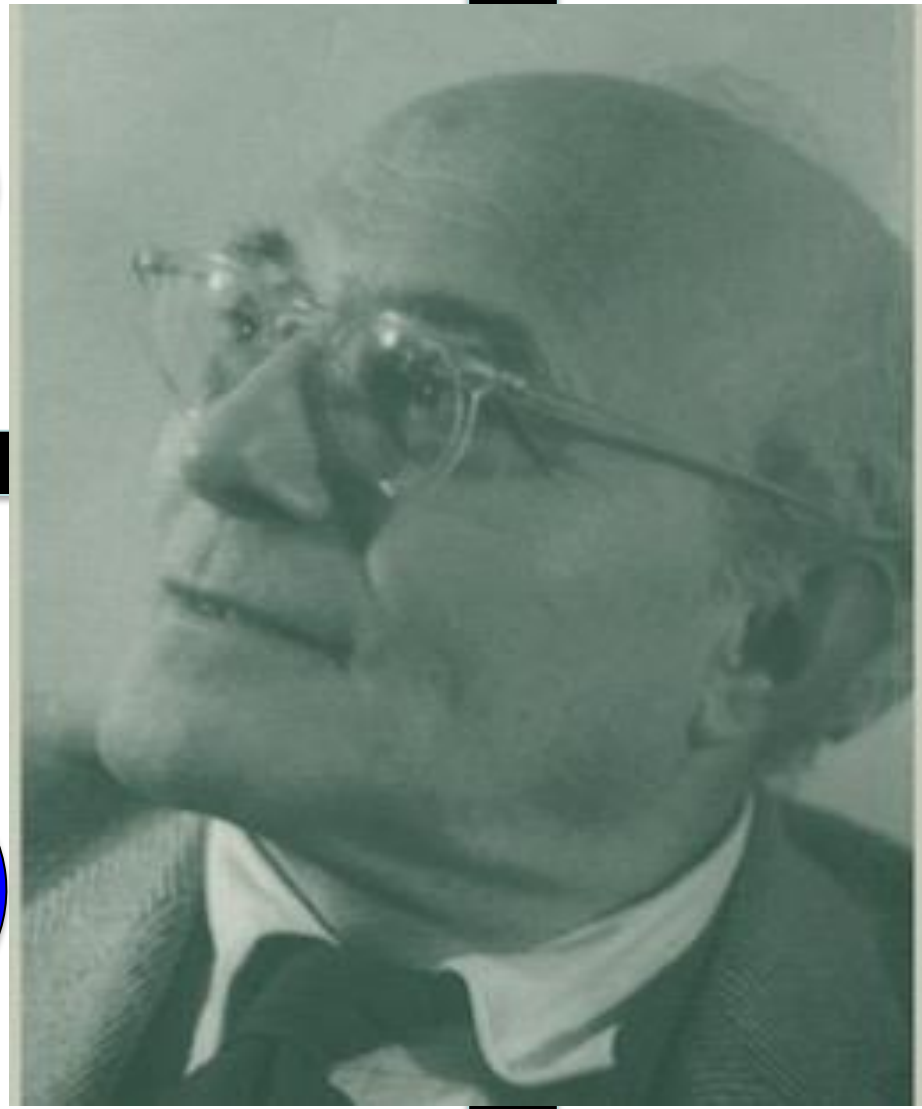
*... Food as a Public
Good*

*Ostrom, Latour, Caillé!!
towards non utilitarian economy*

*Food as New
Utopia in Times of
Distopia !!
Social Moviments*

**Food as a Driver for
Sustainable Development**
U.N. SDGs Agenda

*Food as a Driver for
Social Justice and
Inequality Reduction*



*Food as a
Public Good*

*Food as an Utopia in
Times of Distopia !!*

*Food as a Driver for
Sustainable Development*

INDIVIDUALS



COMUNITIES

STATE

SOCIETY

The Key Role of Markets !!

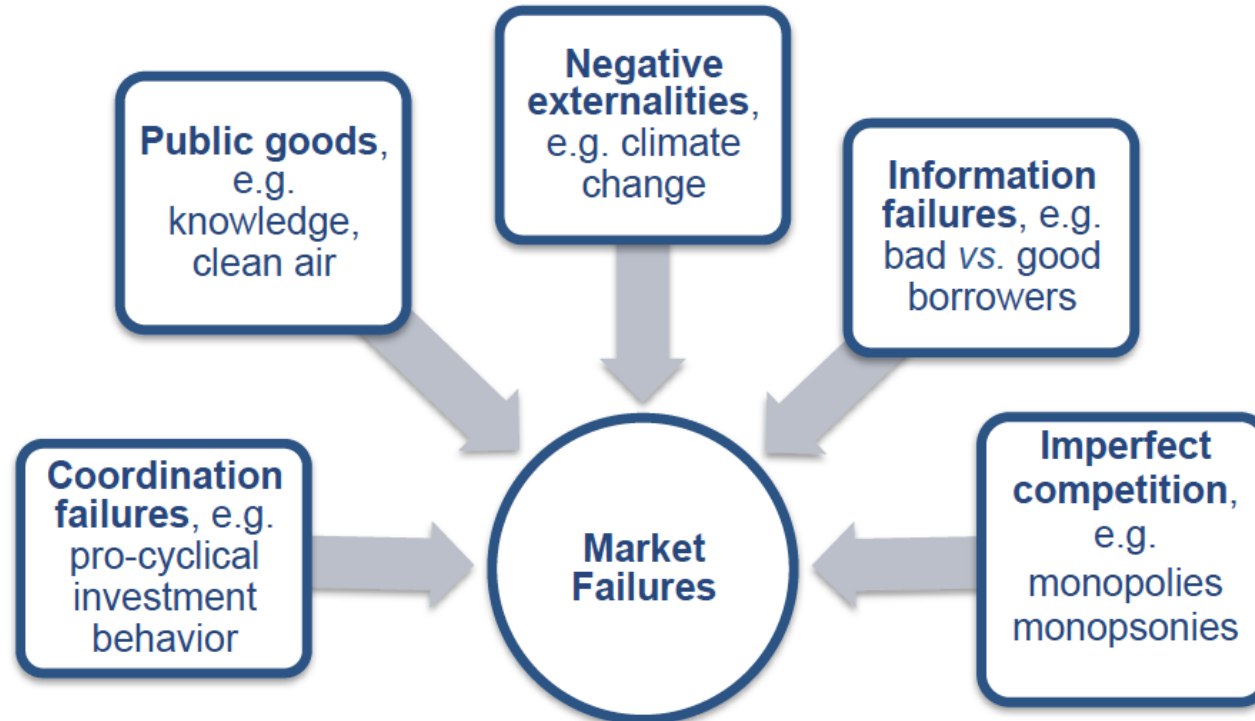
***Farmers need MORE AND
BETTER MARKETS to
strengthen their
livelihoods, assets and
enhance their social
reproduction strategies.***

MARKET FAILURE THEORY

Market failure theory justifies public intervention in the economy only if it is geared towards fixing situations in which markets fail to efficiently allocate resources (Arrow, 1951).

The market failure approach suggests that governments intervene to 'fix' markets by investing in areas with 'public goods' characteristics (such as basic research, or drugs with little market potential) and by devising market mechanisms to internalize external costs (such as pollution) or external benefits

Figure 1: Types and sources of market failures






Source: Based on typology of market failures developed by Mazzucato and Penna (2014).

The Fundamental Pillars of Economic Sociology

all kind economic action of exchange is embedded in social and cultural mechanisms that make sense and give meaning to the ways in which actors interact and transact goods and merchandises.

Table 1 Market fixing vs market-shaping policy frameworks

	Market fixing	Market shaping/mission-oriented
 <p>Justification for the role of government</p>	<p>Market or coordination failures:</p> <ul style="list-style-type: none"> • Public goods • Negative externalities • Imperfect competition/information 	<p>All markets and institutions are co-created by public, private and third sectors. Role of government is to ensure markets support public purpose</p>
 <p>Business case appraisal</p>	<p><i>Ex-ante</i> CBA—allocative efficiency assuming static general relationships, prices, etc.</p>	<p>Focused on systemic change to achieve mission—dynamic efficiency (including innovation, spillover effects and systemic change)</p>
 <p>Underlying assumptions</p>	<p>Possible to estimate reliable future value using discounting/monetisation of externalities/risk assessment; system is characterised by equilibrium behaviour</p>	<p>Future is uncertain because of potential for novelty and non-marginal change; system is characterised by complex behaviour</p>
<p>Evaluation</p>	<p>Focus on whether specific policy solves market failure and whether government failure avoided (Pareto-efficient)</p>	<p>Ongoing and reflexive evaluation of whether system is moving in direction of mission via achievement of intermediate milestones. Focus on portfolio of policies and interventions, and their interaction</p>
<p>Approach to risk</p>	<p>Highly risk averse; optimism bias assumed</p>	<p>Failure is accepted and encouraged as a learning device</p>

Source: Kattel et al. (2018)

Mariana Mazzucato, Rainer Kattel, Josh ryan-collins **Challenge-Driven Innovation Policy: Towards a New Policy Toolkit**

4. What Markets for Better Food Systems ?

MORE AND BETTER

MARKETS does not mean

any kind of market !!

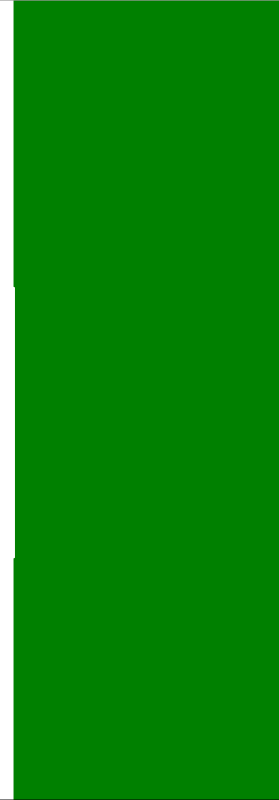
What Are Markets For ?

a) Foster More Resilience;

b) Build More and Better Institutions;

c) To Create and to Appropriate Shared Value !

**+
Value Production**



**■
Value Extraction**

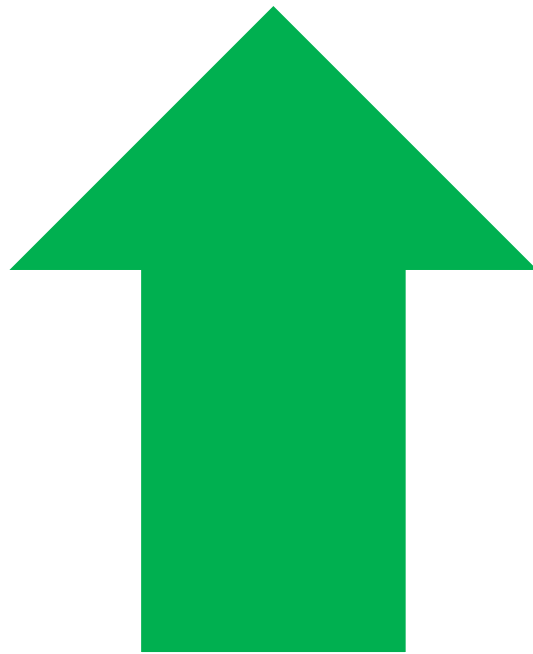
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MAKING *and* TAKING in the
GLOBAL ECONOMY

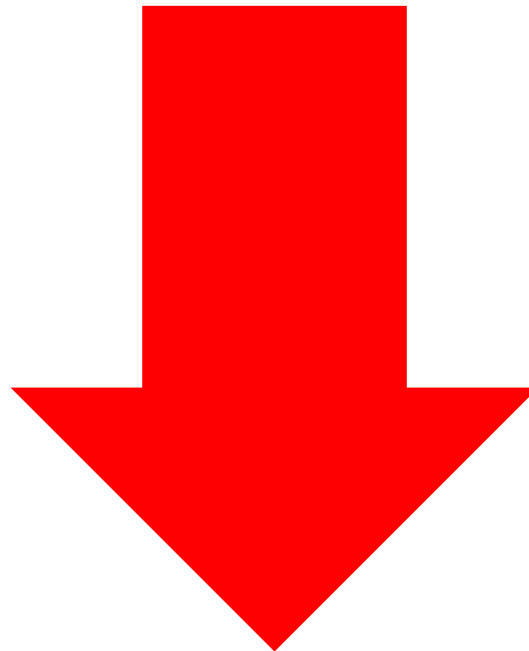
THE
VALUE
— of —
**EVERY-
THING**

MARIANA
MAZZUCATO

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‘VALUE CREATION’: the ways in which different types of resources (human, physical and intangible) are established and interact to produce new goods and services.

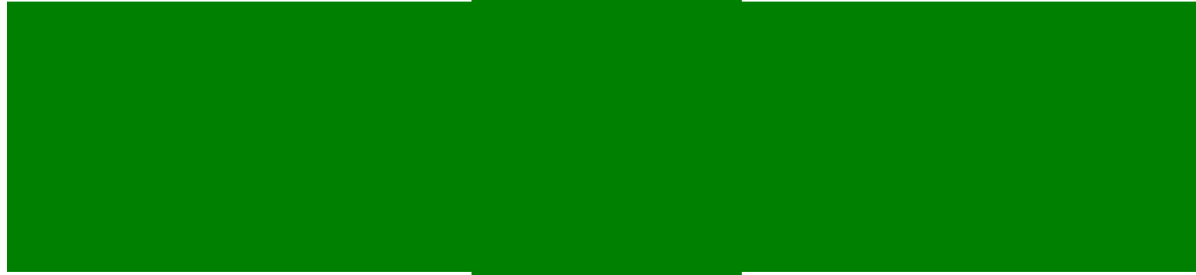


‘VALUE EXTRACTION’; activities focused on moving around existing resources and outputs, and gaining disproportionately from the ensuing trade.





Resilience

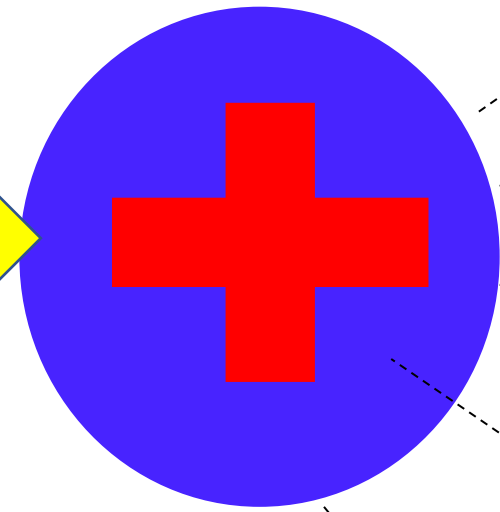
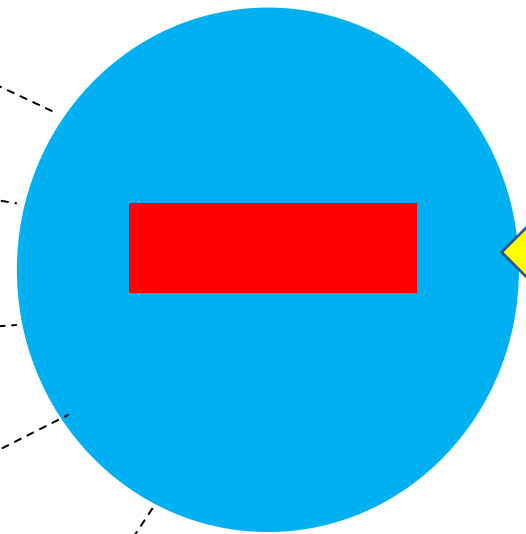


Vulnerability

VULNERABILITY

RESILIENCE

- Restrict/Poor Resources
- Lack of Assets
- Weak Social Networks
- Lack of Information



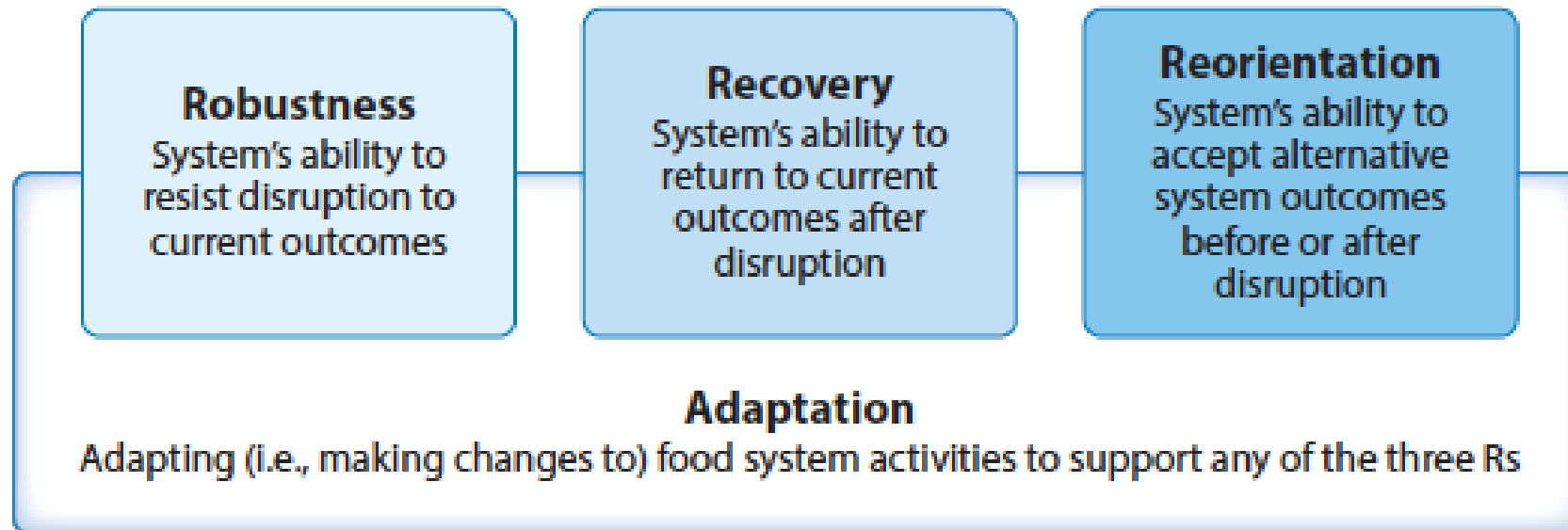
- Trustable Information
- Social Agency
- Access to Material Infrastructure
- Capacity of mobilization

Annual Review of Environment and Resources

Food System Resilience: Concepts, Issues, and Challenges

Monika Zurek,¹ John Ingram,¹

riews.org
sc.



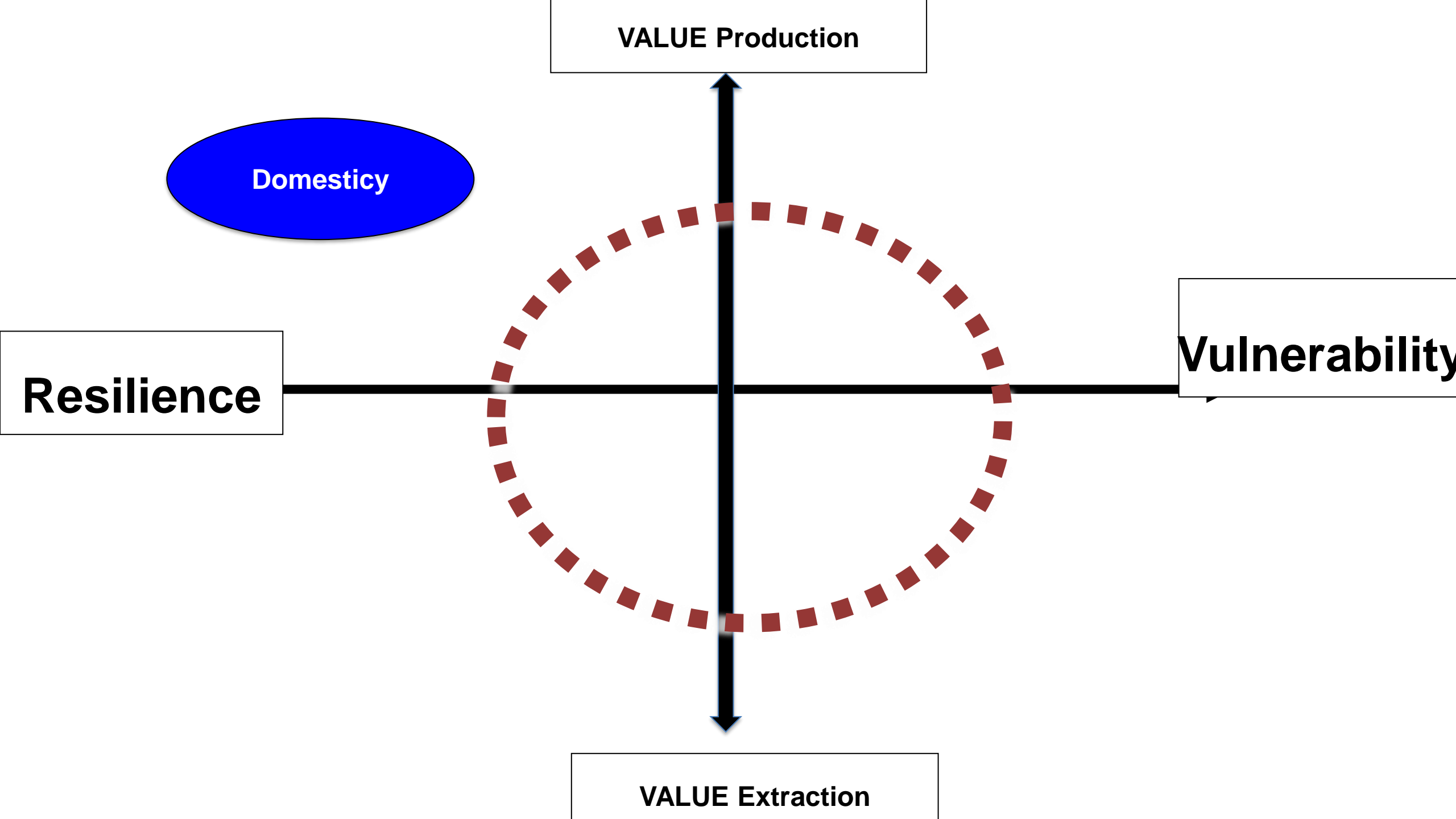
**+
Value Production**

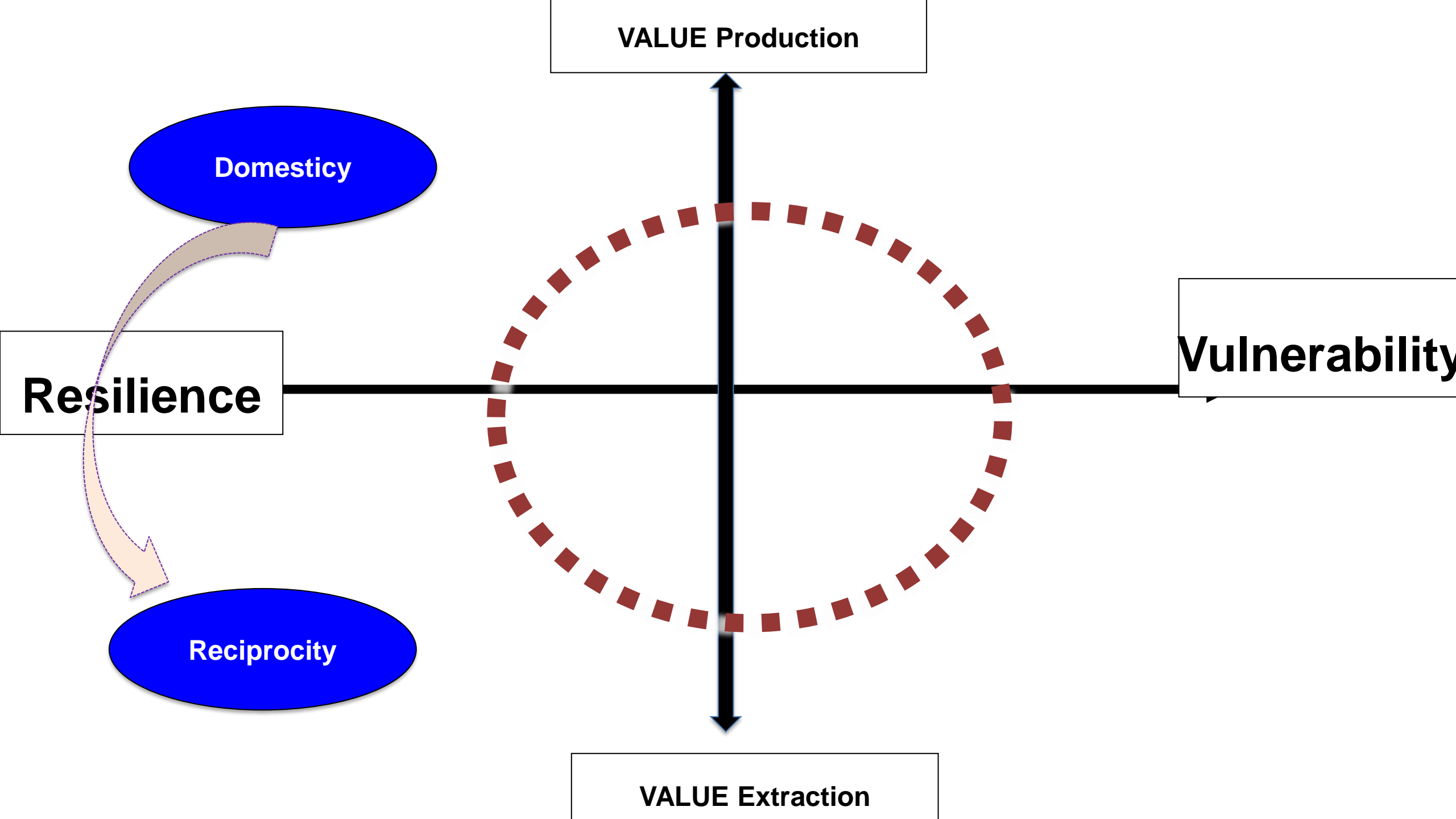
**+
Resilience of
Markets**

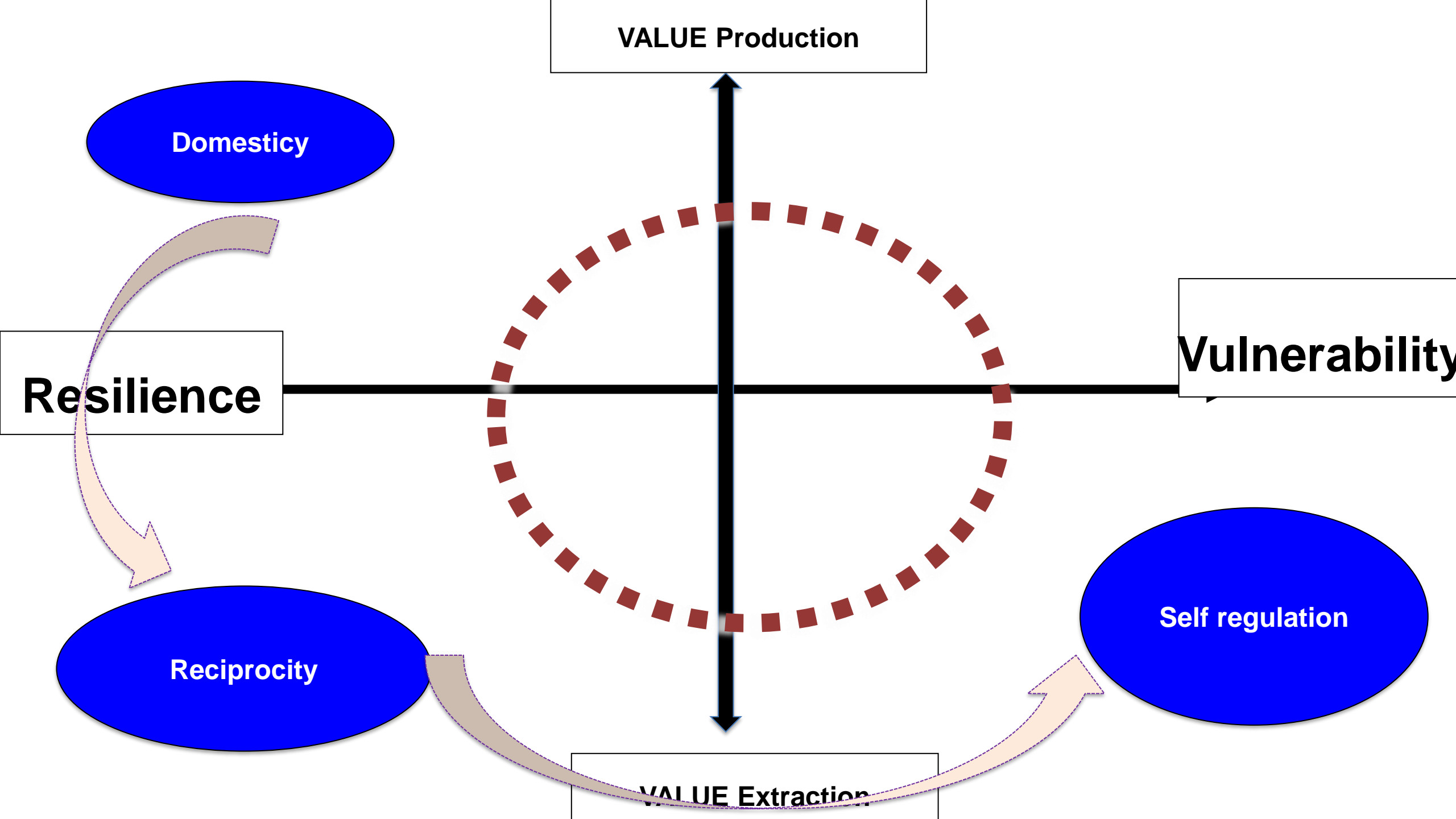
MARKETS

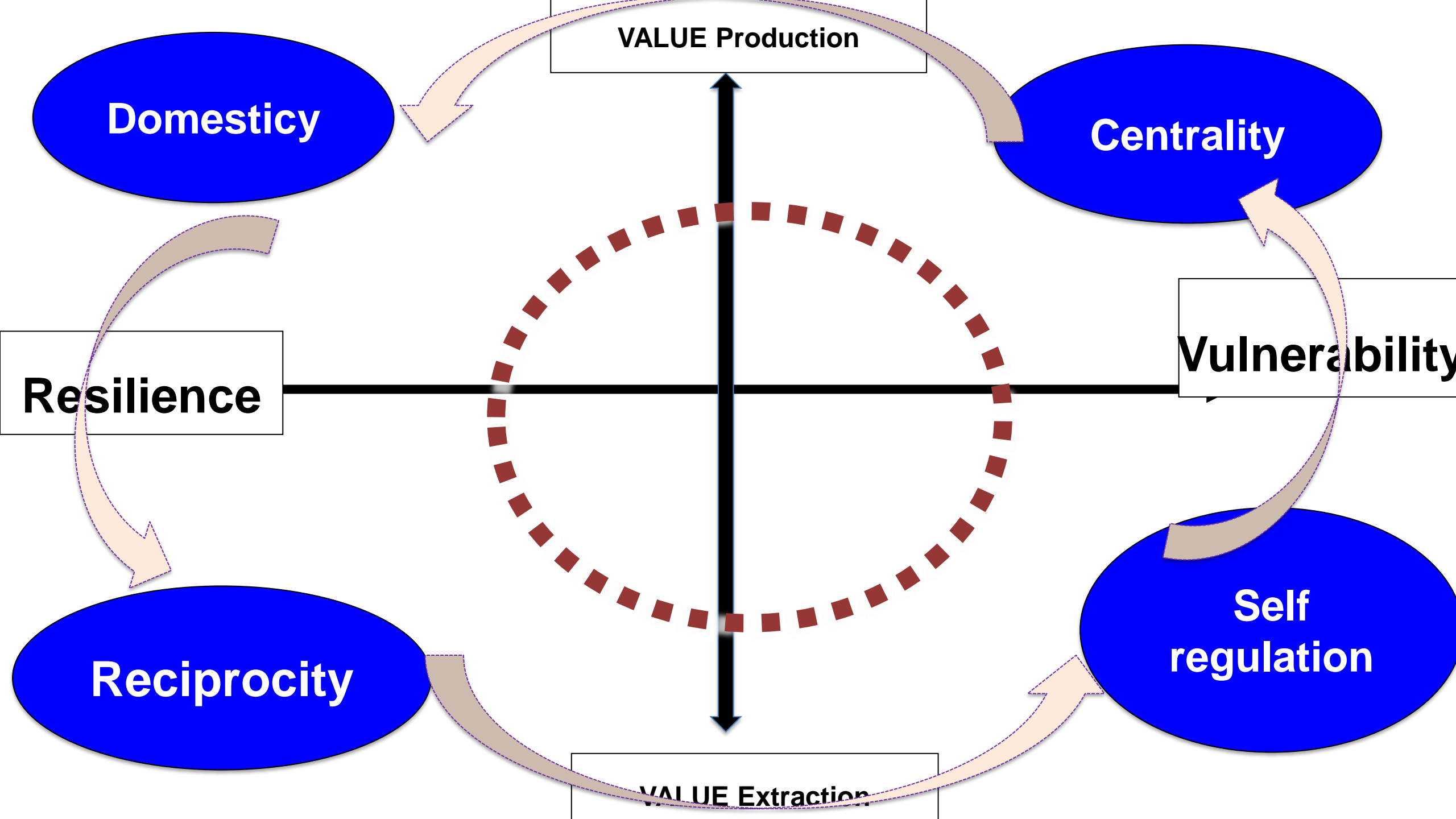
**-
Market
Vulnerability**

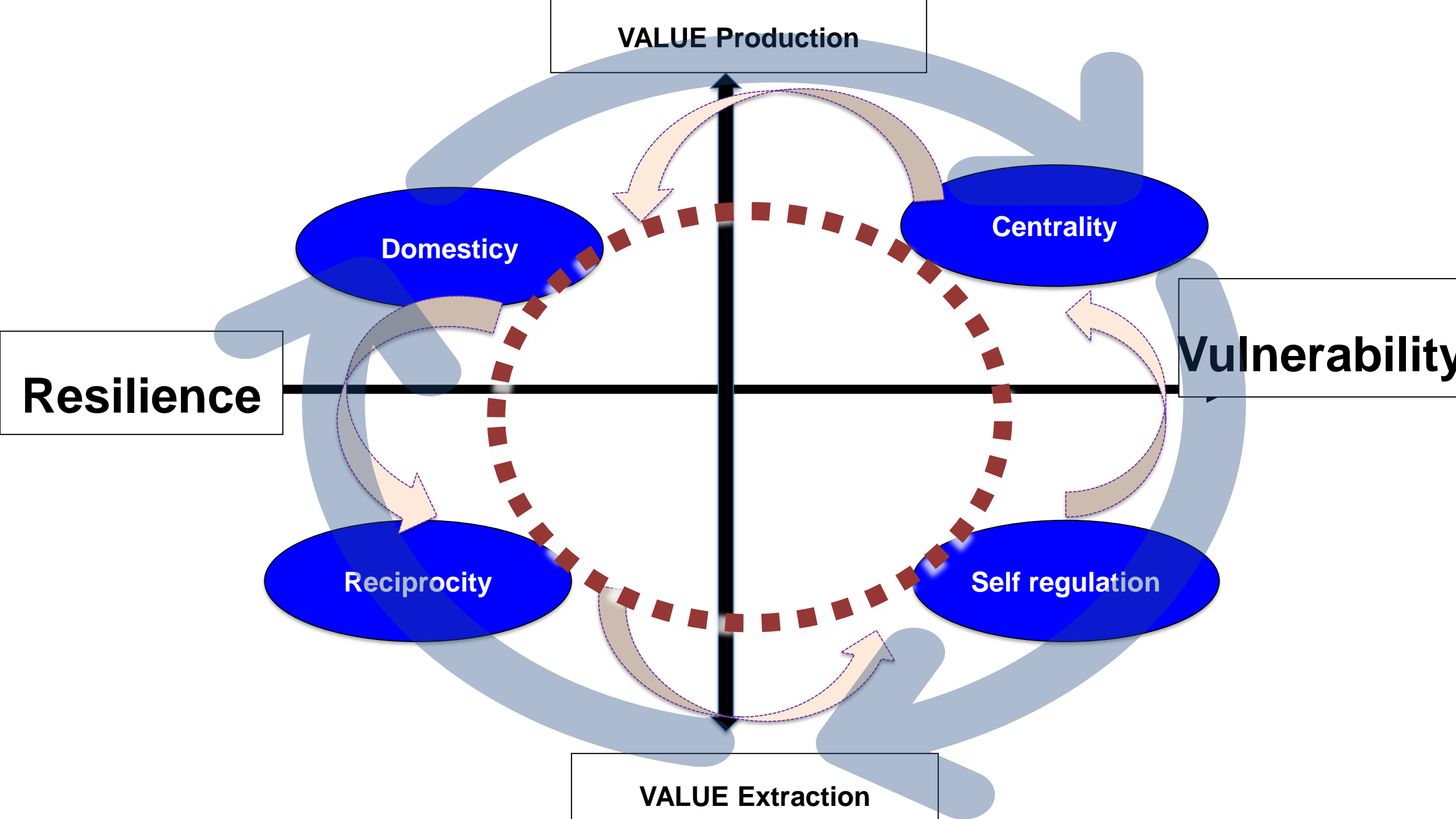
**-
Value Extraction**





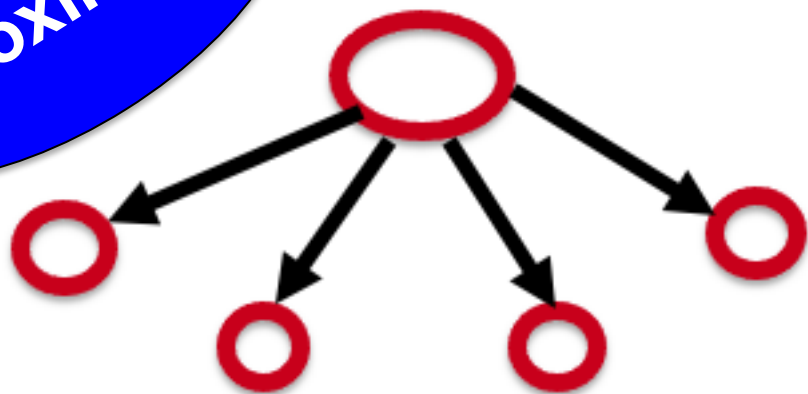






1°

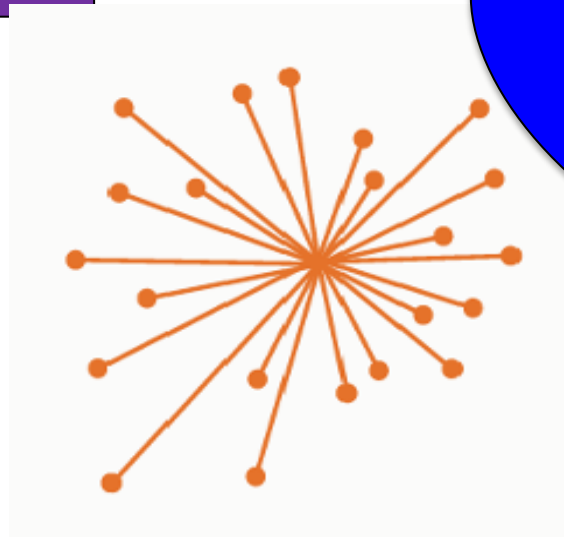
Proximity



Value Production

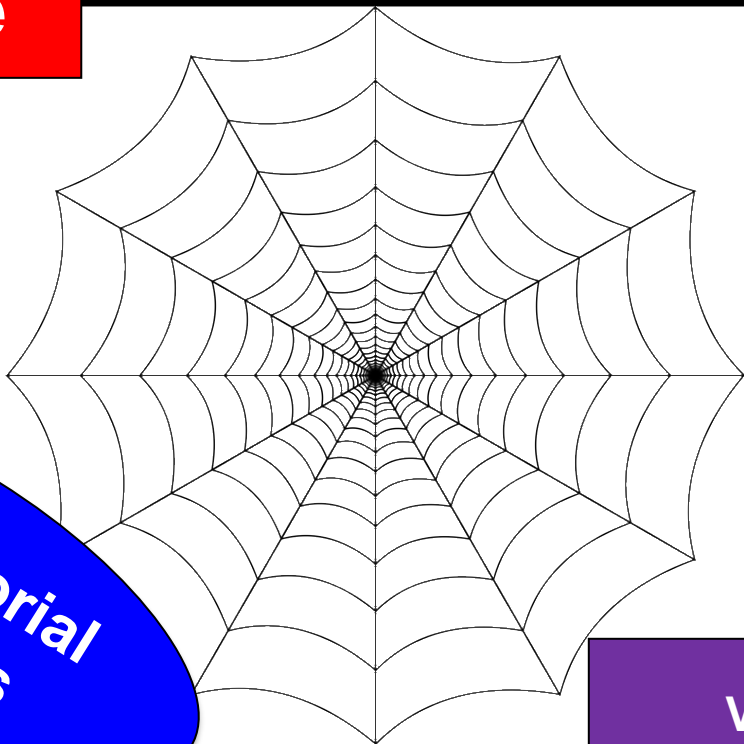
4°

Public Markets



Resilience

Vulnerability



Conventional Markets

2°

Territorial Markets

Value Extraction

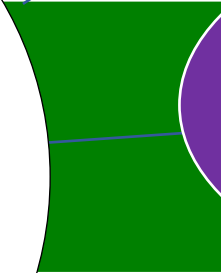
3°

On Resilience

+
Resiliência



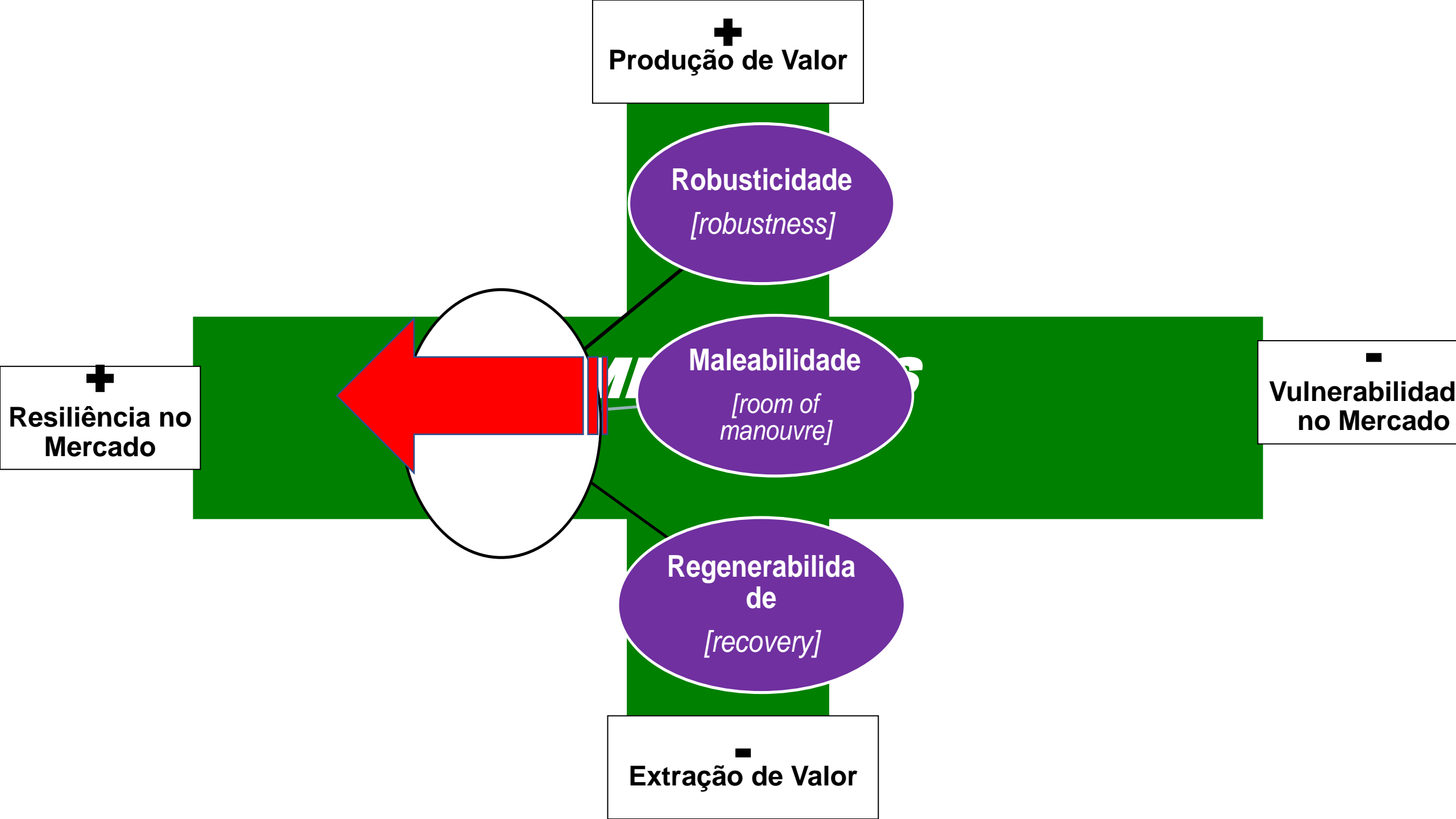
MARKETS:
*more and
better ones !*

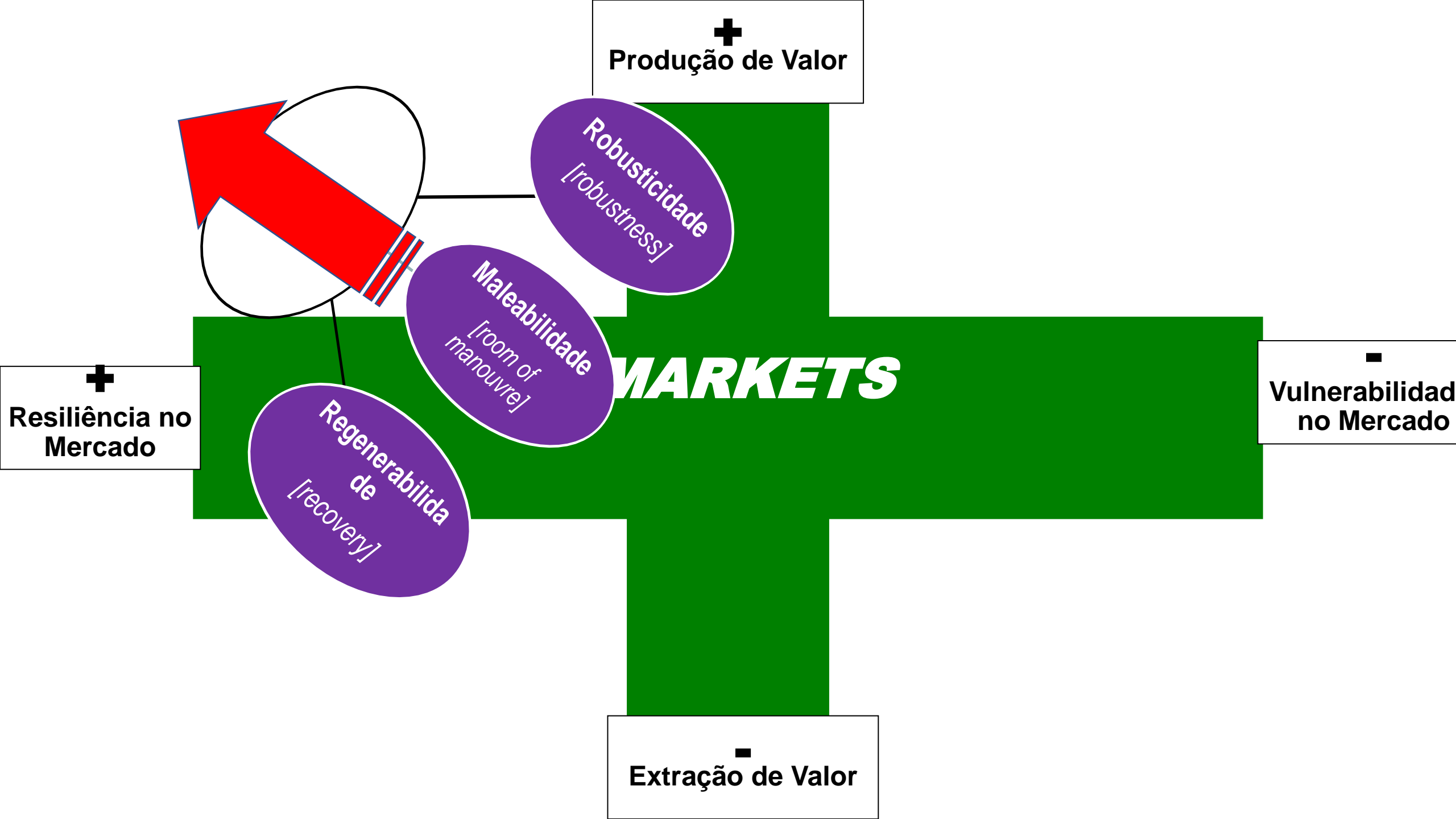


Robustidade
[robustness]

Maleabilidade
[room of manouvre]

Regenerabilidade
[recovery]





+
Produção de Valor

Robustidade
[robustness]

Maleabilidade
[room of
manoeuvre]

Regenerabilidade
de
[recovery]

-
Extração de Valor

-
Vulnerabilidade
no Mercado

+
Resiliência no
Mercado

MARKETS

**+
Produção de Valor**

**Robusticidade
[robustness]**

**Maleabilidade
[room of manouvre]**

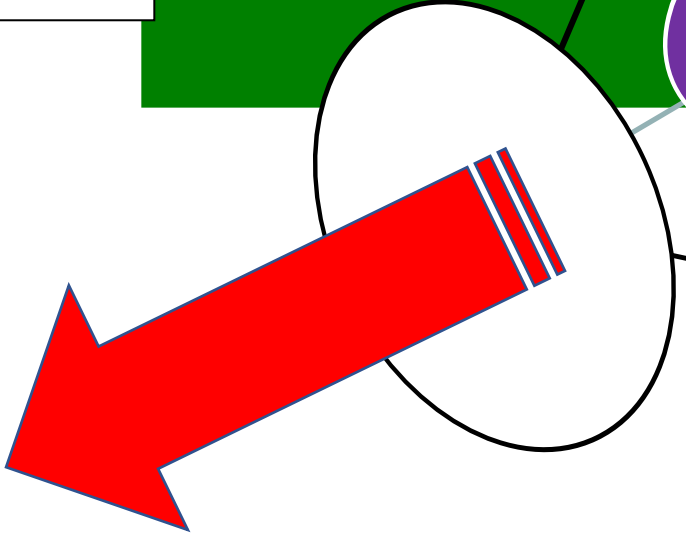
**Regenerabilidade
de
[recovery]**

**-
Extração de Valor**

**+
Resiliência no Mercado**

**-
Vulnerabilidade no Mercado**

MARKETS



*To Achieve MORE AND BETTER MARKETS,
Farmers Need Stronger, Smarter and
Sustainable
INSTITUTIONS*

On

Institutions

***... all markets need
institutions !!***

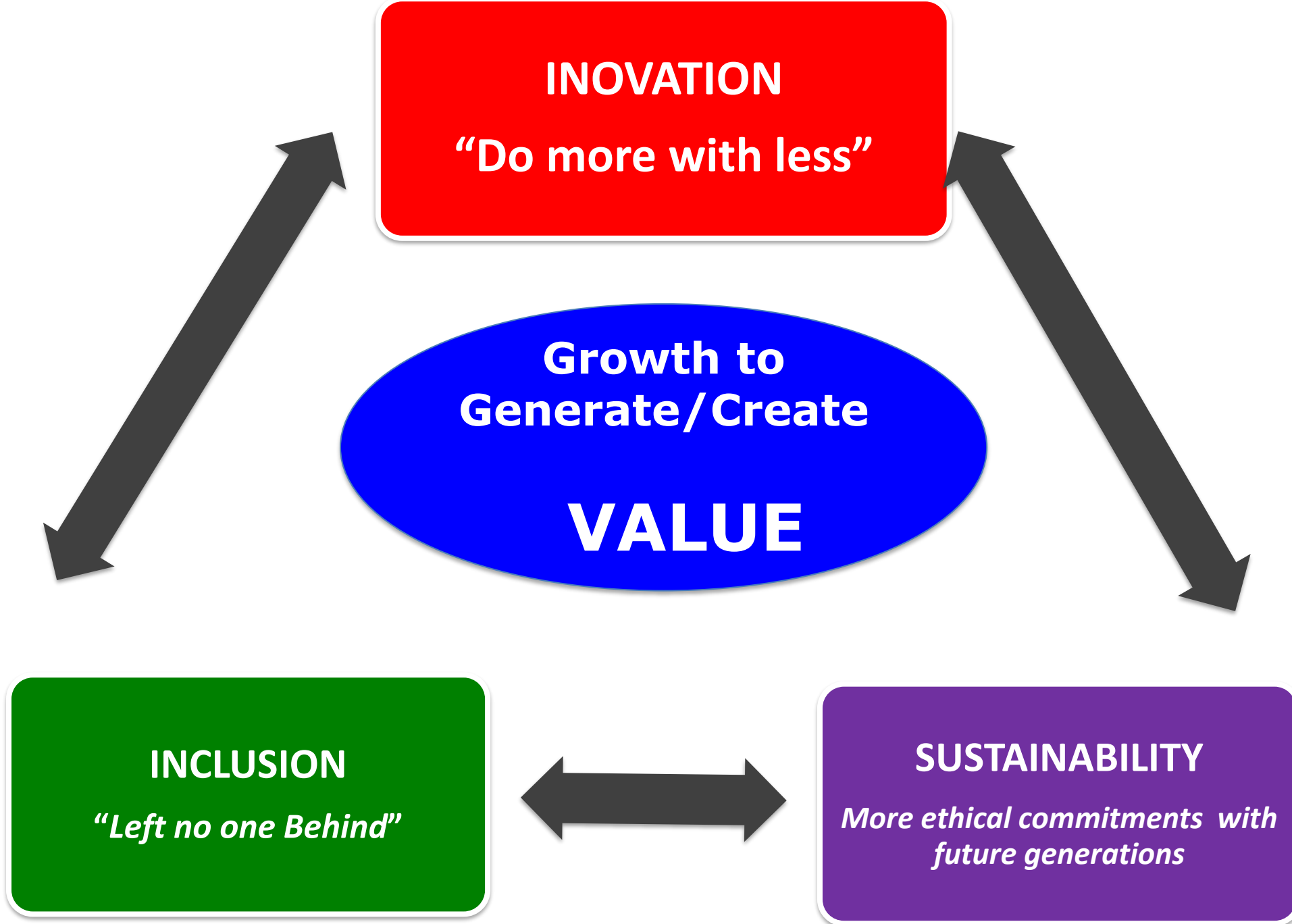
On Values

Better Livelihoods
Individual behavior and practices

What Values ?

More Environment Resilience
Institutions

Broader Social Justice
The key and critical role of State



**5. Towards an Institutional
Approach to Understand
Markets**

Markets as Institutions

Markets are mechanisms of control and/or governance devices that are based on formal (laws, contracts, standards) and informal/tacit (values, habits, customs) rules and practices that are used as guidelines, references and conventions to steer and guide or even exert pressure and coercion on the exchange relations of goods and merchandise that occur between agents that supply and demand.

Markets as institutions versus organizations as markets?

Disentangling some fundamental concepts

Claude Ménard * Journal of Economic Behavior and Organization
Vol. 28 (1995) 161–182

a market is a specific institutional arrangement consisting of rules and conventions that make possible a large number of voluntary transfers of property rights on a regular basis, these reversible transfers being implemented and enforced through a specific mechanism of regulation, the competitive price system (Menard, 1995, 170)

Geoffrey HODGSON

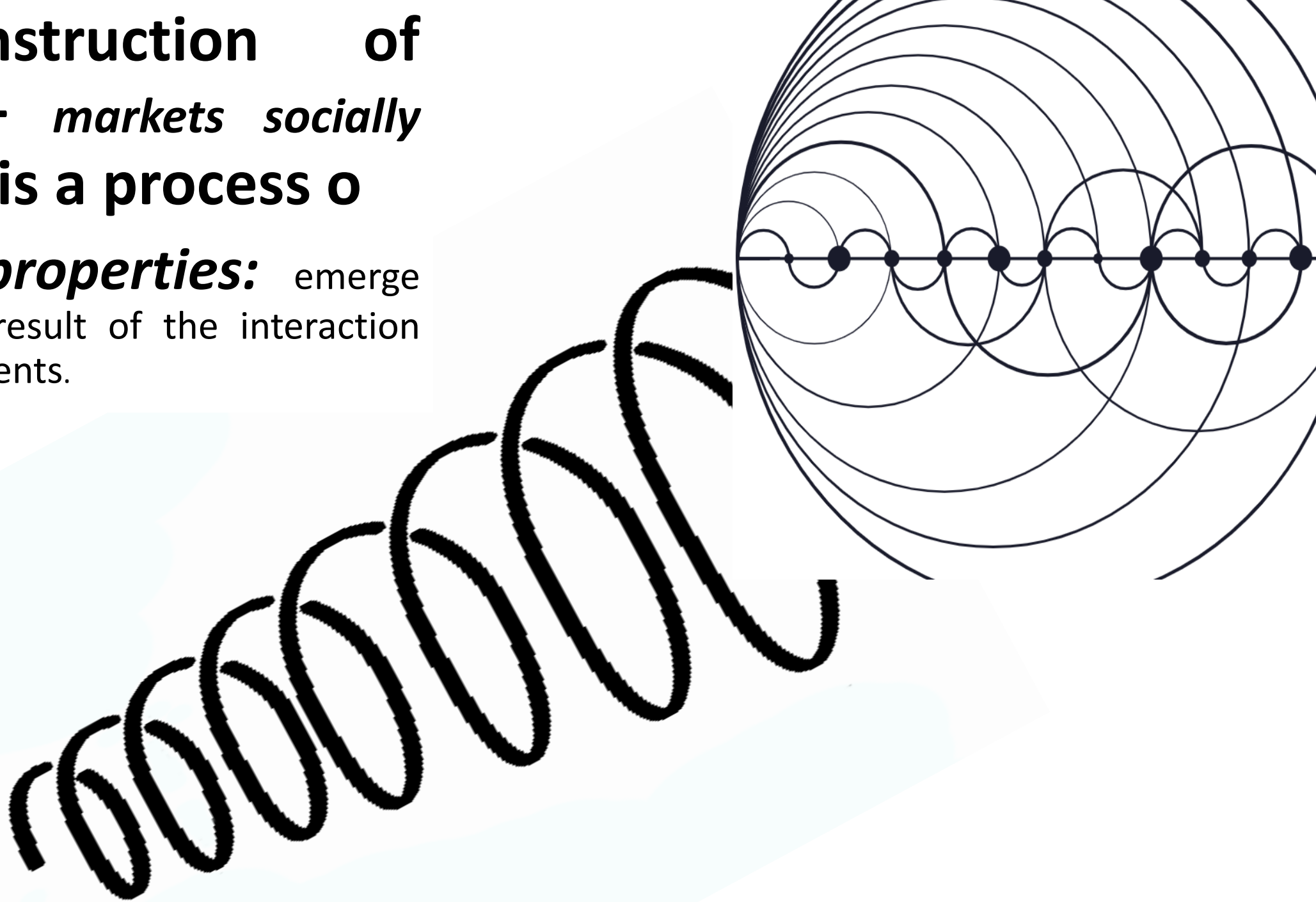


institutions have the power to mould the dispositions and behaviours of agents in fundamental ways; they have a capacity to change aspirations, instead of merely enabling or constraining them.

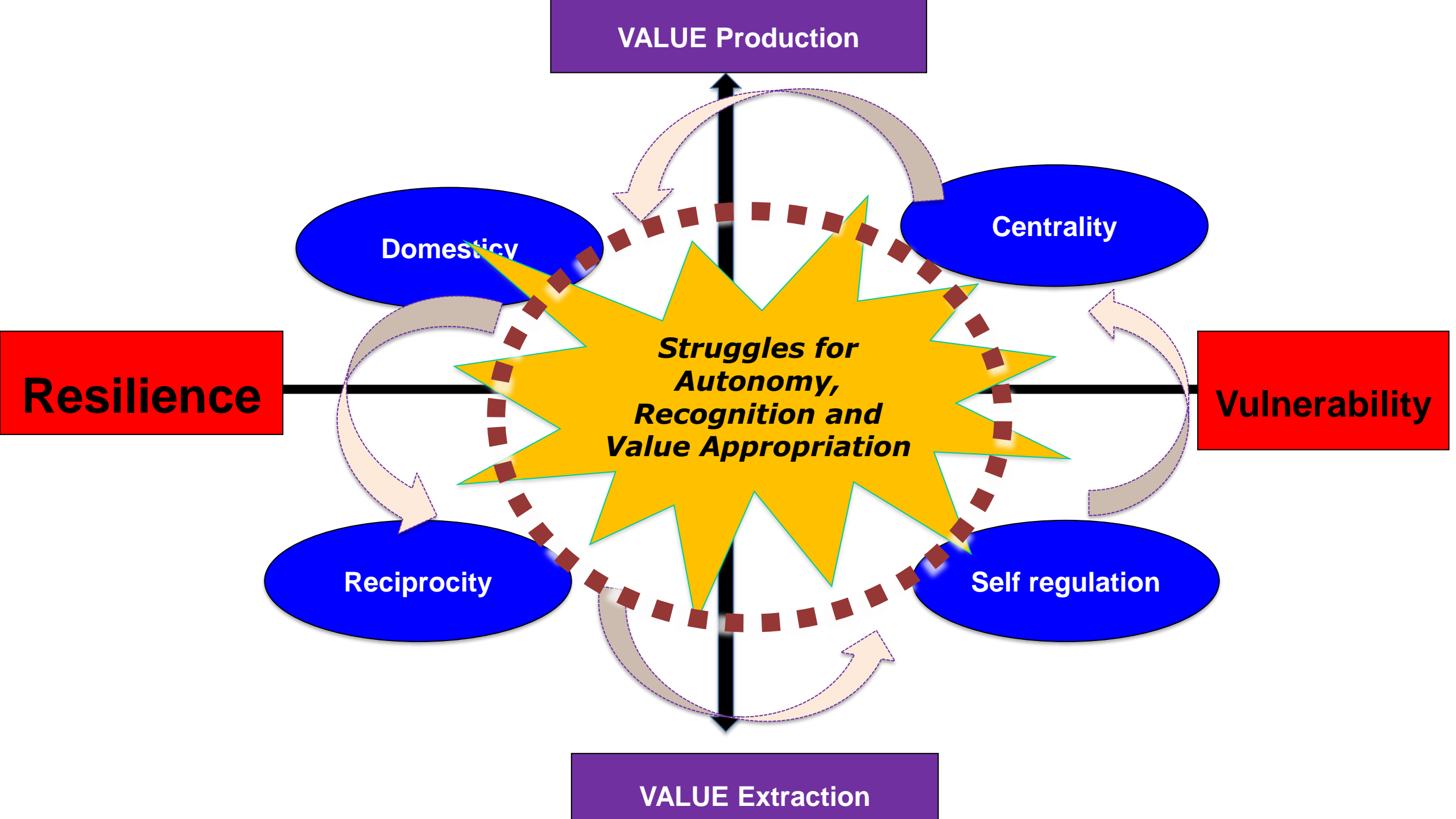
*Institutions are social structures that can involve **RECONSTITUTIVE DOWNWARD CAUSATION**, acting to some degree upon individual habits of thought and action.*

The Construction of Markets – *markets socially constructed* – is a process of

Emergent properties: emerge or appear as a result of the interaction between components.



The Key Issue of Power



VALUE Production

Domesticity

Centrality

Resilience

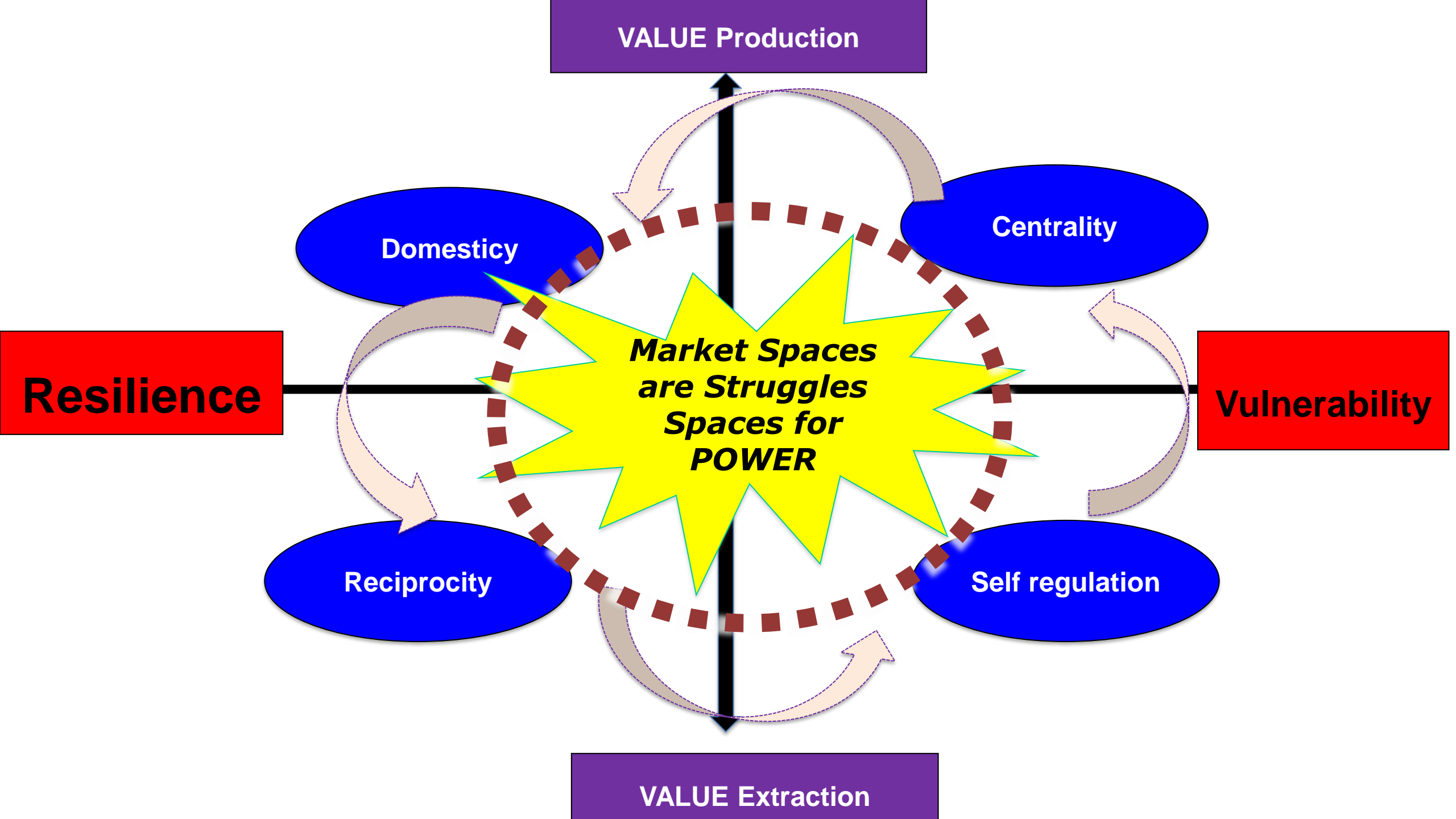
Vulnerability

*Struggles for
Autonomy,
Recognition and
Value Appropriation*

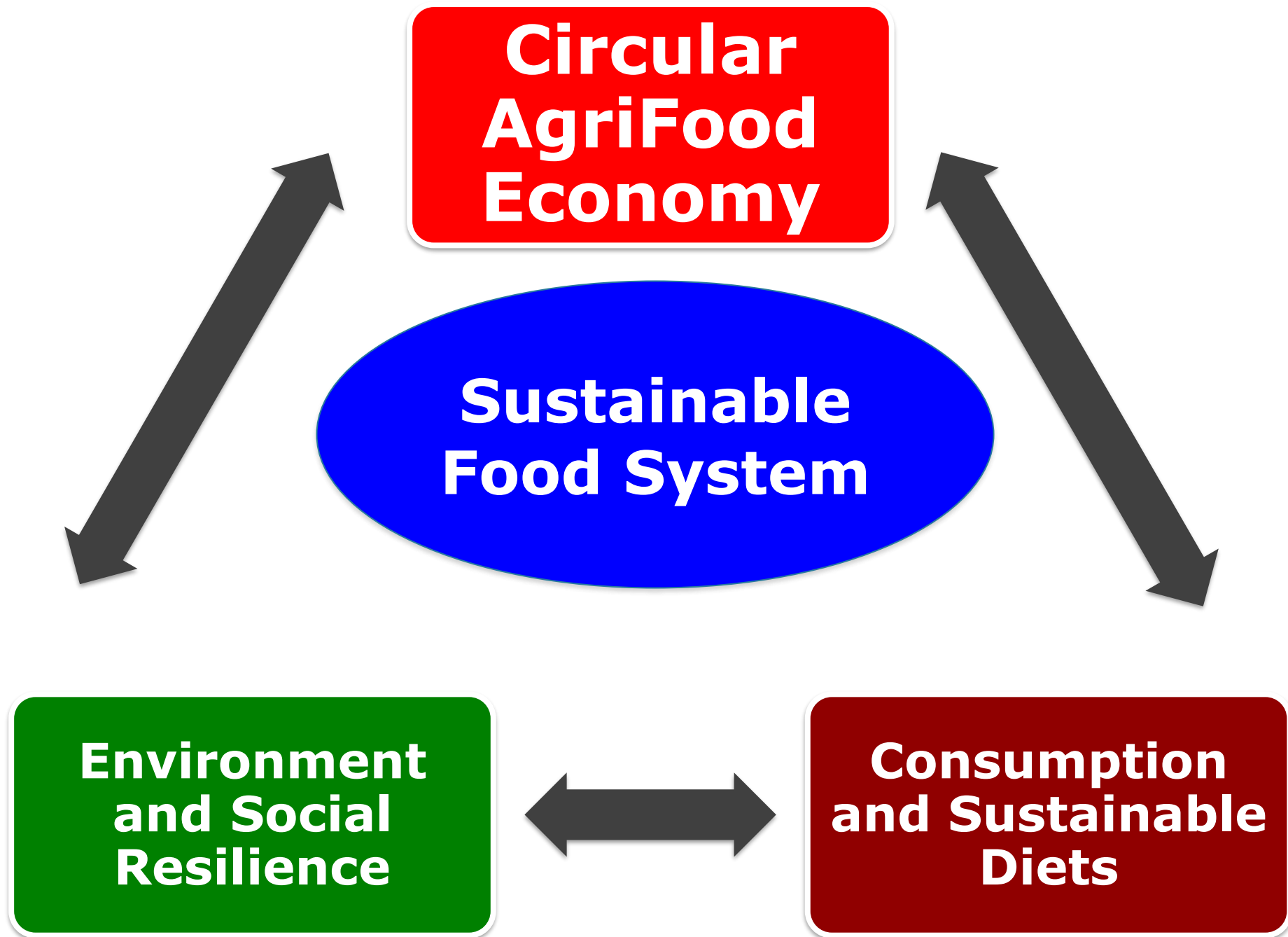
Reciprocity

Self regulation

VALUE Extraction



What Strategy



The Five "R" Strategy by Jun Borras

Redistribution

Recognition

Restitution


Regeneration

Resistance

ORIGINAL ARTICLE

WILEY Journal of
Agrarian Change

Agrarian social movements: The absurdly difficult but not impossible agenda of defeating right-wing populism and exploring a socialist future

Saturnino M. Borras Jr.^{1,2,3} 

What we need for sure?

1. Micro – No question about Strengthening Social Actors – groups, associations, movements, etc

- Viable and sustainable forms of production are critical;
- To foster innovation and new/best markets

2. Meso - Collective institutions and organizations are Need

- The recognition of class, gender, etc (Axel Hoonet)
- Laws and rules + resistance fights + construction of alternatives
- To foster cooperative organizations and social economy;

3. Macro - The role of State is undoubtly !!

- Public policies make all difference !!;
- Credit and finance are important
- Regulation mechanisms and governance;

6.Challenges For Better Food Systems and Rural Development ?

**More and
Better Markets**

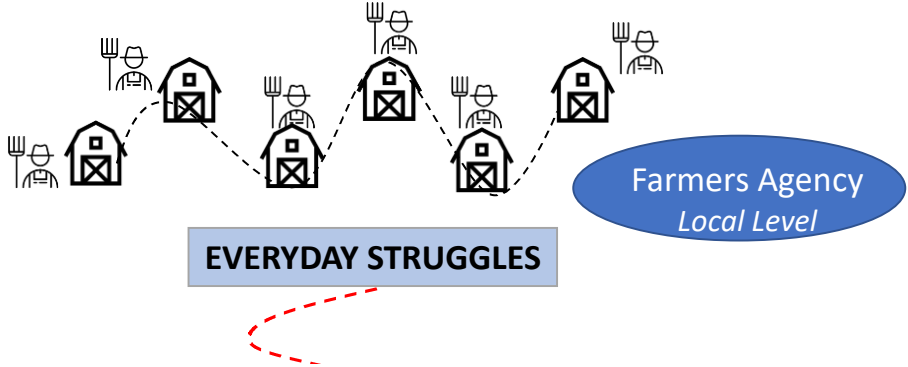
FARMERS

**Innovation
and Cost
Reduction**

**Cooperatives
and
Colective
Action**

First Level

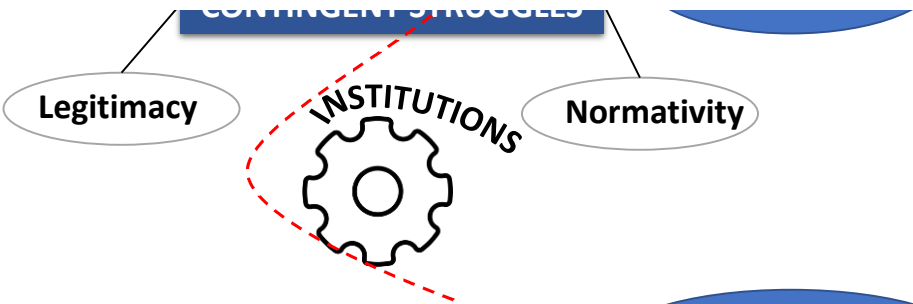
Framework based on:
Norman Long
Jan Douwe van der Ploeg



A
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MICRO-LEVEL

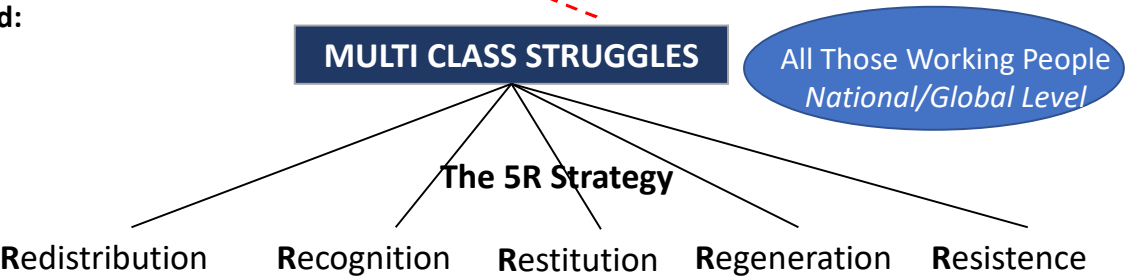
Framework based on:
Karl Polanyi
Elinor Ostrom



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MESO-LEVEL

Framework based:
A. Negri
Jun Borras Jr.

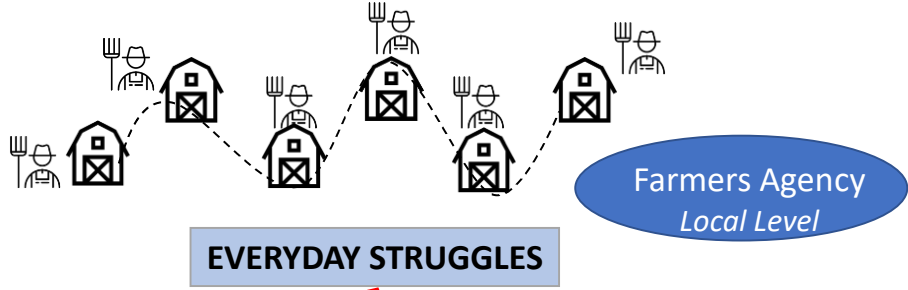


M
Y

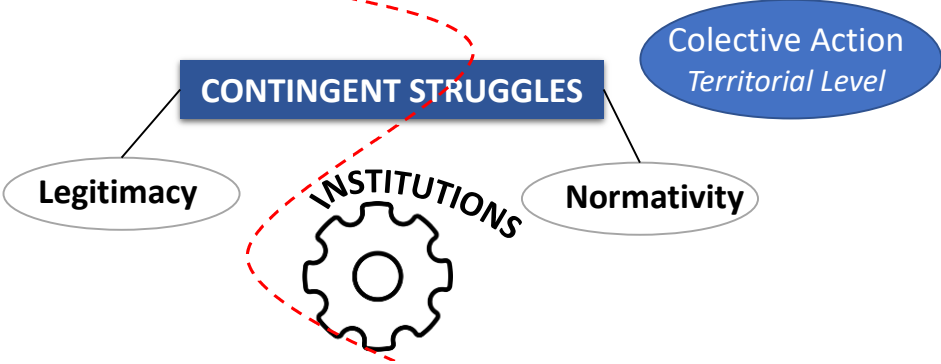
MACRO-LEVEL

Second Level

Framework based on:
Norman Long
Jan Douwe van der Ploeg



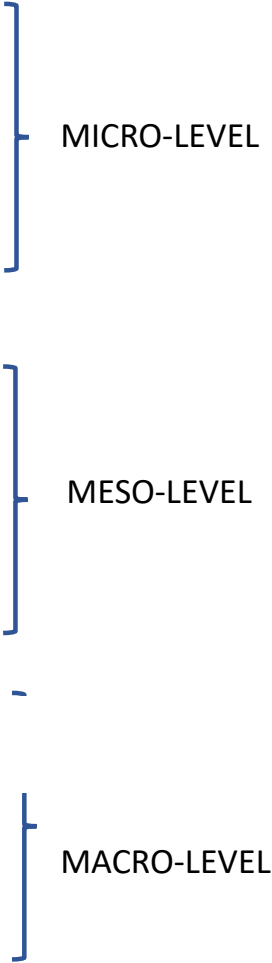
Framework based on:
Karl Polanyi
Elinor Ostrom



Jun Borras Jr.

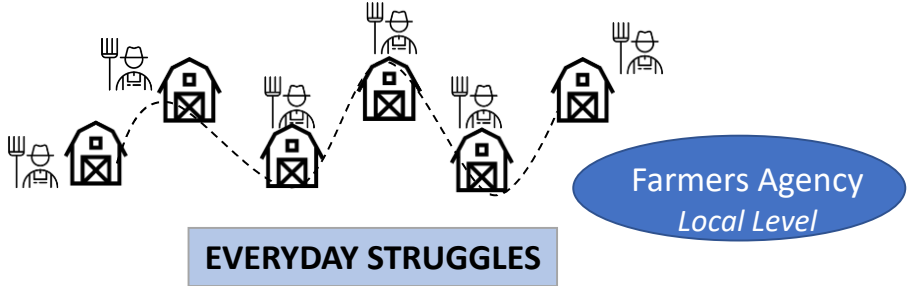


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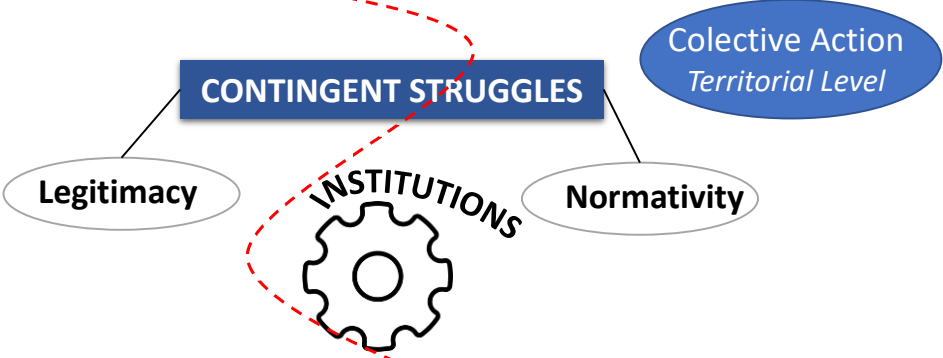
Third Level

Framework based on:
 Norman Long
 Jan Douwe van der Ploeg



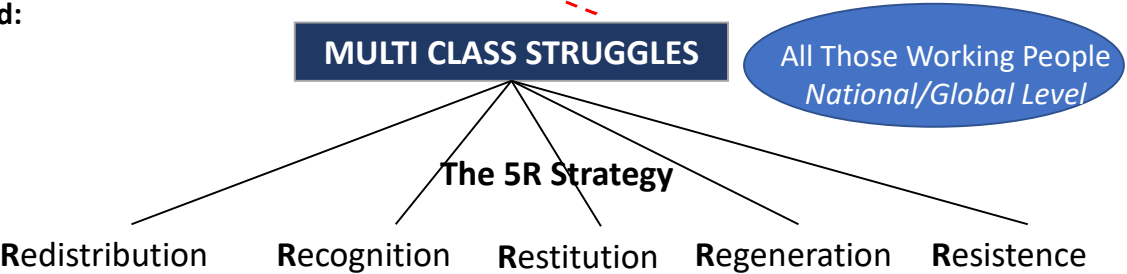
MICRO-LEVEL

Framework based on:
 Karl Polanyi
 Elinor Ostrom



MESO-LEVEL

Framework based:
 A. Negri
 Jun Borras Jr.



A
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MACRO-LEVEL

**This is Coherent With
Flaminia's Intellectual and
Political Heritage !!**



Field trip in the Quarta Colônia region, near Santa Maria (southern Brazil).



Below, she doing her best, sharing her wisdom in a unique, thoughtful, profound way and with an appreciation for everyone she interacted with. Flaminia has always been welcoming and has given herself a unique way of building a humane and integrated perspective on rural development.



Visit to family farms and agro-industries, some of which were researched during my doctorate.



Moments of many exchanges, experiences, laughter and understanding about life, in rural and urban areas. Field trip in Italy, we knew cases of “family agro-industries” of rural youth and innovators in Emilia Romagna.

I'm sure that she was always an inspiration, without measuring efforts to dedicate herself to everything that she left us as a legacy.

Some words that remind me of Flamínia:
network, valutazione, food chain, sviluppo rurale, giovane imprenditore, innovazione, agro alimentari, sostenibile, le aziende, le misure (PSR), governo, l'univeristà, consapevole, prendiamo un caffè.

Grazie infinito professoressa Flamínia Ventura



Flaminia was very important in my academic formation.

- With his multidisciplinary view of the countryside, he taught beyond the classroom.
- With satisfaction, she used her time to go around the Italian countryside and teach us from the concrete reality, from the relationships and conversations we had with the rural producers.
- She transmitted to us a passion for applied research, theorizing from reality, in a useful and reality-changing way.
- She visited us in Brazil and we had the privilege of exchanging even more from the Brazilian reality.



Field trip in Italy - open-air classroom



Visit Family farmers in Southern Brazil



- She was and will continue to be a “Mamma Accademica”, welcoming us into her home and family.
- With her, we were able to live the Italian cultures.
- Grazie mille, Flaminia. Restarà sempre nel nostro cuore.
- La sua dedizione e il suo amore per la ricerca si moltiplicarono















Generosity and Commitment to Future Generations, by Farmers and Researchers



**Thanks for Your
Attention !!**

**Sergio Schneider –
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New rural policy in Europe:
support to collective actions for
innovation environmental management
and development of new food value
chains.



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2. COLLECTIVE ACTIONS FOR SUSTAINABLE NATURE AND AGRICULTURAL PRACTICES



Collective action as a tool to increase the farmers access to the market

Informal and formal networks are emerging in the agro-food system as new form of farmers and producers organizations.

They have success where other traditional organizational forms (as cooperative) failed

The participants are very heterogeneous

Through the use of modern technologies , tools and agreements (ICT, logistics, digital marketing) small farms participating in the networks become players in the global markets