Changing Consumer-Producer Relations in Austria

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Abstract

The contribution will focus on the changes of consumer-producer relations during the third food regime in Austria. By the end of the 1970s it became clear out of various reasons that the modernization of agriculture would increase disparities between more favored and lagging regions, making it necessary to look for alternative approaches. The first producer-consumer cooperatives were founded with support of rural development institutions. End of the 1980s mainstream agricultural policy took up the topic and proclaimed what became the “eco-social agricultural policy”, promoting direct marketing as an alternative source of income and to prepare the countries’ accession to the EU. After EU-accession major supermarket chains began to focus on regional and organic products, contributing ultimately to a decline of direct marketing during the first decade of the new century. By the end of this decade however new forms of consumer-producer alliances emerged.

The contribution aims to analyze these developments along the lines of the sociology of translation (Callon, 1986) which are defined as problematisation, interessement, enrolement, mobilization, for each of the different approaches and to follow their transformations until today. Furthermore the paper puts these developments into the context of wider societal changes encouraging or hampering the various approaches over time. Thus a picture of changing, and partly progressing consumer-producer relations evolves. Although the different strands developed one after the other, they did not replace each other. This leads to a diversified landscape with a varying degree of cooperation between producer and consumers. Over the last three decades this shaped the image of the food sector within Austria to a large extend.

1. Changing consumer-producer relations in the third food regime

Food regime theory (Friedman 1987, Friedman and McMichael 1989) was formulated in analogy to the neo-Marxist regulation theory in order to situate the political economy of the world food system within a broader historical frame. It describes different regimes of accumulation and regulation in the food sector since the late 19th century. Each regime of accumulation – understood as a particular assemblage of production, distribution and consumption – is stabilized through particular types of formal and informal regulation and associated with particular geo-political orderings. Food regime theory aims to analyze the relation and role of institutions within the commodity chain and the political relations of the world food economy.

While the theory of food regimes distinguishes three regimes so far, this contribution focuses on consumer-producer relations in the third food regime only. The first consumer-producer initiatives started in Austria almost exactly at the change from the second to the third food regime.
The second, ‘intensive’ or ‘productivist’ food regime is commonly described to range from the 1930s to the 1970s. It is characterised by agricultural modernization, specialization and rationalization after the second world war, forward-/backward-integration into agro-industries and the establishment of state-protectionist policies and the subsidies for agriculture. The third food regime, often called ‘flexible’ or ‘post-productivist’ (Friedmann 1987) is supposed to begin with the end of the Bretton woods agreement and the energy crisis of the 1970s. It led to a global reorganization in the context of the liberalization of trade, the erosion of national agro-industries and protection by subsidies. It involves contradictory processes: on the one hand, the transnationalization of hi-tech (biotechnology) agro-industries, on the other hand, the emergence of alternative agro-ecological, regional networks of food provision; the de-localization of food (‘food from nowhere’) and local as well as localized food (‘food from somewhere’) (McMichael 2009: 147). Accordingly, the food market diversified into segments of standardized, agro-industrial food and affluent/fresh food (in part organic, local/localized) for the social elites. Agriculture assumes new, post-productivist roles (e.g. landscape cultivation). The Austrian producer-consumer initiatives of the 1980s as well as the more recent alternative food networks can be situated in this transition from the second to the third food regime, where ecological and regional food networks emerge as a response and counterpart to the transnationalization of agriculture and agribusinesses.

In the following analysis we combine this view of the food regime with the analytical grid of the sociology of translation as described by Michel Callon (1986).

2. Theory of translation

The Actor–Network Theory (ANT) was developed by a group of sociologists around Michel Callon and Bruno Latour at the Centre de Sociologie de l’Innovation in Paris in the 80ies. The main process analysed by the ANT is the growth and extension of spheres of influence and power. In the terms of ANT this happens through “processes of translation”. ANT is therefore also called a “sociology of translation”. According to Callon (1986) the extension of an idea follows four stages:

- Problematisation: an actor analyses a situation, defines the problem and proposes a solution.
- Raising interest: other actors become interested in the solution proposed. They change their affiliation to a certain group in favour of the new actor.
- Enrolment: the solution is accepted as a new concept. A new network of interests is generated.
- Mobilisation: The new network starts to operate target oriented to implement the solution proposed. In order to achieve a stable relation and a target orientation, the actor has to set an “obligatory passage point” to channel all interests to one direction. This leads to the formation of a “macro-actor” who acts as a single entity.
3. The early days- ideological foundations: Short circuits and empowerment

In the aftermath of 1968 a new spirit of change could be felt in civil society including churches, social and political movements promoting solidarity, justice and social equality.

Interestingly enough this was not only an urban phenomenon but also a critical group of farmers started to organise themselves. The founding figures came out of the first development workers who had been overseas mainly in leftist catholic surroundings. They mobilised young farmers and formed the Österreichische Bergbauernvereinigung (OeBV). This was the biotope in which the first producer consumer cooperatives thrived.

The first producer-consumer cooperative was the BERSTA (an amalgam of Berg, mountain, and Stadt, town). This cooperative was founded in 1980. The main proponents came out of the endogenous rural development scene. This scene had developed though the 1970s during the first social democratic government under chancellor Kreisky. The newsletter of “Österreichische Arbeitsgemeinschaft für eigenständige Regionalentwicklung, OeAR” (organisation for endogenous regional development), “Impulse”, which was published at the occasion of the 25th anniversary in 2009, highlights the role of the federal chancellery for rural development (OeAR 2009). Amongst others the chancellery commissioned a number of studies, started new support schemes and networked with offices of social and labour policy.

A regional group of the OeBV together with a group of consumers (who were recruited during an early direct marketing event in Vienna and included some key figures of the regional development scene) started the cooperative. The founding convention was held in June 1980 and already in September there were 49 consumer and 20 farmers as members. The first board members included farmers from the Waldviertel, a disadvantaged regions close to the then Czechoslovakian border, along the so called “Iron curtain”, and to a large extent activists in the rural development movement as consumer representatives (Rohrmoser, undated). The aims were to organise the jointly the sales of the products. By bypassing retailers this should allow a “just income” for farmers and relatively cheap prices for high quality products for consumers. By processing of raw products, the producers should achieve an added value. On the basis of supply contracts by consumers the producers could have a guaranteed demand. Right from the beginning a focus was laid on organic products.

The cooperative expanded fast. In 1983 it was operating three shops in Vienna and had 240 members, among them 50 producers. The success of the BERSTA served as a model for other consumer-producer cooperatives. Already in 1980 two more cooperatives were founded according to the same pattern.

The federal chancellery of the Austrian government provided initial financial support, which was highly ideologically motivated. The rural areas had been traditionally a stronghold of the catholic conservative “Volkspartei” (peoples party). When the social democrats came into power, they aimed to break this monopoly. One way to achieve this was to support any alternative idea for the development of rural areas. Besides introducing the first direct payment scheme for farmers in mountainous and less favoured regions, this included the setting up of a special support scheme for pilot projects in such
regions (Berglandaktionsfonds). The expertise to implement these projects was provided by a group of young spatial planners, agricultural engineers and social scientists who had formed the “Österreichische Arbeitsgemeinschaft für eigenständige Regionalentwicklung, OeAR” (Austrian working group for endogenous regional development).

This group played a pivotal role in supporting consumer-producer initiatives. Interestingly farmers markets came only later.

The problematisation in this phase was based on the problems observed with the agricultural policies of the second food regime, which especially after World War 2 was guided by implementing the modernisation paradigm. Strategies of specialisation, rationalisation and mechanisation found their limits in the disadvantaged hill and mountain regions earlier than in other more advantaged parts. This had led to an uneven agricultural development, increasing already existing income disparities and creating new problems for rural development. Especially along the “iron curtain” the economic situation declined steadily with the rural exodus. The macro actors who problematised these developments were social scientists and development agents. Critical social scientist had started to analyse the situation from a Marxist perspective (Kramer and Scheer 1978) and developed a strong critique towards the conservative rural development policy. This analysis met with the experience made by development agents who had been socialised in the beginning postcolonial development work overseas. Together they proposed a new model of rural development based on endogenous resources and focussing on human and social development. One major part of their strategy was to bring farmers and consumers into a closer relationship. Their proposed solution met the interest of critical consumers, mainly post 68 young academics on the one side and pioneering organic farmers, who were marginalised in their communities by conventional farmers. Furthermore the idea was supported by policy actors, who wanted to support new ideas which could break the conservative atmosphere still prevailing in rural areas. The founding of the first cooperative, the BERSTA, can be seen as an obligatory passage point (Callon 1986), where all these ideas were streamlined into a concrete action with an investment of form by setting up a cooperative constitution with membership etc. and a government support scheme for innovative rural development. This was more or less the starting point of the Austrian model of “endogenous rural development”, which resulted in a number of new initiatives to follow these principles.

4. The producer led approach (late 1980s): short circuits, but producer-led direct marketing

In 1986 a new government was elected, a coalition between social democrats and conservatives, which set new priorities.

While during the “early days” ideological issues of regional development were the key driver for the new CPIs this changed in the second half of the 1980s. In 1986 after elections a coalition government of the socialist and the conservative party was formed and the ministry of agriculture was again under conservative control after a break of 15 years. The new federal minister, Josef Riegler, had inherited a
ministry where his socialist predecessors had consequently tried to exchange the personnel with their people, who were more open minded for innovative approaches in regional development while the chambers of agriculture had remained dominated by conservative sectoral agrarian structures. Rieglers great contribution was not to abolish the innovative approaches of integrated rural development, but to bring them into the mainstream conservative policy under the heading of ökosoziale Agrarpolitik (eco-social agricultural policy, whereby “eco” referred to both, “economic” and “ecologic”). In his manifesto he referred to agrarian values like small structures, responsibility and participation as well as social and ecological actions as foundations of a modern and future oriented policy for the entire society (Riegler, 1988a). He declared his approach an alternative to the “dead end road of EU agricultural policy” (Riegler, 1988b) The aim of this new agricultural policy was “to develop ecological responsible and economical appropriate peasant like agricultural production methods, which provide safe and high quality food products to the consumer and a just income to the farmer” (Riegler, 1988b, p.321 own translation). This new direction of agricultural policy wanted to conserve small scale structured agriculture by supporting additional sources of income on farm and introduction of payments for the provision of public goods by farmers (like maintenance of cultural landscape).

Under the heading “development and extension of new forms of income combinations” direct marketing was presented as a new chance in response to the “increased quality and environmental consciousness of consumers as well as the increasing demand of a leisure society” (Riegler, 1988b p.329, own translation).

The “ökosoziale Agrarpolitik” guided the entire preparation phase of Austria’s accession to the EU in 1995, a period when the ministry was led by the later EU agricultural commissioner Franz Fischler. During this time direct marketing, organic agriculture and diversification strategies like holidays on farm received official recognition by the ministry and the chamber of agriculture. However as Riegler took over the ministry of agriculture, he also changed the direction of the strategy from linking consumers and producers, towards a more producer led approach. Interestingly also the now professionalised OeAR acknowledged the move away from consumer oriented approaches. Consumer involvement had decreased due to the high degree of commitment involved, at the same time farmers perceived the engagement of consumers more and more as intrusion into their sphere (Asamer 1989). New emerging forms were rather farmers markets and farm shops. In the beginning farmers were quite reluctant to engage in direct marketing as the rigid agricultural marketing system had not even allowed such activities, especially in the dairy sector. The consumers however welcomed the idea and especially farmers markets found a great response. The chambers of agriculture first also rather sceptical adapted to the changing conditions and started to provide advice to farmers. During the late 1980s and early 1990s the new diversification strategy gained momentum and in each province specialist advisors were installed.

In the beginning the main objective was to keep farms in business which were considered too small for full time farming (Schermer 1989). In some instances part time farmers even managed to become full time farmers again. By adding value to the product through on-farm processing and direct marketing farmers were expected to remain full time in farming. Moreover, it was considered a possibility to share the responsibilities between two generations on the farm by providing possibilities of
specialisation for the young farmer in processing and marketing. The increased contact to the non-farming society, providing motivational feedback was expected to have a positive impact on farm succession (Schermer 2003).

The successor of Riegler as federal minister of agriculture, the later EU-Commissioner Franz Fischler came out of the chamber of agriculture and continued this producer led approach. He coined the slogan of Austria as the “European deli-shop” (Feinkostladen), meaning a shift towards quality production. Consequently, he continued and increased the support for organic farming and diversification as a measure to prepare the agricultural sector for EU-accession in 1995 (Schermer 2006).

During this phase the problematisation had changed from a critique of the effects of modernisation on rural development to a critique of the EU agricultural policy, which was not adequate to the reality in mountainous areas. Agricultural stakeholders tried to safeguard the income of farmers when the market system was changed fundamentally in preparation of Austria’s accession to the EU. Now the macro actor was found in the Federal Ministry of Agriculture, which initially had problems to gain the interest and cooperation of the Chambers of Agriculture, who were still thinking along the old lines of a productivist and regulated market system. However, as the farmers on the ground started to react favourable to the new room of manoeuvre, the institutional inertia was overcome and the chambers started to promote actively farm diversification. Although mainly an agricultural agenda, consumers were interested out of environmental concern. Throughout the 1980s environmental debates were strong in the public discourse of Austria. Already 1978 a public referendum had turned down the use of nuclear power, although the first atomic power station was already ready to go on the mains. In 1984 the project of a hydroelectric dam in a flood plain along the river Danube close to Vienna arouse widespread protest and led to the rise of the green party. Finally 1997 a petition for a referendum on the abolishment of GMO in agriculture found wide respond (Schermer 2001). These discussions had fostered the interest in local and organic food, an increasing demand which had not been satisfied so far.

5. The market approach (second half of 1990s): long circuits – big retailers – delegation

The change in the agricultural support system in preparation to the accession had been substantial. The rigid centralised marketing system had been abolished and the support gradually shifted from price subsidies on products to payments for agro-environmental programs, organic farming and diversification measures. The new support programs for farm diversification led to a sharp increase of organic farms, farmers markets and farm shops etc. Direct marketing got a further importance of being the showcase of local agricultural production. There was the fear that with the opening of the borders Austria would be flooded by foreign products, which were expected to be cheaper on the market.

When Austria finally joined the EU in 1995 the already positive picture of agriculture in harmony with nature was fostered by massive conversion to organic (due to an attractive agro-environmental program). Organic, local and fresh from the farm were to a high degree interrelated in the view of the
consumer, a view largely supported by political claims of a localised “consumption patriotism” (Sassatelli and Scott, 2001). In general the consumers responded very favourable to the first attempts of direct marketing, because farm produce was regarded of higher quality as compared to the “regular foodstuffs” provided by agro-industry with a high degree of standardisation.

The disadvantaged regions in the mountainous regions received financial support in the frame of Objective 5b money out of the EU-structural funds. This was used to provide communal infrastructure for small scale processing and assisted to reduce the cost for investments, which had become necessary due to the application of EU regulations (e.g. hygienic regulations), but would have been not viable individually, given the small scale farm structure.

However at the same time “alternative” products found their way into the supermarkets. The EU-accession had resulted in an immediate sharp drop of the producer prices, which were mitigated by the agro-environmental program. Within this program the measure “organic farming” received the highest payments. This resulted again in a massive wave of conversions and an increase in organic production, demanding new market structures. As early as 1994, in the period of the maximum increase of organic farming the biggest Austrian food retailer Billa/Rewe had launched the first organic brand in the supermarket (Ja!Natürlich). Although other supermarket chains and also major discounter have established their organic brands since, Ja!Natürlich still holds the leading position and is still the most widely recognised brand by consumers. In Austria, unlike Germany and other countries, supermarkets are the major points of sale for organic products. About 70 % of all organic products are marketed through this sales channel (Hamm and Groneveld., 2004).

In the perspective of the consumers regional and organic products were now readily available across the entire country, so their affinity to farm products decreased. While box systems and delivery services still increased the sales in other marketing channels, especially on farm sales and farmers markets decreased from 2001 onwards (Schermer 2008).

Consumers focussed on convenience (like provided by box schemes) and could not perceive much difference in the quality of farm products versus organic and regional supermarket products. It appears that in Austria connotations like “organic”, “traditional”, “regional”, “mountain” and “small scale” are quite interchangeable attributes to farm products (Matscher and Schermer 2010). Some regional supermarkets picked up this topic and started to feature regional organic products (Schermer 2010).

The problematisation during this phase was mainly informed by the threat of “foreign cheap products due to EU-accession”. A major shift to increase the share of organic production was proposed as the solution to this problem. Support systems and agro-environmental programs acted as obligatory passage points. Due to support programs without adequate market development on the side of the agricultural stakeholders, retail chains became macro actors for further expansion of the organic market. They met the interest of the major organic farmers association, who was looking for new markets for the produce of their members. Due to a high percentage of part-time farming and low production volumes direct marketing possibilities could not be extended and there was not vivid natural food store movement in Austria (unlike for instance in Germany).
Consumer responded to the advertisements of organic by supermarket chains as “traditional, small scale, mountain” etc. very positively. Consequently farmers became enrolled into new regulative schemes set up by retail companies incorporating organic and local into the mainstream market. This forced the producers again into a system of increasing volumes and rationalisation processes.

6. The consumer comes back in: New emerging food networks

Obviously this has led to a certain “conventionalisation”, not only of organic production but also of regional production. But while in many European countries during recent years a mushrooming of new food initiatives (like the GAS in Italy or AMAP in France) can be observed, this did not happen for a long time in Austria. However, recently also here new initiatives are emerging.

Among the initiatives which were found in a recent survey (Schermer 2011) some food coops can be discerned in major Cities (Vienna and Graz), so far only one CSA (in the periphery of Vienna) some collective purchasing groups regional in Upper Austria etc. Also the “do it yourself” movement with private and collective garden use is found widespread. All these attempts are rather emerging only and do not constitute a “mass movement”, like it seems to be the case in some southern European countries. The vast majority of consumers seems still satisfied with the high availability of local and organic products in supermarket chains and does not take the effort of organize alternative ways.

However the growing group of young urban proponents of new food networks, coming to a large extend from students and young academics, starts a new problematisation of organic and local in the supermarket as being highly conventionalized and not in line with the consumers’ expectations. A recently published book (Arvay, 2012) on the discrepancies between the pictures generated by the advertisements of supermarket and the organic production reality sparked a considerable discussion among organic producers as well as consumers. The association of organic farmers accuses the author of using the term “conventionalisation” as counterproductive for the advancement of organic and misleading and irritating the consumer. The organization defends the penetration of the conventional market with organic products(http://www.bio-austria.at/biobauern/aktuell/oesterreichweit__1/zum_buch_der_grosse_bio_schmaeh). Other parts of the organic movement as well some researchers and civil society organizations (like Agrarattac) defend the book as opening a new discussion about the values of organic and a necessary critique of the food system. The book advocates CSA and food coops as a viable alternative to the conventional organic marketing channels. The extension of food coops is assisted by civil society groups especially the agricultural wing of Attac, which was one of the major organizers of the European Nyleni- forum in Krems/Austria in august 2011. How far the interestment into these new emerging civic food networks will be in the future and which mobilisation it will find is still to be seen.

7. Concluding analysis and interpretation
Summing up the changing consumer – producer relations during the last decades in Austria, we can distinguish four distinct phases (each decade roughly). Different actors and civic networks shape each phase:

- **1st phase**: regional developers in connection with third world activists are actors with a very ideological approach, supported by political actors of the ruling socialist party.

- **2nd phase**: the federal ministry of agriculture and later the chamber of agriculture who aim to assist farmers in making direct links with individual consumers.

- **3rd phase**: retailers become the dominating actors together with the organic farmers associations.

- **Recently a 4th phase**: with newly emerging civic food networks linking critical consumers and (post) organic farmers can be observed.

The contribution described a cycle of changing consumer relations from being very close in the first phase, becoming more and more distanced during the second and third phase to recently emerging re-connections. The major goals have changed correspondingly along the cycle. While in the cooperatives the negotiation of “just prices” for consumers and producers were the major concern, on the farmers market and direct marketing the personal relations between producers and consumers are trust building. Even in the regional supermarket and box schemes the feeling of personal knowing and control prevails, while the “conventional” supermarket operates with strict certification instruments. Food coops do not only want to cut prices by bulk purchase directly from the producer, but have a civic interest in maintaining small scale environmentally friendly farming structures.

However the four phases are not strictly consecutive, there are certain features practices and institutions remaining from each phase even at present. Some of the early food coops are still existing, albeit in a more professionalized form, but still maintaining some core values as the case studies conducted in the frame of the EU-Project “Facilitating alternative Agro-food Networks, FAAN” demonstrate (Petrovic et al 2010). The same applies to various forms of direct marketing and to the organic brands in the supermarkets.

Le Heron (1993) proposes the fragmentation of consumer attitudes and nutritional styles as one of the criteria of the third food regime. This fragmentation of consumer styles has in turn also allowed a fragmentation of the modes of production. Organic and conventional farming is appearing in various forms from agro-industrial over regional/local to very specific, partly consumer determined, practices.
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