

GLOBALISATION OF THE FOOD MARKET AND THE ROLE OF QUALITY PRODUCTS¹

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1. A Global Vision

Nowadays, agriculture is in style, although it doesn't seem that way by all the bad press it gets. Not a week goes by without "mad cow" syndrome, dioxins, genetic modification and other similar subjects appearing in the media. At the same time, never have so few understood so little about agriculture.

For many people, the European farmers' demand for a specialized regime is a remnant of a past era. The dominating factor is that perhaps once, in times of famine, agriculture was encouraged and held a special place in economic politics. But today, since "there is food for all, everywhere", it is more important "to keep a sovereign market exercising its role in the distribution of resources for the most urgent needs and the most imperative production". This reasoning, leads to mistaken conclusions based on mistaken pretences.

Furthermore, it is completely irrelevant to say that "there is food for all, everywhere". Every day, even in developed countries, people die of hunger and malnutrition - despite the *plethora* supposition as sustained by international organisations – even those less technical ones. If this were true, the concept that "there are no more agricultural problems" is relative.

Some would say that this situation is a consequence of the fact that not enough is being done to foster liberalisation? Would not a free world market permit the convergence of supply and demand in a harmonious marriage of resources, thus eliminating waste? Absolutely not, respond many of the objectors and they would be right; the liberal theories of today are essentially based on those established prior to the economic catastrophes of 1929. These theories are neither stringent nor modern and are not adaptable to the European agricultural world. Furthermore, it should not be believed for a minute that the advocates of liberalism – in their quest for globalisation - are

¹ Some of these ideas were also presented twice in Italy; at the *Agricultural Academy* in Turin (22nd February, 2002) and at the 2nd *European Forum on Food Quality* in Orvieto (3rd June, 2005).

themselves very liberal. Examples of this can be found everywhere – as much in the North as in the South – East and West alike. The beautifully multi-coloured boxes of the World Trade Organization (WTO) serve in reality to cover up ordained policies, interest-oriented in favor of the Countries considered “*dominant*”; actually only one dominant Country – the USA – with its various partners. This policy is neither wide nor long-term politics, and proves the timeliness of Voltaire’s words “*Il faut cultiver notre jardin*” (We should tend our garden).

This trend is propelled by an articulate, well-oiled machine expounding it as a “must” for all. To this, those more “global-minded” ask two questions: Shouldn’t science be *super-partes*? Is it not suspicious that a wise man deals in affairs of a political nature, of whatever kind? On the contrary – as Demosthenes once said, a wise man is permitted to engage in honest and unbiased politics. I would respond as Raymond Aron did, that in today’s modern agricultural world it is better to take the position of an observer – albeit an ACTIVE one.

Furthermore, although I do not share all of José Bové’s opinions and particularly deplore his tendency to destroy the experimental systems in research centres which undoubtedly impairs scientific progress, I must recognize that his success is due to the lack of information and long term vision on the part of certain European political professionals regarding agricultural policy. This is particularly alarming especially in regard to international treaties and the defence of the patrimony of rural agriculture.

World over, the rural agricultural arts are being lost as a result of trade globalisation. We must recognise that agricultural products originating from certain industrialised countries, which enjoy high levels of productivity and public support, are capable of drowning developing country markets. I am not referring to the EU here, a region in which agriculture (an example of life and culture) is doomed unless an urgent decision is made to take clear steps in favour of taste and tradition. These steps are vital to counteract the rising pressure and strong will from certain foreign entities to flood *our* markets with modern products, which have, in effect more mass than quality.

A specialisation in production on a planetary level is carried out by this trade globalisation under the aegis of the WTO – through an aggressive drive, in favour of those countries that can permit low-price exports, guaranteeing a livelihood for producers at *supposedly competitive* prices. This logic, that allows certain rich, developed countries to export at inferior prices to developing countries, affects the latter by destroying both their quest for food independence and the balance between city and country-side, forcing an exodus to tent cities where for the major part there is no possibility of employment. Honestly, what does the farmer annually producing between 20,000 and 30,000 quintals of grain have in common with the farmer who cannot even afford draught animals and cannot produce even ten quintals a year? All this, despite the grand dialogues about the ‘*efficiency of the international organisations and their actions in this field*’.

The message is for active European policies that should support products of quality by tenaciously pursuing and sustaining a well-defined course in their favour.

2. **The Battle of the World Trade Organization (WTO)**

The Agricultural Agreement by the WTO signifies, in theory, a noteworthy step, seeking to guarantee food security and, on a broader scale, to secure the social and environmental balance of the entire planet. But this clashes with the refuting of the concepts of protection, global prices, and trade imbalances, since protection from imports is presented as “a horrible concept – to be

denounced”. This explains the reason that any type of agricultural support, from without and within, is considered “protectionist” - because it confers a competitive advantage to national products as opposed to those of developing countries. In fact, traditionally-speaking, protection against imports is the most solid form of support for agro-alimentary products in all countries (and the European Union should be considered today as “*One Country*” even if the USA do not appreciate it) since it is the only form of support accessible and is infinitely more transparent than the internal, indirect and occult ones such as those in favour in the new world: our colleagues are shouting, *USA subsidies... what subsidies?* If this is not hypocrisy then what is it! This provocative concept is not easily understood by all and we must recognise that this will be at the end a battle between the European Union and the United States of America!

Another delicate question deals with the free trade accords between the European Union and the Southern countries, the risks facing producers following the expansion of Europe to the countries of Eastern Europe. These accords reinforce the new reforms required by the political agricultural community for promotion of a truly multifunctional agriculture system, with a move towards quality and high-end orientation (i.e. for those of us who belong to the Southern European DOC and PGI culture). A strong mobilisation of a grass-roots movement is called for - agriculture is much too serious a subject to allow further domination by the large agro-alimentary business titans.

3. The Southern European Setting

The exceptional environmental conditions of the Mediterranean basin, characterized by mild winters and relatively hot summers, have allowed humankind to evolve in the last 10,000 years in a unique region and have influenced development of cultivation techniques accordingly. The origins of this long process of adaptation began with the first grain selection of the southern basin bank, starting from the dawn of culture and proceeding through the entire length of human history up to the point of adapting the production methods to the new vegetation introduced there after the discovery of America.

In particular, on the northern coast of the Mediterranean and more precisely, in several countries such as Spain, Italy, Portugal and Greece, the typical rainy characteristics of the spring season and hot summers allowed a wider range of possible produce, previously restricted to only a few species. Traditionally, these countries are the main suppliers of produce to the northern European markets, even though the production systems and political policies (to which improvement of this sector is partially due) vary from country to country.

4. Processing industry and commercial movements

In Southern Europe the processing industry probably now constitutes the strong point of the agrorural world, encompassing an extremely varied arc of conditions, beginning with “*niche*” products - more than likely destined for the local markets - to the large more commercially-scaled production, some sold on inter-regional and international level.

The major portion of the exported products are destined for other countries of the European Union, especially Germany, France, Great Britain and Scandinavia - countries where the quality of products is particularly appreciated. It is also from these countries that most of the imported goods arrive: Southern Europe plays a major role, both as supplier and buyer, in the agro-industrial setting of the EU. Furthermore, export to central-eastern Europe and the rest of the Mediterranean is

growing. Its interaction with the USA is also important, both as importer and exporter of food products.

Among the products found in the primary sector, cereals and live animals constitute main areas of importation, while fresh fruit and vegetables lead in the export sector. On the whole, industrial food products show a commercial deficit inferior to that of primary sector products. Among the processed products, cereal derivatives, cheeses, processed meat and wine are the main export products.

5. Globalisation of the market

The world agricultural system is currently in a transitional stage – influenced by the various trends as detailed in the following breakdown:

- **Competitiveness, local and international:** as a result of market globalisation, that places agricultural products in an ever-growing competition made even tougher by the differences in labour costs on a global level;
- **The reformation of the common agricultural policy at the EU** with the relative repercussions of national European politics always pushing in favour of regional policies;
- **The growing demand for quality, health-oriented foods, traceability requirements and consumers' convenience** –demands to be incorporated without raising the product price;
- **Safeguarding of natural resources** and concern for the environment.

All of these issues underline the need for a focussed orientation towards products of high quality.

6. Quality and specificity: DOC (Designation of Controlled Origin) and PGI (Protected Geographic Indication), form the bridgehead of the Southern European “Products of Quality”

In terms of quality, national and international markets continuously demand products conforming to specific standards: their absence might become a means of exclusion and penalisation. This parameter should be analysed according to a total quality profile and should apply to both fresh products and processed food. Quality and standardisation also involve respect for the nutritional models of the European traditions bringing with them development of the national agricultural products in defence, in particular, of typical agro-alimentary products.

The systems of Designation of Controlled Origin (DOC) and Indication of Geographical Origin (PGI) as measures of the highest quality for traditional products are the result of a combination of place of origin, local genetic resources and human labour. Today – in the expanded context on a global scale of the commercial world – it is a matter of establishing the basic concept of *origin* in the agricultural field.

Today's old Europe of greco-latin origin is heir to this tradition reinforced by the modern demand for consumer protection and by a commercial, political logic linked to origin/territory/region. *Two diverse perspectives motivate the DOC and PGI systems; to protect the producers whose products*

have gained a reputation for quality – but above all, to protect the consumers against false quality products and misleading advertising of these products. From here, the need for a legislative definition of the designation of origin is necessary when discussed in a conceptual setting. DOC is technically different from PGI, in which case more qualitative information describing the region of production is furnished. Since they both refer to a geographical designation, the Designation of Origin (DO) and Indication of Geographical origin (IG) are also differentiated by the notation of the manufacturer's seal at least for the basic points, as the names of origin are used in many places illegally as commercial brands misleadingly linking these brands in advertisement as a mark of quality. Moreover, a geographical name as a brand should not be used – it creates confusion with the designation of origin or indication of geographical origin.

The specification relative to the designation of origin for agricultural products in general was born in traditions older – I would dare say – than all of the commercial brands put together. The idea of DO has always had a connotation of intrinsic quality and these products have always been associated with specific agro-ecological regions and well-defined methods of production. The procedures of DO and IG should thus always be emphasised in the politics of quality of the global agro-alimentary sector, but they do not follow a global approach!

For us in Southern Europe this is the trump card in the game. Contrary to products of mass and standardized production, the DO (and the IG) products derive their singularity from their region of origin with the optimal manifestation of these origins, demonstrating the richness of our soils, environment, resources and production conditions. The legislative processes in favour of DO and IG should help maintain the economic activities of these regions to which mass production poses damaging competition.

7. The *Fast Food* Philosophy; an American Model

Allow me now to move to the globalised thinking in regard to both production and consumption. These aspects are actually tightly linked, the concept – in terms of agriculture, is principally under the influence of the “grand commercial politics” of the EU *versus* the USA and threatens the roots of rural Europe. Subsequently the second phenomenon involved is to perpetuate the American model of *fast food*, gradually polluting our gastronomic and cultural traditions.

Clearly we cannot yet evaluate the damage caused to our traditions, if we do not confront and comprehend this American paradigm. The creation of associations such as *Slow Food*, first in Italy and then in Europe, and other similar movements cannot alone stop this flood of globalisation in the agro-alimentary sector.

In order to explain this situation more clearly, I refer to the brilliant book by the American author Eric Schlosser entitled “The Fast Food Nation”. The author asserts that in the last three decades, fast food has infiltrated every part of American society. A “business” culture that began by selling hamburgers in southern California and has then spread everywhere in North America, where people have the money to buy this kind of “junk” food. Nowadays, fast food is served in restaurants, cinemas and theatres, stadiums, airports and zoos, elementary and high schools, in the universities, on cruises, trains and airplanes, in corner stores and even in hospital cafeterias. In 1970, the Americans spent approximately six billion dollars for these products; in 2000 the bill reached more than 110 billion dollars; today it is nearer to 200 billion dollars. Americans actually spend more on fast food than for secondary school education, computers and automobiles. They definitely spend more on fast food than on films, newspapers, books, music and videos combined.

“A disaster”, says Schlosser and adds:

*“You open a glass door, hear the noise of the air conditioners, stand in line, study the color pictures behind the counter, pay with a roll of dollar bills, watch a guy in a uniform press a bunch of buttons and a moment later you walk away with a tray filled with food, some packaged in brightly colored boxes. The entire experience of purchasing fast food has become a routine operation, ordinary, automatic – performed almost unconsciously, like brushing your teeth or stopping your car in front of a stoplight. **It has become an American social custom.**”*

Post-war America saw a period of alarmism and proselytism. *“The fast food industry, though created on the basis of non-conformism, has ironically provoked a homogenization of the North American society”*. This has accelerated environmental modifications, widened the chasm between rich and poor, produced obesity as a phenomenon of epidemic proportions and spread cultural American imperialism in other countries. Schlosser reveals a reality created by unexpected truths. From the unhappy union between *fast food* and Hollywood, earth-shattering changes have been created in foods, general culture, material assets and foreign policy. The author also revealed how the *fast food* industries tried to influence susceptible, young consumers, applying institutionalised exploitation of adolescents and minors.

Schlosser puts his finger directly on the heated subject of globalisation calling it “a danger”, warning America of the cultural risks connected with the disappearance of traditional foods and processes, denouncing “the export of this philosophy to other countries”.

8. **The case of Genetically Modified Organisms (GMO), in the context of quality products**

Please allow me now to tackle that *apple of discord* which Genetically Modified Organisms (GMO) represent: it identifies the example *par excellence* of globalisation in agricultural production – whose importance the EU has not ever really grasped. Personally, I appreciate that transgenic plants could have a role in large-scale production in certain cases, optimising production for use in needy areas of the world. In this regard, I have no objection, but it must be considered that there are two sides to the coin. The cultural and traditional aspects linked to food have greater value in respect to others in some specific areas. This principle is also true in developing countries.

Traditional products of quality are deeply entrenched on this side of the Atlantic and their consumption comprises the major component of the European diet and of its dietary and gastronomic habits. These traditional products represent a major part of the market and are the fundamental element on which our agricultural production reality is anchored. For many of us, our culinary and food traditions provide not only a full stomach but are a declaration of the right to be different; a form of conserving a distinctive cultural identity. This way of thinking is prevalent among most consumers. Some may not agree, but it is necessary to emphasise that we also live to eat and not only eat to live. This statement does not contradict but complements the fact that Western Europe is the main provider for medical and food assistance destined for developing countries and this is clearly shown when comparing the European contribution in this area with other developed countries. Those of us who integrate biological know-how with world vision are concerned about the indiscriminate acceptance of the GMOs and their aggressive bombardment of the public. Is it normal to be considered old fashioned and anti-science? *In fact, it is a historical right to differ on important subjects which concern health and quality.*

As already mentioned, traditional products belong to specific geographical areas, set on historical foundations. After many specific task forces, meetings, workshops, forums and international conferences, certain doubts (scientifically inherent) are still raised about GMO. I would like to conclude that no intelligent person would refuse GMO food *a priori*. It is only a matter of unwillingness to unconditionally, immediately and unequivocally accept it as the manufactures of GMO molecules demand. On the other hand, I can only hope that with the traditional products of quality – GMO products will remain *taboo*.

9. From *Fast food* to the European Consumer of the year 2005

At the end of the 1970s, work strategy was largely influenced by the model established by the industry in the 1920s, based on the production line and a clear division of labour, which permitted the quick production of great quantities. This method has also influenced our way of thinking and reacting and in the food sector encouraged the spread of *fast food*, the standardisation of products, etc. However, in the last 20 years, the European consumer has timidly begun to reject this model and has embraced new priorities, namely, the quest for seeking quality over quantity.

The wise consumer has eventually influenced the agricultural producers and consequently agriculture itself, being an economic activity whose survival in Europe is dependent on adoption of new concepts of quality consumption – note that I am not referring here to the tragedies surrounding the dioxin affair and foot and mouth disease –“*a manufactured plague*”- nor to the “*mad cow*” affair.

How may we confront the analysis and resolution of these subjects according to the criteria demanded by the European consumer? If we wish to furnish valid responses for the long term, we should avoid slogans and threats and ask ourselves what type of quality the European consumer envisions and how science and innovative technologies already in our possession may be used to achieve this quality. First of all, we must understand what type of producer is needed in certain market sectors and secondly to pose this same question to the producers regarding the tools required to deliver. The responses to these questions will allow compilation of a consumer profile of the product in general and of those of genuine quality in particular.

At this point, I would like to expand on several themes, and allow myself to admit that defining quality is the first obstacle. Quality is not a goal, but a method. The definitions of quality available are many, but there is general agreement on the four following factors:

- quality of level of hygiene
- natural product quality
- quality at the level of regulation
- origin and taste

Other definitions mention initial, intermediate and final quality, considering that quality from the farmers’ point of view is not necessarily the same as that for the processing industry, commerce, nor the consumer.

Quality is a relative concept in both time and space. Our perception of quality for food products have changed drastically in the last 50 years. It is now necessary to integrate the continuing and welcome pressure of what is called innovation with consumption. I believe, rather, that genuine quality, a concept not always considered sufficiently nor clearly enough in marketing, should be the

subject of discussion. In fact, the information furnished to the consumer is often inadequate, distorted and at times misleading. On the other hand, innovative technologies should be at the service of the consumer as well as the producer. Meat, bread, wine, oil and cheese are in a different league than toothpaste and computers; in this field research and technology must respect and consider people – their culture and their real needs.

IN CONCLUSION what do people demand from food?

We eat for the pleasure of eating and to keep healthy; on the basis of this definition it is necessary to be able to trust food products and their producers. The order of priorities might change from sector to sector, depending directly on people's lifestyle, but essentially needs do not change. Finally, we must learn to pay attention to what the future requires, from which a respect for the past is ultimately born.

These are the roots of a process that can be called anti-globalisation!

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