The Polanyian Way? Voluntary Food Labels as Neoliberal Governance

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Abstract: Voluntary food labels that express ecological, social, and/or place-based values have been posed as an important form of resistance to neoliberalization in the Polanyian sense of protecting land, other natural resources, and labor from the ravages of the market. At the same time, these labels are in some respects analogs to the very things they are purported to resist, namely property rights that allow these ascribed commodities to be traded in a global market. After reviewing the Polanyian claims about these labels, the paper examines how these labels are operationalized and notes important differences in the sort of barriers to entry they erect, which in turn have quite different distributional consequences. It then goes on to discuss how these labels look to be an expression of roll-out neoliberalization. Following Heynen and Robbins who note four dominant aspects of neoliberalization of environmental governance (governance, privatization, enclosure, and valuation), to which a fifth (devolution) is added, the paper shows how these labels not only concede the market as the locus of regulation, but in keeping with neoliberalism’s fetish of market mechanisms, they employ tools designed to create markets where none previously existed. In recognition that neoliberal political economies and subjectivities have delimited the possible, the paper also grapples with how these labels may produce political openings outside of their most proximate effects.

Keywords: organic food, fair trade, labeling, agro-food governance, neoliberalism, privatization.

Introduction
Commodities that embed ecological, social, and/or place-based values have been posed as an important form of resistance to neoliberalization because they are putatively protective, in the Polanyian sense of protecting land, other natural resources, and labor from the ravages of the market. Such commodities are especially common in the realm of food production, and are necessarily distinguished by a label, with organic, fair trade, and various geographic indicators being particularly well-known examples. They protect the “conditions of production” with specific standards of production and with verification mechanisms designed to capture and/or retain value for certain producers. It is the retention of value that eases tendencies of intensification and exploitation and thus mitigates neoliberalism’s “race to the bottom”. At the same time, these labels are in some respects analogs to the very things they are purported to resist, namely property rights that allow these ascribed commodities to be traded in a global market. The standards developed
to substantiate these labeling claims establish boundaries of acceptable behavior, and modes of enforcement of these standards create a set of property rights to the use of the label. Producers must then prove they meet these previously agreed upon standards to cash in on any benefits that might accrue from the use of such labels. And the value inherited in this right is only realized upon exchange of a commodity.

Mutersbaugh (2005a) has recently called the labeling phenomenon “fighting standards with standards”. While there is something to be said about this formulation—namely, as he says, an opportunity for social movements to “jump scales” to multilateral institutions, it nevertheless, as he also says, produces new modes of governmentality. Indeed, following Heynen and Robbins (2005) who note four dominant aspects of the neoliberalization of environmentalism (governance, privatization, enclosure, and valuation), these labels look to be typical of neoliberal regulation. They are governed by a complex array of state/private/NGO/multilateral bodies that subscribe to notions of audit/transparency as “action at a distance” (Rose 1999); they extend property rights to practices where none previously existed; they entail forms of enclosure in ways that produce scarcity; they attach economic values to ethical behaviors; and, finally, they “devolve” regulatory responsibility to consumers. In other words, not only do these labels concede the market as the locus of regulation, in keeping with neoliberalism’s fetish of market mechanisms, they employ tools designed to create markets. Since Polanyi (1944) saw the role of social regulation as resisting the market, the invocation of Polanyi among those who champion these labels points to an important theoretical tension.

Politically these labels bear scrutiny, as well. For, despite my abiding skepticism of labels as a vehicle of social and environmental improvement, it may be that at this political juncture, to use Margaret Thatcher’s unfortunate phrase, “there is no alternative”. In that case, the important question is to what extent the contestations of neoliberalism outweigh the reinscriptions. Is it possible, that is, that they help induce “push back” at the same time that they so obviously incorporate the techniques of what Peck and Tickell (2002) call roll-out neoliberalization?

The purpose of this paper is to work through some of these contradictory aspects of protective labels. Along the way, I will discuss the mechanisms of such protection and then demonstrate that even in the ideal, different sorts of labels significantly vary as to whom and what they protect; furthermore, some labels do very little, if anything, and there are many commodities in the world that do not stand a chance of being valorized with a label at all. So, even in the best of circumstances, protection is highly uneven. At the same time, in recognition that what is hopefully a temporary foreclosure of other avenues of collective action has rendered what is necessarily an exclusionary protection thinkable, the paper will grapple with how these labels may produce
political openings outside of their most proximate effects. These might include the production of new political subjectivities. First, however, I look at what is being claimed by those who are more sanguine about the political possibilities of these labels.

**Labels as Protection: The Polanyian Way**

Labels that describe the benefits and positive qualities of a commodity have obviously existed for a long time. For the purposes of this paper I mean voluntary adherence to standards with some measure and verification of social or ecological betterment and certification in return for a label.\(^1\) While participation in labeling schemes may be driven by values or moral conviction, the presumption is that labels will establish a basis by which producers can be compensated for the costs of following these standards. This is a relatively novel form of agro-food regulation, with the organic standard as the likely progenitor of this trend. The last 15 years have seen a number of competing and complementary labeling schemes developed, as well as a proliferation of fair trade type labels. Even controlled origin (AOC) and certain craft labels, which well predate the emergence of organics, have been cast into a new light as an effect of these other, newer labels (eg Barham 2003). The profusion of such labels is not coincidental, I will argue, with roll-out neoliberalization.

Several scholars have theorized these labels as a modern day equivalent of Polanyi’s (1944) double movement, a societal movement for self-protection as the fictitious commodities of land and labor become subjected to the “self-regulating” market. Polanyi saw the self-regulating market as fundamentally dehumanizing and in fact unable to self-regulate and posited that “society” would resist the forces of commoditization—or at least impose regulation to defend itself against the instabilities of the market (Burawoy 2003; Mansfield 2004c). Since neoliberalism fetishizes the powers of the market to regulate human behavior and is also associated with the commoditization of everything, it is not surprising that Polanyi figures prominently in efforts to theorize neoliberalism’s counter movements. Insofar as protective labels modulate the effects of the market, they would be in that way consistent with Polanyi.

Accordingly, along with Mutersbaugh (2005a), Barham (1997, 2002) has been explicit in her use of Polanyi, seeing values-based labeling as “one historical manifestation of social resistance to the violation of broadly shared values by systemic aspects of ‘free market capitalism’” (2002:350). While others do not invoke Polanyi per se, many other scholars make more generalized claims about how these labels counter the anomic forces of capitalism generally or the particular effects of neoliberalism. Raynolds (2000), for example, sees the fair trade movement as a way to “challenge the abstract capitalist relations that fuel exploitation in the global agro-food system” (297). Bacon (2005) claims that the fair
trade movement refutes the neoliberal assumption that participation in markets will benefit everyone and shows how this imbalance of power relations has been partially rectified with higher returns for fair trade producers. Renard (1999) posits that fair trade coffee not only offers higher distributions to producers but also makes them safe from competition! Moving “beyond both celebratory as well as overly dismissive takes on fair trade”, Goodman (2004:894), nevertheless, sees fair trade as an alternative form of development—driven by consumers’ ethics of care rather than direct aid—that at least may partially address the inequities produced by neoliberalization. And while generally skeptical of the ability of fair trade to generate radical transformation, Shreck (2005) concedes that fair trade may offer redistribution. One theme that recurs throughout this literature is how these commodities incorporate moral values at the same time that they help retain economic value. Renting, Marsden and Banks (2003) call organic and fair trade networks “short supply chains” because they are embedded with value-laden information linking producer and consumers irrespective of the distance commodities have traveled (400).

Despite what would seem to be clearly distinguishing features between labels that inhere qualities based on process (such as organic/fair trade) and those that attach place/terroir, they are treated in remarkably similar terms. Indeed, because US-negotiating bodies have so opposed geographic indicators in trade agreements, Barham (2003) is even more sanguine about place-based labels as a way to contest neoliberal moves. In her view, the fact that geographic indicators cannot travel like other ecolabels pits them squarely against globalizing forces. She also argues thus that they are a potential tool of rural development, keeping otherwise marginal places producing profit. In a similar vein, Marsden and Smith (2005) see alternative food networks (AFNs)—trust-based marketing arrangements that deliver high-value food (e.g., traditional, regionally specific, organic)—as a tool of sustainable rural development in marginalized areas. What they call “value capture”, efforts to retain value in local communities that would otherwise go to downstream producers, is facilitated by “dense networks”, but also seems to involve some sort of label if their case studies serve as adequate examples. Here, again, this localized value capture is theorized as a defense from the devalorization processes associated with conventional production systems and “globalization”. Buller and Morris (2004) also speak of market-oriented initiatives that “re-qualify foods” according to either production processes (which they parse out as traditional and or modern ecological) or territory. They, too, laud the possibility of improved market access and/or the capture of a greater proportion of value. And they add that the higher prices presumably obtained in these initiatives more closely offset the true costs (externalities included) of production (1070). So, even when these initiatives are guided by
moral values, including the possibility of non-alienated work, economic value capture provides the necessary cushion to survive in the world economy.

In light of the claims being made, there is remarkably scant attention throughout this literature to the actual mechanisms that might capture and/or retain value. Nor, for that matter, do those who argue that price premiums pay for the environmental costs of conventional production that have been externalized ever make clear how it is that a premium that goes to an individual producer pays for what are clearly socialized costs of, say, pollution abatement or landscape restoration. In fact, the overall approach remains highly elusive as to how value is captured, much less where value actually comes from in the first place. As I will discuss in the following section, at the minimum protection takes boundary setting and governance of those boundaries in ways that turn out to be not so consistent with Polanyi.

How Labels Protect

Assuming “normal” conditions of competition under capitalism, for a commodity to be protective of the environment and/or classes of people, it must realize value for the targeted actors above and beyond what they would receive otherwise (or prevent against erosion of existing values received). This extra value is what provides the necessary cushion to preclude a competitive “race to the bottom”. Optimally, this cushion would allow for the totality of producers’ social reproduction and the replacement or renewal of used natural resources; it would, as Buller and Morris (2004) suggest, pay for re-internalizing externalities. Minimally it would create conditions less exploitive than existing arrangements. Even if the goal is not explicitly monetary, but rather, say, better working conditions or more enfranchised labor processes, it seems a necessary if not sufficient condition for protection that the unit of production retain more value to allow for lower productivity. These protective commodities, then, are inherently redistributive. While they may appropriate value from other nodes of the supply chain, they are more likely to target a redistribution of income from consumers to primary commodity producers and their productive assets—and occasionally to wage laborers involved in primary production.

What, then, are the mechanisms of this redistribution? The idea is that supply chains can be regulated in such a way as to shift where value is appropriated to favor some actors over others (Kaplinsky 2000). In the case of voluntary labels, this regulation involves boundary setting that is at once protective and exclusionary, with the two key elements being standard setting and verification (Guthman 2004b). Standards delineate the production processes, allowable materials, employment practices, regional boundaries, and so forth that are the basis of any
sort of labeling claim. Voluntary, proactive standards must be based on demonstrable difference from conventional commodities. In addition, these qualities require some sort of external guarantee unlike qualities intrinsic to commodities, such as flavor, which can presumably be detected on their own (Mutersbaugh 2005b). As Mutersbaugh puts it, “for certified agriculture, the demands of inspectability become privileged over rapidity of turn-over time because risk inheres more in lack of information about location and context than in rapidity of arrival . . . in the case of quality-certified ethical (e.g., fair trade, organic) products, a firm’s market share is based in part upon a green reputation” (391). In other words, consumers have to believe this difference, if they are to pay the difference. Verification is what makes the labeling claims believable.

Both standards and verification establish barriers to entry (Guthman 2004a). Standards-based regulation rests on the presumption that only some can meet those standards. Some labeling schemes, such as organic, are fortified with more barriers such as lengthy transition periods. The cost and hassle of the certification process, as well as the increased surveillance that verification entails, also excludes some producers from participation. In exchange for demonstrating that these rarefied standards are met, certifying bodies confer a property right to the use of that label. In turn, willing (and convinced) consumers pay a price premium for the ascribed commodity. Consumers’ wages (and other income) are the source of value of the redistribution that is the basis of protection, designed to reward (or compensate) producers who do things differently. Without the construction and maintenance of quasi-monopoly conditions, competition is unleashed and the incentive disappears. In short, as with most economic protection, exclusion is what allows this sort of value transfer to transpire at all—a critical point to consider in terms of the political efficacy of labels. It would then behoove us to explore who or what is being protected by these labels as a way to understand who is being excluded.

Who Labels Protect
It has been well demonstrated that the making and enforcement of standards is highly politicized (Campbell and Liepins 2001; Guthman 2004a). In addition, operationalization of these standards imposes new work routines, uncomfortable levels of surveillance, and even economic costs that are at cross purposes to the redistributions they are supposed to encourage (Freidberg 2003; Mutersbaugh 2002). In other words, standards-based regulation produces many complications and unintended consequences. My purpose here is far simpler. It is to demonstrate that even in the ideal, the protection various labels offer is uneven and not always directed to where the need is greatest. This will then

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serve as a starting point to explore some of the contradictory aspects of these labels in regards to neoliberalization.

While thus far my treatment of labels has been fairly generic (reflecting to some extent how they are treated in the literature), much variation exists in regards to their purposes and operational principles. For instance, among the various claims made about labels, some are meant to protect or preserve existing arrangements while others are meant to improve them. Furthermore, some are focused on production processes, some are focused on places (to secure or relocate revenue streams), while others are explicitly redistributive to classes of people. Table 1 schematizes some of the differences among these protective labels. Within this table, I have included two types of labels aimed at processes—one at ecological processes (organic), one at labor processes (craft cheese); two aimed at place—one at specific places (terroir), the other at generic localism; and one that is explicitly redistributive (fair trade). I make no claims that the table is exhaustive of the types of protective labels that currently exist in the world. What I want to draw out, instead, is how the intent of the standards lead to different foci for verification purposes and, hence, barriers to entry. I also want to suggest that the forms these barriers take can have quite different distributional consequences but rarely offer the sort of protection for which they are championed.

For example, those labels that aim to preserve existing conditions not surprisingly also have the strongest barriers to entry. Craft labels, such as Protected Denomination of Origin (PDO), applied to products such as Parmagiana Reggiano, arguably both protect an unalienated labor process and retain value for the cheese maker. The gatekeepers of these labels are usually those already trained in the craft who apprentice a select group of newcomers. Similarly, controlled origin labels (AOCs) purport to safeguard particular qualities of land associated with a certain taste (terroir). Access to such designated land is itself a formidable barrier to entry, made all the more so by the monopoly ground rents that develop when a terroir comes to be associated with exceptional characteristics (Guthman 2004b; Harvey 2001). Because these designations are regulated by the state and cannot freely be traded like intellectual property rights, at least in the EU (Barham 2003), these designations protect existing producers with access to land and craft, irrespective of the inevitable efforts of food industry players to produce cheaper substitutes. Such labels are hardly redistributive. Yet, some of the other labels do not offer much protection at all. Guthman (2004a, 2004b) has shown that the organic barriers have been relatively easy to skirt and, as a result, prices have declined considerably over the last decade or so, pushing many producers out of the market. The fair trade movement claims to verify the circuits of trade and not to create barriers to entry (although even certification is a barrier). While fair trade is the only major existing food label that is clearly re-distributive in its
### Table 1: Taxonomy of protective labels

<table>
<thead>
<tr>
<th>Intent of standards</th>
<th>Focus of verification</th>
<th>Example</th>
<th>Barrier</th>
<th>Distributional effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process based</td>
<td>Encourage ecologically sustainable practices</td>
<td>Materials used, piece of land</td>
<td>Organic</td>
<td>Meeting standards, verification, 3-year transition</td>
</tr>
<tr>
<td></td>
<td>Safeguard taste/traditional methods</td>
<td>Labor process</td>
<td>Craft cheese, PDO</td>
<td>Entry into craft, apprenticeship</td>
</tr>
<tr>
<td>Place based</td>
<td>Safeguard taste/specific qualities</td>
<td>Territorial qualities of land</td>
<td>AOC—terroir</td>
<td>Access to designated land</td>
</tr>
<tr>
<td></td>
<td>Reduce food miles, support regional development</td>
<td>Within designated boundary</td>
<td>Generic local</td>
<td>Marketing agreement</td>
</tr>
<tr>
<td>Distributive</td>
<td>Redistribution of commodity prices</td>
<td>Revenue allocation along supply chain</td>
<td>Fair trade</td>
<td>Verification only</td>
</tr>
</tbody>
</table>

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intent (Shreck 2005), its low entry barriers has brought major players into the market, including Starbucks and Nestlé, in ways that threaten either to undermine the credibility of the label or to shift verification costs onto producers. As for these generic local labels, some are governed by marketing agreements that designate who can market under a given name and thus involve some form of verification. Other products deemed “local” are governed simply by a producers’ self-claims and public willingness to buy both the idea of the local and the claim. In either case, even though such generic localisms are often characterized as efforts to reduce reliance on “imports” so to improve local development prospects, they effectively cannibalize other markets and in time could induce a great deal of inter-regional competition (DuPuis and Goodman 2005).

In short, it seems impossible to have a protective label without some sort of created scarcity. And it appears that the most effective of these labels (AOC, craft cheeses) are highly exclusionary, protecting those with existing access to already-valorized land or a craft and not necessarily the most economically or socially vulnerable. While some labels, like organic or even generic localism, can offer temporary protection for more marginal producers around the world, without barriers to entry they are subject to competition. Among the labels discussed, only fair trade offers the possibility of substantive, long-term redistribution. Its efficacy on this count, however, hangs in the balance, for there are many commodities in the world and producers of those commodities that are unlikely to be valorized even with a fair trade label. So while labels might be good for some (Pollyannian?), they are hardly good for everybody (Polanyian). Furthermore, the degree to which that they produce competition and reproduce inequality—themselves benchmarks of neoliberalism—suggests a more fundamental imperative to examine these as a form of neoliberal governance.

Neoliberalizing Labels, Labeling Neoliberalisms

As stated earlier, voluntary food labels came of age more or less concurrently with the phase of neoliberalization that Peck and Tickell (2002) have dubbed “roll-out”. I do not think this is coincidental. The earlier phase of “roll-back” neoliberalization (beginning in the 1980s) initiated processes most commonly associated with neoliberalism: the privatization of public resources and spaces, the minimization of labor costs, the reductions of public expenditures (at least in the areas of social welfare), and the elimination of regulations seen as unfriendly to business, all in the name of “letting the market work” as the optimal mechanism to allocate goods and services (Jessop 2002; Mansfield 2004c; McCarthy and Prudham 2004; Peck 2004; Peck and Tickell 2002). This earlier phase also put the “hollowing out of the state” into motion, as many aspects
of governance began to be displaced upwards to international bodies, outwards to private firms and other civil society actors, and downwards (devolved) to local and regional governments (Jessop 2002). Roll-back neoliberalization thus left massive instabilities, inequalities, and externalities in its wake, especially insofar as the north Atlantic evisceration of Keynesian-Fordist regulatory institutions and welfare programs coincided with the retraction of the development project and the imposition of structural adjustment in the global south.

Roll-out neoliberalization has thus been theorized as multi-sited efforts to stabilize and redress some of the worst consequences of roll-out, even to “re-embed” the neoliberal market and economy (Jessop 2002)—again evoking Polanyi. Because roll-out appears less mean-spirited than roll-back (notwithstanding the Bush juggernaut and the securitization and increased state intrusion that has come hand in glove with roll-out), roll-out at times obtains softer, or “third way” status, as several scholars have noted (Jessop 2002; Mansfield 2004c; McCarthy and Prudham 2004; Peck 2004; Peck and Tickell 2002). Much of this kinder, gentler neoliberalism is achieved with “flanking mechanisms”, referring to state-led encouragement of civil society institutions to provide erstwhile retracted services and other compensatory mechanisms (Castree 2005; Jessop 2002). Surely voluntary efforts to encourage more sustainable production practices, as well as the “developmental consumption” associated with fair trade labels (Goodman 2004), come under this rubric.

Two additional characteristics of neoliberalization are worth noting here. One is its process orientation, which Peck and Tickell (2002) rightly captured in using the “-ation,” rather than “-ism” suffix. Because neoliberalization in many respects involves roll-backs and devolution of existing institutions rather than the imposition of new pre-conceived institutions, those institutions that emerge are necessarily undetermined and, thus, variable (Larner and Craig 2005; Peck and Tickell 2002). The other is its baroque nature. Efforts to fill in the gaps left by roll-back necessarily take place at multiple scales, by many combinations of public and private sector actors. As Peck (2004) and others have noted, even though neoliberal philosophy argues for de-regulation, in practice neoliberalization has produced significant re-regulation: new rules, new rule-making bodies, and new spheres of rule-making, one consequence of which is that scalar politics have become a key feature of contestation around neoliberalism (Mansfield 2004c; McCarthy and Prudham 2004). And as Mansfield (2004c) and Robertson (2004) have shown, old rules often remain partially in place, creating new layers of rules, a palimpsest of regulation. Lawrence (2005) has commented on a number of other complications associated with partially devolved governance, including the devolution of responsibility without power (and funding) and the creation of new layers of bureaucracy with overlapping and connected spheres of authority. Surely the infinite complexities of rule give lie to
the goals of transparency and accountability, also touted by neoliberal regimes.

In both these ways, rollout neoliberalization seems a bit like a patch for a computer operating system—an always partial and incomplete attempt to keep the program from crashing altogether, but with key vulnerabilities left intact, and no one really able to figure out the code. In addition, the fact that “actually existing neoliberalisms” do not emerge lock step with the neoliberal project—that aspects have spatially variable historical precedents and path dependencies—makes the character of things that emerge in the process of neoliberalization highly complex and even contradictory (Jessop 2002; Mansfield 2004c). Among other issues, it makes it very difficult to assess to what extent emerging forms reinscribe neoliberalism and to what extent they instantiate the beginning of Peck and Tickell’s “push back”. Nevertheless, in recognition that neoliberalism’s contradictions are also dialectical possibilities, in what follows, I want to revisit labels with these concerns in mind. Following Heynen and Robbins (2005) who have noted four dominant pieces of the neoliberal environment agenda: governance, privatization, enclosure, and valuation, I will take each in turn, and then add a fifth: devolution.

**Governance**

Neoliberalism has been associated with a shift from government to governance, where government refers to the power and rule of the state, and governance loosely refers to non-state mechanisms of regulation. Governance also implies the employment of tools that indirectly encourage subjects to act in particular ways, rather than through “command and control” or so-called coercive forms of regulation (Rose 1999). The focus on governance in part reflects a turn toward Foucauldian thinking on the micropolitics and techniques of rule that is not necessarily specific to neoliberalism, yet there is a way in which governance is, as Rose (1999) says, “of particular significance today because recent political strategies have attempted to govern neither through centrally controlled bureaucracies (hierarchies) nor through competitive interactions between producers and consumers (markets), but through such self-organizing networks” (17). While the soft face of these new “tools of governance” (Salamon 2002) makes it hard to take issue with them at face value, some (eg Larner and Craig 2005; Peck and Tickell 2002) seem to argue that this shift from anti-regulation to meta-regulation is a bait and switch, allowing the appearance of no government when, indeed, the state has grown considerably and society is more rule-bound than ever.

In any case, it is the proliferation of what McCarthy and Prudham (2004) describe as “increasingly voluntarist, neo-corporatist regulatory frameworks involving non-binding standards and rules, public–private cooperation, self-regulation, and greater participation from citizen
coalitions, all with varying degrees of capacity and accountability” (276) that concerns me here. Tellingly, Buller and Morris (2004) see these modes and mechanisms of governance as a distinct third way between state regulation and the privatization-of-everything approach endorsed by “free market economists”. At the same time they are cognizant of “growing penetration and importance of private rules, conventions, and market forms of regulation in sustainable food production” and an arguable “reversal of the traditional division of responsibilities to a new situation in which public policy increasingly plays the role of facilitator through support schemes and payments while market forces play a greater role in regulation” (1080). This has certainly been the case of voluntary food labels, as seen in the standard and verification process alone. To take the organic standard as one example, while some countries have standards for organic production codified into national law (including the highly contentious US standard), an international standard has been developed within the context of codex alimentarius which will presumably be the baseline standard for trade disputes, and many NGOs have their own standards including the internationally recognized IFOAM (International Federation of Organic Agriculture Movements). International organic trade remains guided by a patchwork of these standards, often carrying multiple certifications (see Mutersbaugh 2005a for elaboration of this point). Verification, however, is usually accomplished by non-state actors, through private second- and third-party certifiers and trade associations, some of which are run as businesses and some of which are run as nonprofit organizations. Since the establishment of a federal rule for organic production in 2001, the US federal government now accredits these certifiers—at last count there were 99 certifiers operating in the US. The federal rule, designed to harmonize and make organic regulation less complicated, appears instead to have added more layers. At the same time, it has forced certification to come under basic norms of due process, effectively making the state the arbiter of last resort. Other labels appear to be governed by a similar patchwork of state and private regulation. Many AOC designations, for example, receive state oversight but are managed through non-state governing bodies. Fair trade, meanwhile, is regulated through a complex system of private retailers, international NGOs, and peasant cooperatives. None of these are purely of the state or outside of state, and all are governed at multiple scales.

Such unevenness is clearly at odds with goals of transparency; it is also at odds with the goals of letting the market work. The myriad measurements, rules, and rule-making bodies and measurements that go into operationalizing these markets can be onerous and inefficient themselves (Mutersbaugh 2005b; Robertson 2004). They also give the lie to notions of governance that suggest that behaviors can be induced in non-political ways. The governance of the labels themselves is always
highly politicized because they involve boundary setting (Campbell and Liepins 2001; DuPuis and Goodman 2005; Guthman 2004c; Mansfield 2004b). Yet these boundaries are crucial to the projects of protection and redistribution that these labels attempt. All that said, the very inscrutability, baroqueness, and political embeddedness of label governance create some interesting openings. It is possible, that is, to create labels with quite radical governance mechanisms and have them fly under the radar, so to speak.

**Privatization**
Most of the work on neoliberal environmental governance, including Heynen and Robbins (2005), use the term privatization to describe a transfer of some sort of good, service, or condition of production from the public to the private sector. There is little doubt that voluntary labeling shifts regulatory responsibility from the public sector to non-governmental actors. Yet, privatization can also be used to describe limiting rights of access. For example, neoliberal privatization of the North Pacific pollack fisheries involved a change in the rules of access, restricting certain fleets to particular waters, for example, and not privatization of the fishery itself. Moreover, it entailed making an already existing quota system transferable, meaning the right to fish could be bought and sold (Mansfield 2004a, 2004c). These somewhat malleable understandings of privatization follow modern property theorists, who understand property as not the thing itself, but a set of claims to a thing (MacPherson 1979), which Rose (1994) has described as a “bundle of sticks”. The importance of this metaphor is that it allows not only for property to be divisible with claims held by different users, but also that such claims can be bought and sold in markets. One reading of neoliberal privatization is that the “bundle of sticks” is being debundled in unprecedented ways, including, in the case of landed property, the sale of different ecosystem services to different users (Robertson 2004). The hallmark of neoliberal privatization is, as Mansfield suggests, not so much that heretofore commons are being titled (although that takes place too), but that property rights are being invented to enforce a market rationality. For, it is the creation and assignment of tradable rights that makes nature subject to the highest bidder (McAfee 1999).

So, here I want to establish that voluntary food labels are analogs to this latter sort of privatization, not simply a shift to private sector regulation. Like ecosystem services, there is a way in which they create a property right for self-regulating. Rather than command and control regulations that nominally force all producers to abide by a set of constraints, the constraints imposed by labeling schemes are voluntary and made compensable by the establishment of that property right. What is being bought and sold through the verification process is a property
right to the use of a label so as to obtain access to markets and increased values. The right itself is not directly transferable, however; a buyer cannot simply pay for the use of the label without meeting the criteria behind the label. Nevertheless, some of the rights that these labels inhere attach to landed property itself. For example, AOC and organic labels are based on claims about where certain parcels are located or how they were treated. Insofar as these claims then become the basis of monopoly rents and hence higher land values (Guthman 2004b), they potentially involve a shift of wealth to already existing landowners.

In addition, there is the question of what is being made into property. Some might argue that these labels are a type of intellectual property right (IPR). Knowledge and skill are no doubt key ingredients of a craft cheese, and some have suggested that organic production is fundamentally a distinct knowledge system (eg Morgan and Murdoch 2000). Still, since these labels have been posed as a way to redistribute (or retain) value, presumably toward the site of primary production, it would follow that the labor process is that which is not sufficiently valued, of which knowledge is only a part. If that is the case, producing a property right around a labor relation is arguably a conflation of production relations and exchange relations. In effect, trade regulation substitutes for labor regulation, as with the failure to incorporate labor norms directly into WTO-sponsored international trade agreements (Boiral 2003). Extending property rights to human behaviors and institutions that heretofore were not titled is precisely the sort of thing for which many IPRs have been criticized (McCarthy 2004:530). The silver lining? Intellectual property rights can be protectionist, which is why traditional plant breeders have also fought for such rights.

Enclosure
Closely related to the question of property is that of enclosure. The establishment of property rights necessarily involves enclosure, although in this case something far less violent than the forced removal of peasants from the countryside. A well-developed area of scholarship in regards to common property resource management has shown how governance invariably involves some element of exclusion, generally to prevent the collective action problems that are presumed to exist with a scarce or desirable resource (see Mansfield 2004a for a good review and exposition as to how these scholars concede the market logic of neoliberalism).

Often that has meant producing seasonal access restrictions and/or harvest quotas. Sometimes it has meant producing spatial boundaries of where one can operate, although this has proven difficult in the case of ocean fisheries, as Mansfield argues. Not all (beneficent) enclosures are about dividing a resource commons, however; they may also involve dividing up markets. DuPuis (2001) has shown how early twentieth century
milk-marketing orders relied on exclusions and boundaries, established in the spirit of orderly conduct and fairness.

Barham (2003) seems sanguine that common property management ideas can be applied to AOC and other ecolabels. Labels do require governance akin to common property management, as a way to codify who gets access to the benefits of that label and who does not. It is odd, though, that in the case of labels there is not a commons of which there is a putative tragedy, or, for that matter, a pre-given scarcity that needs to be protected. Critics of neoliberal environmental governance have already noted that attempts to privatize space to prevent the scarcities associated with the dreaded tragedy of the commons seem to produce scarcities—in water, land, and so forth (Heynen and Robbins 2005; Liverman 2004). In limiting access to a market, the scarcity that is produced is somewhat different, though. Because these enclosures produce a price premium, what becomes scarce is access to the commodity in question at more competitive prices. Labels thus create a bit of an inverse: the practical ability to farm more sustainably or justly is not scarce; the economic ability may be. The larger point is that privatizing a commons in “doing good” creates incentives that are at odds with the purpose of inducing ethical behavior more broadly. Nevertheless, it could certainly be argued that with careful attention to the boundaries created by these labels, they could protect people more vulnerable than those currently being protected.

Valuation

Neoliberal valuation rests on the presumption that the market will assign high prices to scarce resources, although, as many have noted, the valuation of eco-systemic qualities, such as “ecosystem services”, air and water quality, and biodiversity proves difficult precisely because these things are not easily reducible, divisible, or fungible (Liverman 2004; Robertson 2004). The valuation problem would seem less formidable with labels, at least at first blush. After all, these are by definition attached to commodities that already flow through the market unlike, say, a wetland. Still, the valuation mechanisms behind these labels are not all that straightforward, making appropriate Liverman’s inclusion of fair trade/green labeling under the commoditization-of-everything rubric.

As I have argued elsewhere, the value-added in these labels is an economic rent—an above “normal” rate of return based on some sort of scarcity.7 As Kaplinsky (2004) notes, regulations that create industry-specific monopoly conditions, including the establishment of intellectual property rights, can be the basis of economic rent, and it is precisely these non-tangible pieces of value chains that are increasingly sources of rent in today’s political economy. That said, some might argue that the price premiums associated with these labels are not rent but are
simply returns that cover the internalization of costs that have been otherwise externalized (Buller and Morris 2004; Lampkin and Padel 1994). This argument has some validity; theories of rent assume that all producers operate at the lowest possible cost and this is not always the case, particularly with production systems that aim at ecological sustainability. Nevertheless, the externalities that arise from low-cost systems are generally socialized and it remains unclear how they might be “paid for” by individual producers, whose production systems happen to attract price premiums in the market.

In any case, the argument I wish to pursue here does not require that the reader buys theories of rent. For the presumption that value can be determined and shifted is itself subject to scrutiny. Besides arguments from neo-classical economics that place the origin of profit in exchange, even among scholars sympathetic to classical political economy, value is seen as more elusive than that implied in the labor theory of value and theories of rent. First of all, advocates of ethical labels assume that use values and exchange values are synonymous. And, in fact, ethical values are commodified into exchange values (Guthman 2002). Yet, as Sayer (2003), who wishes to distinguish the moral use value from the exchange value, argues, the use values of commodities can be inclusive of moral concerns, irrespective of how exchange values circulate. While Barham (2002:350) would seem to concur when she states that “value-based labels” are those that “carry explicit messages about a product’s value in registers that are usually considered to be non-market by economists”, her argument otherwise suggests that moral/ethical values are precisely what should be commodified in these value-based labels.

More damning is Graeber’s (1996) argument that any system of value entails struggle over definition, in part because what is being exchanged is non-commensurable between two actors (although the exchange makes them so). That being obtained is an object of desire; that being let go is by definition expendable. But if value, as he says, is “something that mobilizes the desires of those who recognize it” (12), what does that suggest in a transaction when the object of desire is not just a thing but a desire to be just and ethical? Henderson (2004:491) throws in an additional wrench when he states that “values that inhere in commodities become relative to each other”, and that value is always in the process of being mediated by a nonvalued or devalued force, to the extent that “value itself can be a destabilizing force”. Such would seem to hold for ethical commodities; the devaluation of labor and natural resource renewal of primary producers under current conditions of neoliberalism is exactly what has to figure in their moral valuation for consumers. In such a situation, these two poles of value seem strikingly incommensurable and would certainly call into question whether the price paid by the ethical consumer can really make up the difference of that devaluation. That some of the value is conferred by inspections
and certification procedures, which are themselves exchanged in markets, further complicates the matter (Mutersbaugh 2005b). What I am arguing is that labels do not or cannot represent and capture a value that maps onto the “true cost” of production. They must, however, persuade us that they are doing something like that.

**Devolution: Persuading and Producing the Neoliberal Consumer**

That value itself is relative in value-based labels and elsewhere raises the question of how they incite consumers to part with their own “surplus” value—that is to pay some sort of price premium. Here I would argue that standards, verification procedures, and certifying bodies do more than produce boundaries of acceptable behavior; by establishing property rights, they also convince, redolent of Rose’s (1994) property as persuasion. And the proximate site of persuasion is the label itself. Labels tell consumers stories about what makes the commodities behind them important, an idea captured in Hollander’s (2003) notion of “supermarket narratives” and DuPuis’ (2000) “talking milk carton”. Labels, in that way, interpolate the knowledgeable consumer.

In hailing the consumer, however, these labels reinforce another aspect of neoliberalism’s political economic project: devolution. In actuality, these labels are devolutionary in several ways, since standards are codified and verified by multiple regional, non-state, and/or informal regulatory networks at various nodes on their supply chains. Nevertheless, perhaps the most crucial way they are devolutionary is that they put regulatory control at the site of the cash register. While such regulation gets counted as non-coercive (Salamon 2002), by choosing what sort of ethical products to buy or not to buy, consumers are making regulatory decisions about ecological and public health risk, working conditions and remuneration, and even what sort of producers of what commodities should be favored in the world market. Whether these labels produce adequate knowledge to support these important decisions is itself a concern. More significantly, to regulate at the scale of the (often privileged) consumer is hardly commensurate with the scale at which social and ecological problems are generated and is bound to be highly uneven in its effects. How can individual consumption decisions even pretend to create broad public benefit?

At this point, it is worth pausing to consider another way in which this aspect of neoliberal governance should be analyzed, following Larner’s (2003) call to consider neoliberalism as a set of techniques and not only its political economic parameters. Insofar as “advanced” liberalism “does not seek to govern through ‘society’ but through the regulated choices of individual citizens” (Rose 1996:41), it is certainly arguable that the knowledgeable, choice-making consumer is the
political subjectivity fostered by these other strategies of environmental governance. In this line of thinking, the consuming subject is an effect not a mechanism of neoliberal governance. If this is the case, it seems crucial to reflect on some of the more troubling political rationalities labels produce. Here, I think, they make crucial concessions to neoliberal ideology: that the state cannot govern, that labor is property, that property is protective, that markets can self-regulate, that consumption choices are meaningful exercises of freedom (Dean 1999; Rose 1999), and, most fundamentally, that putting a monetary value on ethical proclivities is even thinkable, as if “doing good” is one more thing to be bought and sold. These are precisely the sorts of rationalities that obscure possible paths of action outside of the market, reinforcing the politics of no alternative.

Conclusion: Is There No Alternative?
Devolving social regulation to individual consumers seems a far cry from the politics of social protection implied by Polanyi’s double movement. That voluntary, protective labels work with the market—indeed extend market mechanisms into realms where they previously did not exist—seems to stray from Polanyian thinking as well. Nor do they necessarily help modulate the market’s vagaries. If anything, they induce competition, and the social and ecological protections they offer are always and everywhere partial and uneven. This unevenness surely articulates with the inequality unleashed by neoliberalism’s own embrace of the market. Yet, in keeping with Polanyian concerns with the anomic forces of the market, they are in some ways an expression of socially created embeddedness.

These labels are also contradictory as expressions of neoliberal rollout. They are governed by non-transparent public–private partnerships to be sure, but such non-public governance leaves open the possibility of radical governance mechanisms. They confer a property right, but not a true privatization; and such property rights have long been the workhorse of protectionism. They entail exclusivity but so have more collectively oriented common property management regimes. And yes, they commodify ethical values but within the context of already existing commodities. Such contradictoriness is not surprising. As Peck and Tickell (2002), and Mansfield (2004c) have argued, not all facets of neoliberalism cohere. Similarly, as McCarthy and Prudham (2004) have stated with respect to environmentalism, counter-projects to neoliberalism often incorporate its elements. In part, these contradictions owe to the indeterminate nature of neoliberalism itself—always an unfolding project.

Given that neoliberalism makes neither its own ideology visible or its own transformations determinate (Jessop 2002; Peck 2004), what does
all this suggest for the politics of the possible? Within the framework of “there is no alternative” it may be folly to disregard tools that have even a modicum of efficacy in mitigating the injustices and destruction of contemporary neoliberalism. Following Gibson-Graham (1996) it might be important to consider the spaces they open. At the very least, then, progenitors and advocates of these labels might pay more attention to who/what is being encouraged in the creation of these labels in hopes that labels with more radical intentions can be developed. Perhaps, that is, the exclusivity inherent to these labels can be made more purposive to leave out today’s winners in the global economy, rather than selectively help a few of its losers.

Another, perhaps a better “way out” is to consider how these labels could work within a broader dialectic. Bondi and Laurie’s (2005) injunction to look at the heart of neoliberalism and not its interstices is apt here. Because while it may be the case that these labels are at best limited, and at worst perverse, their saving grace may be in their indirect consequences. So, for example, strategic use of labeling may help embarrass (or encourage) major suppliers into changing their practices as Unilever did in nearly abandoning the use of genetically engineered supplies of grain for its European market. They may make transparent corporate vulnerabilities that activists can exploit. Or they may, following Barnett et al (2005:39) “enlist ordinary people into broader projects of social change”.

On that note, perhaps the best way out is a return to Polanyi. Polanyi, it should be remembered, saw the state as a site of regulation. The presumption of the double movement is that society would organize through the state to obtain social protection (Burawoy 2003). While it would be folly to read Polanyi directly onto the present, particularly in light of the putative failure of pre-neoliberal regulatory models and an understandable distrust of existing states, the point should not be lost that there are forms of governance, perhaps still unimagined, that incorporate and promote societal, public wants and needs in ways that voluntary labels could never achieve. The best hope for these labels, then, is that they could help produce more collectivist political subjects who in time would develop forms of governance more commensurate to the socialized problems before us. That would be the Polanyian way.

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Endnotes

1 They are voluntary, in the sense of not being state mandated, and that they ostensibly draw consumers to a product rather than warn them off. Not all producers necessarily volunteer to come under their rubric, however; much of the growth in fair trade and organic is driven by market intermediaries.

2 Attempts at ecological or social responsibility that are not redistributive can worsen social inequalities. For example, the new European ethical trade initiatives, such as EurepGap, are designed to have all producers conform to what are presumably higher standards (Campbell 2005). The problem is that meeting these standards is so onerous and costly, that much like ethical initiative in Britain, they force certain producers out of the market (Freidberg 2003) or into second/illegal markets (Dunn 2003). Paradoxically, though, these sorts of standards aim for a much larger swathe of producers and their practices than the voluntary protective labels.

3 As pointed out by one reviewer, in some respects I am glossing over important differences between petty commodity production and that based on wage labor. The fact is that few of these labels actually target wage labors as the recipients of redistributions, although it is often presumed that marginal farmers will share the benefits obtained through a label with their employees (Brown and Getz forthcoming). As for “willing workers on organic farms” (a name that reflects an actually existing network of organic farming volunteers) they are effectively providing the subsidy (redistribution) that allows those farms to compete.

4 For this reason, several scholars are calling for more careful enunciations of the concept and/or beginning to question the utility of it altogether (Castree 2005; Larner 2003).

5 I use the lens of environmental governance because it is the closest programmatically to contemporary agro-food politics, but want to note that this area remains under-explored except for in regard to trade liberalization. Look for Guthman (forthcoming) for an exploration of this topic.

6 That is, putting aside the value distribution at the site of production is itself political (between labor and land, between labor and capital, among different members of households).

7 See Guthman (2004b) for an extended discussion of how organic regulation produces rent; also Mutersbaugh (2005a).

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