Global Markets, Local Issues: The Hegemonic Process of Agri-Food Construction to Present Challenges

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Abstract: The social construction of the agri-food market has undergone revolutionary changes throughout history since the Anthropocene. This conceptual paper discusses the embeddedness of institutions in this market construction. To do so, this work analyses the geographical indication (GI) of agri-food market formation through the lens of critical theory. Through dialectics, it analyzes the historical process of agrarian systems’ shape according to their complexity, and the origins and effects of hegemonic interests in the construction of agri-food markets. Furthermore, this work shows how the market has evolved from different trade types as the capitalist system also evolved, changing the mechanics of trade and functions of food production. The results indicate that as agrarian systems evolved, food became more homogeneous and standardized in order to meet the demands of urban masses in capitalist economies. Regions where less complex systems predominate tend to hinder the creation, maintenance, and perpetuation of products such as GI, which may compromise their existence in the long run. Moreover, nations reproduce ideologically oriented interests according to the formation of dominant groups in each place, as also expressed in the agri-food market. This paper aims to provide new conceptual and theoretical insights into the institutional mechanisms and historical processes of agri-food market construction in terms of power interests.

Keywords: geographical indication; agrarian systems; economic sociology; cultural hegemony; agri-food complexity; critical theory

1. Introduction

The relationship between humans, agriculture, and food production and consumption has been an issue since around ten thousand years ago [1]. The Neolithic saw the establishment of the first permanent human settlements, made possible by the domestication of animals and plant cultivation. Nevertheless, this relationship has not been the same in every location, nor has it developed the same way. As a complex combination of a cultivated ecosystem and productive social system [1], agriculture evolved heterogeneously across time and space.

The comprehension of this complex arrangement is crucial for understanding the dynamics of the diversity of food and agri-food production. The development of a wide variety of agrarian systems unrolled into a number of embedded constructions of particular realities involving food, from systems with high labor employment, small areas, and family use, to large tracts of land, highly mechanized and owned by multinational companies.

As these multiple agri-food systems evolved, societies became more complex in terms of production and consumption. As societies progressively started to transition from rural communities to urban and densely populated areas, food demand also changed. Some massive agricultural changes boosted production to provide food for the new boroughs near castles in the Middle Ages; however, the population remained predominantly rural until the 18th and 19th centuries, which brought an unprecedented agricultural boom. This...
period’s output significantly increased production per area in English farms compared to others [1,2]. This period characterized the first agricultural revolution of modern times.

A second moment between the end of the 19th century and the mid-20th century brought motorization, mechanization, mineral fertilization, and specialization, changing the function of food in societies permanently, reducing it from its cultural role to the mere role of feeding the growing urban masses. The new characteristics of functions and agrarian structures put food in a global commodity perspective, changing the agri-food market.

The food market has also changed over time. If, centuries ago, food was more related to social and cultural construction, in modern times, food is either a necessary input for the great mass of workers or a luxury embedded by the allegory of three-star chefs as an item for the benefit of a few.

The necessity of satisfying the hunger of massive urban crowds in the wake of industrialization led to a standardization of agri-food products, which lost their identities and cultural significance over the years. Later, in the 20th century, the improvement of this centuries-old process would find a basis in Taylorism, affecting food production and leading to Fordism in the agri-food market [3].

Therefore, the modern agri-food market, dissociated from embedded cultural aspects, is simplified by the intrinsic matters related to commodity production, which could be more easily explained by orthodox economics. However, as a counterpart, there is an increasing demand for other food sources, such as those related to culture, geography, and historical meaning—for instance, geographical indication (GI) products.

As with the ways in which people have fed themselves over time, the market has also changed, from community trading of goods, followed by the regional exchange of food, to modern commerce, with commodities such as coffee and soybeans on stock markets. Furthermore, the comprehension of how institutions influence markets is crucial to understanding their operation.

Much work has been done on economic issues pertaining to specific crops, on the political economy of agricultural goods trading, and even approaches relating to niche markets. However, little has been debated with regard to sociological approaches to economic matters. A single approach to study such markets cannot explain the richness and complexity of their diversity.

The core theoretical question of this paper concerns the GI agri-food market’s construction, and how institutions shape it according to power interests. However, markets are not all the same; therefore, they cannot all be analyzed using the same paradigms. Here, the proposition is supported by Allaire [4–6] that markets—especially food markets—are complex institutions, and are shaped by social construction. Thus, their analysis requires a more in-depth approach to their functioning, such as economic sociology to examine the complexity and diversity of different agricultural systems.

Critical theory in agriculture has been applied to specific and important themes concerning the rural environment. Its use is relevant in pedagogical processes in order to demonstrate the relevance of the hegemonic discourse [7,8], in the study of the behavior of social movements in face of the inherent accumulation of capital in capitalist societies [9,10], or even in dynamics of agrarian changes in local contexts [11]. However, it is in the context of the agrarian question, peasants, and the impacts of globalization in the 21st century that CT is most vital in the development of research [12–16].

The question is: what drives GI agri-food markets? Or, in other words, how do institutions act towards agri-food markets? Although grounded theory supports most of the works concerning agri-food markets, developing concepts and deepening the approaches from a theoretical spectrum is necessary. In this sense, this work addresses the development of such markets based on agrarian and critical theory (CT). Thus, supported by Gramsci’s and other critical theorists’ arguments about market institutions, we aim to explain how some regions developed differently from others in this niche.

Therefore, the purpose of this work is not to present new data or empirical analyses but, through dialectics, to present new insights and perspectives on the construction and
development of agri-food markets—specifically GI. The design of these products and their market has been debated for some time. However, there is also a need to rethink and discuss the forms of production, as well as the causes and consequences of production models. Thus, the option of theoretical confrontation, addressing the global history of food construction, should add depth to the debate and raise new questions regarding the direction of global food production.

The debate over forms of production and consumption has been gaining attention and prominence from a sustainability perspective. The main challenge is to unravel the origins of the problems in order to propose action to achieve fundamental changes. However, few studies have been devoted to deepening the understanding of how food markets are created, with due consideration of the complexity of their object of study. Therefore, it is necessary to provide possible ways to make this approach more assertive and accurate. Furthermore, this work seeks to provide a debate over existing paths of discussion of the agri-food environment.

The concept of food and consumption as social constructions is a central theme of this paper. Thus, as social constructions, this work considers different economic approaches to investigate the agri-food markets’ economic problems. To do so, this work analyses GI agri-food market formation through the lens of critical theory, explaining the development of markets based on the construction of institutions favoring regional elites.

Therefore, this paper aims to provide new conceptual and theoretical insights on the institutional mechanisms and historical processes of agri-food market construction towards power interests. Supported by critical theory, it aims to contribute with studies dedicated both to those interested in agricultural markets and to policymakers and practitioners in the conduct of policies aimed at rural development.

Firstly, this work presents agri-food markets in terms of agricultural systems, cultural aspects, and compelling implications for markets. The following section presents theoretical and empirical tools used by researchers to try to explain markets. Tools such as critical theory and the institutionalism perspective proposed by economic sociology enhance the discussion of the logic of market operations and complexities.

Later, this work discusses the findings between the convergences of the theories used and the different existing markets resulting from productive diversity. These meeting points are subsequently adapted to the concepts of hegemony, elites, and institutions.

Lastly, this work summarizes the findings, pointing to future pathways, and giving perspective for applications and possible usage by market actors in the pursuit of market improvement.

2. Methods

Humanity has always discussed food’s origins, as well as its market and intrinsic human relations. However, all scientific approaches to debates regarding food are significantly recent. Many works have been conducted to reveal the engines of markets and how they operate, from seeding, to commerce and, lastly, consuming habits. Nevertheless, few studies have sought to understand the sociological issues of agri-food market construction. Thus, this work aims at providing explanations of agri-food market construction based on critical theory.

To achieve the proposed objectives, this paper dialectically analyzes the formation of agri-food systems. The analysis was carried out through the temporal reconstruction of the forms used by humanity in agriculture, exposing the sociological and economic concepts for these phases, and confronting them with the involvement of institutions in shaping these systems. From the perspective of the critical theory of sociology, this work shows the forms of construction of existing systems, and points to the reasons for such conformation. The choice of critical theory as an analytical path is based on the explanatory capacity of historical materialism.

For this work to face and fulfill the task of conceptually discussing the institutional mechanisms that exert influence and establish hegemonic visions of agrarian development,
it is necessary to set the adopted parameters. Since this is not a literature review, the references do not follow a specific timeframe or database. Thus, the work is divided into the following themes: agri-food systems, the economics of agriculture, rural and economic sociology, globalization impacts, and agri-food markets. This thematic separation is crucial for selecting the works consulted. The different aspects that influence the deep analytical perspectives that permeate the hegemonic common sense are noticeable and differentiable. In each subsection, the basic concepts of the subject are presented, followed by its agrarian application and a discussion of how CT can be applied to it. Thus, this work must be understood as not just the sum of its parts, but the exponential result of its embeddedness. Therefore, each subject’s key works, precursors, or transformers were approached for conceptual discussion, touching on the necessary essence of each subject, without losing the significance of the dialectics.

The investigation of markets without due consideration of their complexity can result in risky mistakes. It is crucial, then, to consider the peculiarities of production systems, such as the historical and cultural consumption aspects that influence this market. This, centered on critical arguments, demonstrates how agricultural systems of food production and commerce develop from different agrarian systems according to hegemonic interests and the embeddedness of institutions and elites.

In order to properly approach this issue and understand the functioning of modern agri-food markets, the main aspects needed to be discussed. Thus, this paper is divided into two main sections:

The first section regards the agricultural systems of production; it starts by detailing the cultivated system’s influences and the social productive system, as well as their consequences for the products. Then, by structuring the systems, the work goes through the history of agri-food production, establishing a notion of intrinsic societal relations and food functions. Subsequently, with a historical construction of changes in productivity logic, the paper works through the transformation of food’s cultural and functional roles in society.

The second section regards the main aspects of critical theory and institutions. The approaches of specific literature to the matter are vital to a thorough comprehension of the subject. As markets are social constructs [17–20], they must not be understood only as a matter of supply and demand. Moreover, the more complex the relations of the social networks and the actors involved in the construction of the market, the more factors must be taken into account.

As such, within the second section, this work presents an economic approach based on classical economics, political economy, and economic sociology. In terms of classical economics, this work presents the main concepts of competition—vital for market comprehension. Subsequently, this paper considers political economy as a tool for agricultural market analysis; it includes other elements in a macro-level approach, allowing a broader vision of reality, such as supply chains [21], value chains [22–24], and political factors [25,26]. In the last part of the section, this paper addresses economic sociology and discusses agri-food markets. This is an approach that attempts to understand the multifactorial influence of performance [27–29], networks [17,30,31], and institutional perspectives [32–35].

In the last part of the section, agricultural systems are confronted by critical and institutional theory. In this way, each approach gives a more explicit meaning to analysis according to agri-food production’s evolution. By doing so, this paper aims to analyze how markets’ development represents the interests of elites in each region.

3. Results and Discussion

3.1. Agri-Food Systems

Agriculture has been crucial for the development of humankind. Since the Neolithic period, when Homo sapiens learned to domesticate species of plants and animals, they began to transform themselves into cultivator societies. This transformation of the environment from the original represents the Neolithic agricultural revolution. Such change
leads authors such as Childe [36] to affirm that this was the first revolution to transform the human economy.

The possibility of settling down in a particular place and producing one’s own food was, in fact, revolutionary, changing the dynamics of the whole world. No species had done it before, and it allowed small communities to be born and become societies. The spread of this model of life happened differently across the world. The cultivated species and animals were different and adapted differently in each place. This difference implies two main subsystems of agriculture: a cultivated ecosystem, and a productive social system [1,37–40].

These two subsystems define the characteristics of food, as well as its social dynamics and economic environment. It is crucial to understand the concept of what food represents in all of its meanings. Food is not just what one eats; it is a product of thousands of years of interactions between humans and the environment. Furthermore, it has consequences for the formation of societies, economic dynamics, and culture. The following section of this work details both subsystems.

According to the authors of [1], the cultivated ecosystem deals with a set of practices and land use—direct and indirect—that affect soil fertility, its physical aspects, diversity, and any type of practice that changes its conditions of use and/or its surroundings. Factors such as the intensity of use and the techniques employed have a variable influence on both plant and animal production. This comprehension is set by the sum and interrelation between subsystems that do not exist independently.

On the other hand, the productive social system, according to the authors of [1], represents three main aspects of production: men and women, including labor force, knowledge, and savoir-faire; inert means, such as equipment and tools; and living matter, such as plant and animal species. The geographically localized combination of these factors, along with the type of usage, technical, economic, and social definitions, allows a theoretical construction of agrarian systems’ dynamics, as Thom [41] pointed out to the value of systems’ taxonomy.

Therefore, the development of a theory of agrarian systems is crucial for analysis. Despite the conceptual differences, these two are the core of these complex, structured, well-established subsystems that sustain a theoretical structure. Agrarian systems develop as a result of general changes in the form of production, the employed labor, the adopted techniques, the productive capacity, or the purpose. They can develop in an unequal, contradictory manner, or even go into crisis. According to Mazoyer and Roudart [1], when the changes in those factors engender a new cultivated ecosystem, an agricultural revolution takes place.

The theory of agrarian systems differs on some level from spatial production theory [42], in that the former relies on a view that the rural regions are organisms characterized by resources, rights, society, and capital, or the three-dimensional rural space system based on culture, society, and material [43], for example. Nevertheless, both theories are complementary and based on the work of Ren [44]. This work adopts Mazoyer and Roudart’s [1] viewpoint, based on the agrarian system theory, which builds multi-layer factors that influence the agrarian scenario, adopting a sociological perspective that characterizes rural spaces during space and time, considering all determinant factors.

In ancient agrarian systems, the concern was only to produce enough food to meet the family’s own caloric needs, and perhaps those of the community in which the individuals were inserted. The development of agri-food production evolved differently worldwide. Soil, climate, availability of plants, and cultural habits influenced the necessary practices to feed the people better. Some of them, even in the Neolithic period, stood out, whether they were more irradiating—such as the center of the Near East, the Central American, Chinese, and New Guinean focuses—or those less irradiating centers such as the South American, North American, and Thai [1]. Such dispersion of agricultural development throughout history is so relevant that some researchers have theorized its relationship with civilizations’ linguistic and cultural development [45].
The close relationship between cultural development and food has led to the characterization of certain products in specific regions. In addition, ancient records attribute qualitative aspects to the origins of some products, such as Lebanon cedar, Corinthian wine, or Brindisi oysters. Thus, historically, peoples’ production, preparation, and consumption of food have been related to agrarian systems specific to each region. Some even gained notoriety for having specific characteristics that differentiated them from others.

However, the world has changed over the centuries. Civilizations have become less rural and more urban. Throughout history, some agricultural revolutions were crucial to multiply food production and favor urban centers. These revolutions allowed more outstanding production in the same areas due to new technologies. Therefore, less labor force was needed.

Revolutions such as the Neolithic, with sedentism, were significant. Even in antiquity, agrarian systems with the use of fallow and light traction allowed exponential gains, followed by the use of heavy traction, which brought about a new revolution in the Middle Ages. However, at the end of this last period, there were differences between regions—especially in Europe. With the use of new equipment more suitable for cultivation, productivity gains were accentuated, which led to changes in the social relations of the land and the structure of the domain. This resulted in the concentration of areas in the possession of dominant classes, characterized by an individualistic logic, starting to employ labor in place of land possession by the working class. This practice reduced the need for territorial expansion for agricultural production, thus replacing slash-and-burn methods.

A portion of the population started to concentrate on other functions in urban centers related to rural activities, such as boroughs. Thus, with this new urban mass, after introducing liberal ideas and the allowance of broader practices of production, trade, and circulation of goods and people, a new era was taking place in Europe. This new era began with a new agricultural revolution—the first of modern times. The substitution of systems without fallow for rotating crops with forage and grain provided new impetus in food production. This gain provided the industrializing cities with the necessary supply and, consequently, also provided more appropriate implements to increase production.

The growing urban concentration sustained by the supply of these new productive forces boosted the industrialization of large centers until the end of the 19th century. This achievement enabled the development of productive chains linked to the land, such as textiles, beer, sugar, and alcohol, which was only possible with abundant productive surpluses. The limitations of the production system were concentrated on the tools, since the properties used were mainly private, and labor was also employed, despite some regions remaining focused on family farming, lacking technology and tools. This all changed substantially with the Industrial Revolution.

With the Industrial Revolution in the 19th and early 20th centuries, not only industry and commerce were affected. New agricultural implements such as plows, seeders, and harvesters entered the agricultural equation, transforming the European and North American scenarios through the new steel technology available. However, at this point, another parallel phenomenon also occurred: Fordism, which also impacted the agrarian sector and changed the logic of food production. From that time, the world started to adopt a Weberian perspective of rationalization, which also applied to agriculture and food, although lacking a general theory for Fordist agriculture [46].

Commodities are defined generically as any goods that can be traded. However, the term is commonly used to refer to raw materials or goods with aspects and characteristics so uniform and abundant that they do not depend on the place of production. Therefore, they are traded in large volumes, with a constant flow and circulation throughout the planet. This also implies that, due to both the quantity available on the market and the intense standardization, their producers are only price-takers. In the agricultural case, coffee, soybeans, wheat, sugar, alcohol, corn, and orange juice can be categorized as commodities.

Beyond Gramsci’s [47] concept of Fordism—of extreme rationalization of production and consumption through cultural and political means, based on Taylorism—this new logic
of conceiving the global system also affected agrarian systems. The main argument relies on the transformation of the production and consumption paradigm towards massification. The process of commoditization changed the perspective of food around the globe.

Authors such as Kenney et al. [48] argue for the contribution of American agriculture to the production and consumption markets of undifferentiated commodities, while Potter and Tilzey [49] point to neoliberalism, neomercantilism, and multifunctionality on the European side. Both works see the succession of events from Fordism, post-Fordism, and globalization as a global phenomenon of standardization and homogenization of food, endorsed by institutions and states that affect the market unevenly.

This sequence of phenomena that affected rural regions, agricultural production, and food consumption resulted in reducing product diversity and local factors’ influence on the product. The effects of massification and standardization are based on efforts to minimize differences between products so that they can be commercialized on a global scale. With the minimization of differences between products globally, there has also been a consequent change in agrarian systems to meet the productive demand. Due to the new logic of overproduction, there is homogenization, and consequent decreases in the number of species consumed, varieties produced, and differences in production. Thus, the forms of production are reduced to as few varieties of agrarian subsystems as possible. Mechanization becomes predominant, reducing differences in cultural treatment, the influence of edaphoclimatic conditions, the need for uniformity, and the social factors inherent in the attribution of value, reducing the relative workforce in the system.

However, according to the theory of agrarian systems, changes can occur as a natural part of development, despite the agrarian systems’ consistency. These systemic changes have triggered shifts in trade blocs, globalization, liberalization, agro-technologies, societal demands, and climate change [50–54]. The more specific the system, the more complex it is. For example, agri-food producers with geographical indication (GI) registration base their products’ differentiation centrally on natural, human, and historical factors [55].

The first item—the natural factors—is the concept of an “essential link between the location in which a food or beverage is produced, and its quality or other consumer attributes” [24]. The second, known as savoir-faire, refers to the techniques, materials, and production methods used. The last considers immeasurable elements attributable to the producing region’s culture or history, which are applied to the product, making it notorious. Finally, the sum of the three composes what Allaire [6], based on the work of Goodman [56], qualifies as “the immaterialization of food and the institutionalization of quality”—a concept that considers environmental aspects such as soil and climate, but also cultural and human factors, characterizing intrinsic characteristics of agri-food products, and capable of providing specific regional qualities.

Therefore, such elements are central to the creation of more flourishing and more complex agrarian systems. Each of them directly influences the product, and provides a myriad of combinations that generate unique products.

The natural factors are the environmental aspects that qualitatively influence the products; this is what Josling [24] refers to as terroir. However, this is not entirely accurate; it represents a set of environmental factors—such as soil, climate, light, altitude, physical elements, and others—that yield specific characteristics to the products grown there. It is the foundation that gives uniqueness to each and every product coming from the field. It is so crucial and particular to the characterization that it cannot be reproduced elsewhere.

Savoir-faire relates to the labor put into practice. The concept refers to the human factors that can produce “typicity”, or unique, traditional character [55]. It is the work of cultural bias in a geographic location that implies a historical process of knowledge construction over time, as endorsed by Guy [57].

The last item regards the cultural aspects that are embedded in the construction of such products. Sometimes referred to as “history” [55,58], it is more appropriately called culture, since history is part of cultural construction. Despite disagreements on a definition of the concept, this work adopts the understanding of Tylor [59], addressed by Abdel-Hadi [60]
Therefore, in spaces where the simplification of systems predominates, agri-food production is based on commodities in large portions of land, tending not to have areas for production imbued with the necessary conditions for more complex products, such as those with GI. Thus, there is a tendency to widen the scope of prevailing and profit-maximizing systems in capitalist societies. Hence, with the decrease in the capacity for interaction between individuals in the rural space due to the increase in crops, decrease in the number of farmers, reduced exchange of experiences, and suppression of environmental factors in food, there is less terroir variability and, consequently, a smaller market for these products. In the long run, this fact tends to compromise the variability of these products and their markets.

Consequently, the direction of these markets is profoundly affected by the guidelines and regulations promoted by local, national, and regional policies. In this way, the development of agricultural markets centered on the production of commodities, or of products with culturally added value, is constructed according to the predominant ideas of the institutions. Thus, institutions that are socially oriented towards consolidating the maintenance of hegemonic systems tend to suppress systems that favor differentiated products and markets in the long run. Therefore, the maintenance or alteration of these systems must, necessarily, go through the institutions’ composition to represent the intended interests.

There are discussions in academia about the concept of terroir containing other factors. Terroir is a traditional concept widely used to describe the particularities of GI products; it is widely used in the wine market, although it can be applied to all agri-food products [61–63]. It regards the relationship between the product’s quality or taste and its geographic origin [64]. However, the concept of terroir addressed by this work is close to that used by Barham [55], which considers not only environmental aspects reflecting the product’s quality, but also human and cultural factors that give particular attributes to agri-food products or wines. Therefore, dividing the concept into three parts allows for a better understanding of all influencing factors, broadening the comprehension of the complexity embedded in these products. Indeed, environment, savoir-faire, and culture are embedded concepts that comprise the GI market. Such products go beyond Marx’s comprehension of homo faber, due to a complex, embedded paradigm of equally complex agrarian systems, needing a consideration of their roots in order to fully comprehend the issues of this market. To summarize the understanding of the differences in the formation of both types of agri-food market, Figure 1 illustrates the conceptual chain of both paths.

3.2. A View from Economics

Economics has been on the agenda as a science since the 18th century, sometimes associated with sociology, and sometimes dissociated from it. Initially, classical economics was treated as a pure and liberal science by figures such as Adam Smith [65]. Later, it was treated differently, via more critical views on its function by Marx [66] and Keynes [67], which brought new thoughts on employment matters in macroeconomics.

Stein [68] and Allaire [5] argue that the tools provided by mainstream economics are limited, and cannot provide sufficient elements to support development. Despite the charge of these elements being more related to institutions and structures of concepts, it brings an essential element of reflection on the role and consistency in using these tools.

Since Adam Smith’s The Wealth of Nations, in 1776 [65], economics has been considered an independent subject. The aforementioned book is a landmark text on economics, and by discussing the issues of the division of labor, productivity, and free markets, is still vital reading on the subject. Moreover, the book was written during the Scottish agricultural revolution (therefore embedded in this context), seeking to form an economic theory opposing the theories of mercantilist foundations that could no longer respond to problems arising from new realities, such as protectionist tariffs on precious metal reserves.
As approached by Say [69], Ricardo [70], and Mill [71,72], classical economics is based on liberal perspectives of the market. Significant matters that ground such thoughts rely on self-regulating systems, in which external and state interference is not only unnecessary, but unwanted. Classical economists comprehend that such entities and measures limit and disrupt the market’s perfect function, and that the market is governed by its own independent production laws and trade, needing no other external factors, and reaching its natural optimum by itself. Such understanding is best summarized by Smith’s most famous analogy developing the invisible hand concept, central to the *laissez-faire* philosophy—the premise of neoclassical economics.

Figure 1. Opposing chains of agri-food market construction.

Regarding agrarian issues, Smith [65] understands that this activity is less prone to a division of labor than manufacturing, concluding that it does not result in significant differences in development between countries. However, he understands that such activity is more desirable than industrial work in the context of North America, due to land availability and owner control over the process.

Smith’s view reveals a singular comprehension of the agrarian system, despite giving due importance to agriculture. He understood this system as complete land control and ownership along with total separation of labor between the urban and rural environments. This view shares the worldview that characterized the time; it endorses a utilitarian conceptualization of land use maximization. Moreover, by pointing to complete control as a positive asset, along with the large availability of land, it converges with the capitalist-based global system in formation at that time, based on profit maximization. As such, Smith understands that subsistence is of primary importance to long-term industrial-based economic growth; however, he also understands that a utilitarian view of the land function manifests that land should be comprehended as an asset for profitable use only by owners discharged from food sovereignty. Furthermore, by endorsing the use of large portions of land towards maximization, the author expresses the thought of land owners and elites of the time.
On the other hand, neoclassical economics was first quoted by Veblen [61] to set new perspectives based on new ideas of granting value based on the relationship between the material desire to acquire a specific good and the costs of production. These new ideas were based on the thought of maximization of utility and profit, based on rational choice theory, best defined by Arnsperger and Varoufakis [73] under three axioms (despite their observations on the development of this school of economic thought): methodological individualism, methodological instrumentalism, and methodological equilibration. In sum, based on the lack of pluralism, neoclassical economics reduces the analysis of reality into previously squared theory, and does not fully consider the concreteness of all social facts. However, it prevails both in academia and in public and private institutions.

The liberal view proposed by classical and neoclassical economics supposes that the market works more adequately when there is no or minimal regulation, since it develops naturally towards an optimal equilibrium, provided by the free competition of economic agents. Therefore, it is centered on a utilitarian view towards maximizing gains and specialization of functions through division of labor. The premise of self-determination of individuals towards their own gains, although legitimate, does not aim at social or collective gains as primary intentions.

Much of economics stems from Marshall’s “perfect markets” model [74]. Based on the ideas of classical economics, Marshall believed that with an abundance of buyers and sellers, the market tends towards equilibrium. Despite providing good didactic models, such as the formulation of the model created by Pareto [75], and facilitating the understanding of economic concepts, their ideas were criticized both by Hayek [76], who understood competition as a process in constant change, and Granovetter [31], who understood that markets are determined by multiple factors, making such perfection impossible. From both sides, one can conclude that markets are not perfect, and that models can illustrate ideal but unrealistic situations. However, this model advanced a positivist, economic liberal ideal that less regulated markets tend to function better. In practice, they are determined by institutions that aim to maintain the status quo, creating maintenance tools for their holders.

The determining conditions of these perfect markets have been known for a long time. Firstly, that there are many buyers and sellers, so there is no personal influence in the market (atomization). Secondly, that there is a perfect substitute for the good on the producers’ side (homogeneity). Thirdly, that there is free movement of goods and productive facilities for any party (mobility). Fourthly, that there is no barrier to entry into the market (permeability). Fifthly, that there is no imposition of any part of price holding, which results from the market itself (free price flow). Sixthly, that no social actor has information different from the others (transparency).

Within agri-food markets, commodities configure the nature of goods that are closest to the ideal model. These goods, as previously stated, considering their intrinsic characteristics, contemplate simplified realities in which ceteris paribus is best applied. These sorts of goods reduce the complexity of food, fitting more adequately with analysis that does not consider elements beyond the surface, and deepens through the causes, reasons, and hidden elements of the social factors. However, commodity production systems are designed only to maintain the hegemony of agrarian elites, in detriment to the production of food imbued with culture and destined for food sovereignty.

Since the first appearance of the term “political economy” in Montchrétien’s work [77], the embeddedness of the state, economy, and society have become clearer, as noted by Mayntz [78] (p. 5). The Weberian concept of the term is rooted in government participation and intervention in employment and growth. Balaam and Veseth [79], for example, argue that the conceptual difference between political economy and economics lies in international trade. However, rooted along with economics, the political economy also centers the causes of social actions on self-maximization of benefits, rooted in utilitarianism, limiting its explanatory capacity.
Nevertheless, in the 18th century, François Quesnay—one of the pioneers in the field—reflected on the importance of agricultural production. He attributed value to it due to the multiplication of the farmer’s effort and resources, while manufacturing, services, commerce, and trade would be “sterile” [80]. Years later, Theodore Schultz, upon receiving the Nobel Prize in economics in 1979, recognized the relevance of agriculture, placing it at the center of world economic development [81].

The relevance of agri-food matters to the field results from globalization. It is not by chance that it coincides with a new perspective on the state’s role in the economy. In the agricultural sector, globalization resulted in the acceleration of the rationalization and mass production of goods, later adapted and optimized through Fordism. This process resulted in the massification and standardization of consumer goods. Gramsci [47] argues that the stability and maintenance of such a production system are integral to the performance and influence of the state.

Thus, under this interpretation of the system, the state acts towards the standardization and homogenization of agri-food products, while maintaining elites’ status. Therefore, the globalization processes of massification, standardization, and transformation of the food sector sustain this logic of food and fiber for the industry. Thus, there is an evident loss of authenticity and diversification, consequently reducing the complexity of the agrarian system. This results in loss to the consumers, and simplifies the offer of agri-food products and political economy to answer the state’s political and economic influence in the relations of production and consumption. As such, Benjamin [82] points to authenticity (uniqueness) and locale (physical and cultural) as attributes that embed an irreproducible character in goods and objects. Such a concept can be easily attributable to GI agri-food in order to sum value and work as a counter-movement to a mass-culture society.

In short, industrialization also plays a role in the construction of rural development—that is, not only in agro-industries, but also in the construction of combat spaces aimed at the greater potential for maximizing profits. In industrialized societies, these appear as the main battleground. However, in nation states where agrarian elites prevail, industrialization does not develop. Thus, extensive rural estates become the most significant source of power, and their owners constitute institutions, structuring the domination of these agrarian elites and strengthening their hegemony. In this way, the production of commodities in monoculture systems tends to suppress industrial development and stifle the growth of other agricultural systems.

3.3. The Sociological Perspective

In order for high-quality and meaningful agri-food products to be consumed by everyone, and not just seen as “Veblen goods”, they need to be affordable and plentiful. For this to occur, systems capable of producing them must be possible and desirable and, therefore, have a favorable environment for them to flourish. Such environments are the institutions.

North, in 1991, stated that “Institutions are the humanly devised constraints that structure political, economic, and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights)” [83]. The author understands that institutions are created to promote trust in trade, and work as an economy’s incentive structure.

In other words, formal or informal institutions act in such a manner that allows or constrains economic and social development. The direction of the force exerted by institutions strengthens or weakens the performance of each sector. In any case, institutions play a decisive role in the economy’s performance or, more specifically, the performance of markets. Additionally, the proper functioning of the involved institutions in societies is decisive with regard to the performance of the markets. Oriented institutions towards specific segments determine the success or failure of an economic sector. This concept is crucial for further conclusions.
In a complementary manner, Acemoğlu, Johnson, and Robinson also address the relevance of institutions in economic and social development, by studying the purposes of institutions based on the colonization process [84]. The authors argued that the development of European-colonized countries performs differently due to the home country’s interests. Colonization of regions for purely exploratory purposes or to enrich certain states restrains local development, as seen in countries in Africa or South America. However, in regions where colonization took place for the purpose of permanence, the institutions allowed for development, such as in Australia and the USA. The argument is based on the types of colonial policies, the feasibility of settlements, and those institutions’ persistence [84].

Additionally, Acemoğlu notes the influence of institutions on economic reforms. The author argues that in order to maintain privileges, interested and powerful groups act on their own behalf. However, the changes must reach not only formal but also informal institutions in order to achieve results [85–87].

The new economic sociology (NES) also brought essential elements that contribute to understanding of the influence of institutions on markets. Based on Weberian thinking, Swedberg [88] (p. 7) defines NES as “the application of sociological ideas, concepts and methods to economic phenomena—markets, companies, stores, unions, and so on”. The author, supported by Weber, describes that its object studies “both economic phenomena, as well as how these phenomena influence the rest of society and how the rest of society influences them (economically relevant phenomena)”.

In 1985, Granovetter used anthropological factors, such as those of Polanyi, to develop a critical theory of the relationships between individuals and institutions in a correlated manner [17]. With such relationships between them, embeddedness occurs, changing the market’s characteristics. The main reason for this is that marketing behavior is based on trust and bad faith involved in the relationships between agents. Therefore, the connection of actors and institutions acts over the core fundaments of the market’s functioning.

The theory of embeddedness in markets starts from the negation of classical and neoclassical utilitarian thinking, as well as from under and over-socialized views of consumer choices. The author was concerned about the atomization of human actions. This theory is based on the behavior of humans as a result of both the social web in which they are inserted, and their own initiative, avoiding theoretical extremes.

For the development of the NSE, Granovetter relies on three pillars: that economic action is a form of social action, that economic action is socially situated, and that economic institutions are social constructions [17,31,89]. Under any of them, the importance of complex analysis of a concrete economic issue from a non-isolationist perspective, but as part of a social context, is noteworthy. Alternatively, with regard to Granovetter’s work, Raud-Mattedi [90] (p. 65) highlights this understanding, stating that “The market, therefore, does not consist of a free play of abstract forces, supply and demand, between actors atomized and anonymous, but in a set of actions closely intertwined in concrete networks of social relations”. However, even within markets, authors differ as to the most appropriate approach for each market. This is typically divided into three theoretical groups [18,91]—(a) networks [17,30,31,92,93], (b) institutions [32,94–96], or (c) performativity [28,29,97,98]—as explanatory mechanisms for the emergence and dynamics of the markets.

Granovetter [17] (p. 488) describes a fundamental sense of validation and market gaps in his article on embeddedness. The author, without detailing explanations of over- or under-socialization, argues that “what has eroded this confidence in recent years has been increased attention to the micro-level details of imperfectly competitive markets, characterized by small number of participants with sunk costs and ‘specific human capital’ investments”. However, in response to this work, Raud-Mattedi [90] (pp. 63–64) refers to this understanding, stating that “The market, therefore, does not consist of a free play of abstract forces, supply and demand, between atomized and anonymous actors, but in a set of actions closely intertwined in concrete networks of social relations”. Still, Stein [99]
proposes that institutions (property rights included) are crucial to examining markets, and that biases can hinder even neo-institutionalist perspectives in the neoclassical economy.

Still, with regard to the NES, Fligstein and McAdam [100] take a more in-depth approach regarding markets and institutions. The authors theorized about how institutions emerge, become stable, and are transformed to remain alive in what they call a theory of fields. This theory looks at disputes that occur at the intermediate or meso levels of dispute, implying that actions occur within organized local groups. It is in these disputes that institutions are built, stabilized, and transformed. Thus, Fligstein and McAdam argue that institutions result from social interaction between actors that confront one another in arenas or fields, and distance themselves from rational choice theorists by attributing importance to the social construction of identities, interests, actions, and action structures. Furthermore, they argue that the groups with the most significant influence in a strategic field of action promote shared identities and meanings by appropriating material and existential resources to legitimize their privileged position in the field, forging rules that favor them and defending the maintenance of their superior resources and power [100].

In another work, Fligstein went further and developed a theory of markets [94]. Here, the author theorizes that firms, faced with competition scenarios, tend to build what he calls “conception of control”, where the incumbents’ business model dominates the market’s way of acting [94]. In the same work, he states that the creation of markets seeks stability in order to reduce the harmful effects of competition. For Fligstein, the state is a fundamental actor in reducing these harmful effects and promoting stability by acting not only through bureaucratic and legal means [94]. Sometimes, even its performance takes place through regulatory means and active participation [94].

In a third work by Fligstein, the author uses the metaphor of “markets as politics” to discuss how markets and states are intimately embedded. By dissociating the market into three phases (creation, stabilization, and transformation), he maintains that market arrangements develop around property rights, governance structures, conceptions of control, and rules of exchange [34]. Among the various propositions made, two stand out for this work: The first argues that “Laws and accepted practices often reflect the interests of the most organized forces in society” [34]. The second states that “the entry of countries into capitalism pushes states to develop rules about property rights, governance structures, and rules of exchange in order to stabilize markets for the largest firms” [34]. Along with the other 14 propositions, he concludes that “Markets are social constructions that reflect the unique political-cultural construction of their firms and nations” [34]. His approach adds to the sociological approach to markets by deepening and consolidating some aspects of how states act to guarantee their interests. Thus, we affirm in this conceptual paper that for the specific context of agri-food markets, the state not only acts in the markets, but also acts in defense of the interests of the social segments that it hegemonically represents.

One last sociological aspect is crucial in this work. Gramsci’s theorization of hegemony is the glue that unites and gives purpose to the forms of construction of markets, emphasizing the different constructions in the agri-food sector. This conceptual work does not intend to extract all of the concepts and critical approaches carried out by the author, but simply to enter into what is pertinent to developing an understanding of the functioning of modern agri-food markets—cultural hegemony.

At the beginning of the 20th century, Gramsci developed the concept of cultural hegemony in a European context of intense industrialization and, therefore, of large masses of the population migrating from the countryside to the cities. He argued that this domination is usually built up due to the prestige of more powerful groups, as a result of their positions and roles in the world of production [47]. Consequently, this process of domination over these groups takes place through the state (or political society) to maintain the status quo [47]. The author goes deeper by asserting that this consent is given through ideological formation. Thus, the culture and values of the bourgeoisie become “common sense” for everyone, making the masses identify with it and defend their causes as their own, containing popular revolts [47].
Gramsci still distinguishes intellectuals (in what would fit better today with a concept of authority) from the countryside and cities, arguing that there are significant differences between them [47]. The author’s established concept of traditional and organic intellectuals (adapted by us to authorities) derives from his notion of forms of ideology. For Gramsci, the agents responsible for these forms of articulation receive these names. In their theoretical elaboration, traditional intellectuals are those most detached from the economic structure, without a necessary relationship with the social or political class. In contrast, organic intellectuals are the agents responsible for the ideological promotion of their function in the economic field, due to their similarities with the ruling classes in the political and social areas.

From the point of view of these authorities as traditional and organic categories, they present opposite influences in their relationships. While there is a vertical relationship with the exercise of power by these authorities in the field, the opposite occurs in industry [47]. This conclusion implies that the exertion of power and ideological dissemination in rural areas occurs via a top-down social structure. In other words, the domination through assimilation occurs through the manufacture of consent, where the ruling social classes exercise their worldview over the popular classes. Meanwhile, in the industrial sector, this takes place through peers, in a horizontal manner.

Both the construction of the concept through the theorization of cultural hegemony and the distinction of the relationship of influence between the authorities of the countryside and the cities inexorably compose the construction of markets. In this work, we argue that this construction of hegemony is even more present in the agri-food markets due to this relationship, and that there is still a change-resistant productive structure for the dominant groups to remain in a position of influence, privilege, and power.

3.4. Impacts of Globalization

As agricultural systems evolved into more specialized and simplified agri-food processes, the agricultural market also walked the same path—notably after the Second World War, through scaling up and diversification in the trade of agricultural goods [101]. However, these systems evolved unevenly on a global scale. Wallerstein points out how globalization affects countries differently; his theory rejects the conception of “first”, “second”, and “third world”. Instead, he proposed a modern world system, classifying nation states in three possible positions—center, semi-periphery, and periphery [102]—derived from dependence theory.

Wallerstein’s theory is adequately applied to the functioning of agri-food markets in the modern world. Nation states that play a leading role in the agricultural sector seek to do so through soy, corn, and sugar commodities. Such agricultural cultures are only possible with the simplification of agrarian systems, and are exercised in large portions of land—often in monocultures represented by high concentrations of rural properties.

The nation states situated in these positions are located in the periphery and semi-periphery of the world system, supplying the countries of the center with food and primary products, and acquiring these more industrialized products. On the other hand, due to industrialization, countries in the center of this system manage to buy primary products from countries on the periphery of the globe, and dedicate themselves to producing food in more complex agrarian systems and, consequently, in more complex agri-food markets. Hence, globalization conditions the geography of the production process and the market for agri-food products, consolidating the exchange relationship. This relationship reinforces the thesis that the central countries started to occupy distinct and privileged positions relative to the others in the world system, due to prioritizing the industrialization of their economies.

However, this intra-nation relationship reproduces asymmetric effects in the construction of agri-food markets. Due to the characteristics of the productive systems inherent in these markets, globalization impacts the world’s production and food systems, where
peripheral nations have the development of complex markets compromised due to the development of capitalism, causing an unequal agri-food development between nation states.

The construction of a global market guided by the center–periphery logic places agri-food production in an asymmetric perspective. On the one hand, countries in the periphery are characterized by the production of primary products, or commodities, to supply raw materials to the central nations. On the other hand, the more industrialized and central countries consume these goods and export value-added products. In this way, the international market is built with disproportionate weights in terms of values. Thus, considering these characteristics of production systems, countries on the periphery and semi-periphery of the global system tend to maintain this format, due to the hegemonic process that benefits the ruling classes. Therefore, in a world system of low mobility between nations for a commercial balance, the tendency towards alterations in the productive systems becomes equally reduced.

Roland Robertson states that the ideas, cultural forms, and goods reach the world. However, due to the cultural diversity of each place, those global forms are perceived differently and adapted to each reality. He calls this phenomenon “glocalization” [103]. In the GI case, this phenomenon is well observed in cheese, for example. The Parmigiano-Reggiano cheese is a protected designation of origin (PDO), made in the Italian regions of Emilia-Romagna and Lombardy. When Italian immigrants went to South America at the beginning of the 20th century, they brought their cheesemaking knowledge along with them. This resulted in analogous cheeses called Parmesão, in Brazil, or Parmesano, in Argentina. However, according to EU regulations on GI products, neither is recognized as the same as the original.

Boaventura de Sousa Santos, on the other hand, points to the idea of an uneven conflict between hegemonic states and ideologies on one side, and collective dominated groups on the other, as counter-hegemonic [104]. According to the author, this polarized position is due to several areas of knowledge based on epistemological exclusion. The unequal struggle pushes the dominant models and interests of the North towards the South of the globe via an unfair and hegemonic social hierarchy of knowledge, stretching social inequality from the perspective of Boaventura de Sousa Santos or, from Wallerstein’s perspective, in the dominant models and interests from the center to the periphery of the globe. By disregarding and invalidating other forms of thought and cultures, a standard model for the construction of science and society is established, consolidating the body of knowledge and possibilities for building society. Thus, the author concludes that modern capitalism needs alternatives to eradicate inequalities, and that this would only be possible with what he calls “global cognitive justice”. The thinking of Sousa Santos is consistent with Wallerstein’s.

Thus, the causes and effects of the process of globalization in the market and the agri-food production structure become clear. The position of countries regarding the function and products in the world system affects how countries produce food, the type of food, for whom this market is constructed, and the biggest beneficiaries of the consolidation of this market.

According to Milton Santos [105], globalization is characterized by a hierarchically structured market articulated by hegemonic, national, and foreign firms, commanding the territory supported by the state. This is precisely how globalization impacts markets. The consolidation of agri-food systems aimed at maintaining the current status quo, both in the periphery and in the center of the world system, makes the dominant interests in all parts become hegemonic.

Thus, colonization also plays a role and generates consequences. Settlement- and permanence-oriented colonization is capable of promoting development in nations in a less predetermined and dispute-oriented way. In exploration-oriented colonization, the formation of the agrarian structure is previously established and divided for the elite construction. This fact supports the model that places these same nations in peripheral conditions.
3.5. Agri-Food Markets

Starting from Ilbery and Kneafsey's [106,107] studies regarding specialty agri-food markets, the authors concluded that this results from interactions between producers, customers, and institutions. This embeddedness does not occur only by chance; the involvement of these three aspects sustains a market that cannot sustain itself with customers and producers alone. As such, the present work is dedicated to discussing the relevance and influence of the third aspect of this market: the institutions.

From the mentioned definitions of perfect markets, it is utterly clear that there is a significant variation in production models among agricultural markets. In the first case, large agricultural markets that produce commodities—such as sugar, soybeans, or corn—are significantly closer to the definition of the perfect competition conditions. There is extreme homogeneity between products, mobility, volatile prices, a slight permeability of participating actors, and information about production, logistical, and stock conditions is known to any buyer or seller.

On the other hand, there is another relevant agricultural market. Local and regional products are part of agricultural product niches that do not fit into this market. Such niches are the definition of imperfectly competitive markets, full of details that need to be looked at in depth, with few participants with sunk costs and investments in specific capital through the terroir of each producing region. Therefore, the natural, evident, and unique path for these agricultural markets is to fit within the approach proposed by the NES.

Both economic and agrarian matters present a myriad of complex forms of approach, as seen previously. On the one hand, agrarian systems vary in their complexity, subject to environmental conditions, human influence, and cultural factors. The more complex the system, the more unique the resulting products, and the more complex the markets become. On the other hand, the distinction of how to classify the analysis is not a simple toolbox. However, the more subjective those analytic tools are, the more details can be perceived and, therefore, the more capable the tools are of in-depth analysis. Sociological tools, for example, allow for the examination of social actions through magnifying lenses, with more detailed visualization and understanding. This facilitates the extraction of information about the functioning and its causes, in addition to the results.

Agricultural practices developed over time; however, the development of these practices is asymmetrical in geographical and chronological terms. Thus, not only environmental conditions, but also historical events and cultural aspects, pushed specific regions towards specialization or diversification of technological advances, practices, production, changes, and the role of agriculture in each society. The reasons for such differences were previously discussed in this article. However, there are still some aspects of agricultural markets that require attention.

Thom [41] argued that adopting a taxonomy of systems is imperative for the proper analysis and development of a theory. Thus, the creation of a theory of agrarian systems by Mazoyer and Roudart [1] allowed for the deepening of the subject. Furthermore, the distinction of systems into the cultivated ecosystem and the productive social system supports their theory. These two components suggest that agrarian systems can only be altered if at least one of them is changed.

Both components are embedded. The cultivated ecosystem relates to a set of practices, land use intensity, and environmental relations, and varies as socio-political moments vary. For example, when times demanded more food production as the population grew more rapidly, there was a need to intensify the land use and apply techniques to extract more from the environment.

Productive social systems are no different. However, the need for the development of new tools and equipment, selection of animals and plants for growth of production, and the labor force dedicated to it also changed according to socio-political demand for more food. However, as the demand over time has changed chiefly in quantitative terms, the changes in these two components have also changed (cultivated ecosystem and the productive social system supports) in qualitative aspects. Nevertheless, the rise of a new
agrarian system does not imply the demise of the existing ones; different agrarian systems can coexist. However, there is a tendency for specific systems to prevail. This depends on the combination of forces capable of exerting political pressure. According to Gramsci [47], within the world’s capitalist system, such pressure is exerted by the holders of economic power through cultural hegemony. Therefore, any type of change in agrarian systems depends on the ability to exert political pressure to change them, since the institutions have the tools capable of influencing this process [108].

Although there are differences in conception at the start of the Anthropocene, this work chose to consider the dawn of agriculture as the first agrarian system constituted. However, even in discussions of origins, scholars consider the relevance of all the socio-ecological complexity of agri-food systems [109]. The complexity of the systems hinges on the impossibility of reproducing terroir-related quality, regardless of intrinsic regional characteristics. Therefore, standardization of agri-food products over a wide geographic area, reducing human, cultural, and environmental factors, implies a reduction in complexity.

Globalization started a process that improved Fordism [3]. This process resulted in a struggle between local and global agri-food systems, and pushed smallholders and communities towards niche formation [110,111]. The process of globalization is a result of modern capitalism, and has goals of standardization and homogenization at its core. Thus, the agri-food products that prevail in the current capitalist system are commodities that are only possible in low-complexity agrarian systems. On the other hand, complex agrarian systems result in non-reproductive agri-food products in other locations, due to characteristics arising from cultural, human, and environmental elements. The GI represents the complexity of such products from complex systems. The materialization of terroir is institutionalized through the granting of intellectual property rights. Therefore, through its institutionalization in GI, terroir constitutes a niche market, deserving a more in-depth approach [112].

As shown in the discussion in the previous section, economics enables and is of great analytical use to the agri-food market. However, as Smith [55] initially observed, economics endorses a utilitarian worldview by maximizing land use. The theory provided in *The Wealth of Nations* by the same author converges with the capitalist-based world system in formation at that time, based on profit maximization. Smith understands that individuals act for their own benefit by devoting efforts and resources to it. The denial of secondary interest of societies is crucial to understanding the principles of classical economics; it is sustained by individuals, lacking intent for the collective good. The core of classical and neoclassical economics is based on rational choice theory—a thesis that conflicts with the foundations of complex agrarian systems embedded with human, natural, and cultural factors.

As Arnsperger and Varoufakis [73] previously noted, the three axioms of the theory are methodological individualism, methodological instrumentalism, and methodological equilibration. Thus, these theoretical foundations properly match the conditions of perfect competition. Commodity conditions such as atomization, homogeneity, mobility, permeability, free price flow, and transparency, due to their characteristics, are less easy to influence and, therefore, more suited to classical and neoclassical tools.

Although also utilitarian, political economy has as its object of study the geopolitical and globalization factors in transnational trade. Its development, along with globalization and the post-Fordist society, added a political variable after an era of mercantilism. As such, the conception of an accelerating mobility of capital along with worldwide urbanization also developed based on everlasting development that progressed to the capitalism of mass production and consumption.

From a rural perspective, this production and consumption philosophy is no different. However, there are inherent differences in the means of production between urban and rural living and production. For example, agri-food production is not a mechanical process like industrial production. Soil, climate, and pests, among others, influence and interfere with production. Nevertheless, capitalism has pushed agri-food production in
the same direction, aiming for standardization and homogenization of mass production. Moreover, Bonanno and Constance [3] point to the increase in the rationalization process, pushing massification and standardization as only being possible with the participation and influence of the state [47].

As addressed in the other perspectives, economic sociology also approaches the agri-food markets. Additionally, more complex agrarian systems are endowed with cultural, human, and environmental elements that influence the differentiation of their products. These elements provide characteristics capable of producing unique and irreproducible agri-foods in different areas. Thus, agri-food products of greater complexity reproduce this complexity in the markets in which they participate and, consequently, provide the conditions that keep them from perfect competition.

The best examples of these product markets arising from more complex agrarian systems that are so particular and require differentiated markets are the products labeled with GI. Such agri-food products are significantly different from commodities, since they are irreproducible in areas other than those for which they are registered, for cultural, human, and environmental reasons. However, due to the multiple factors derived from the three terroir builders, the markets for these differentiated products can only be adequately investigated through the lens of economic sociology.

Agri-food markets become more complex as their production systems add more elements and produce more complex foods. However, as previously discussed, these systems have developed asymmetrically around the world.

Some nations support more complex systems, enabling the development of a more significant number of products imbued with their local cultures, the exercise of human practices, and those influenced by the environment. Meanwhile, other nations maintain simpler agrarian systems aimed at producing agricultural commodities.

Given the market imperfections addressed by Granovetter and Hayek [17,31,76], it is clear that markets are not only formed by free trade relations between buyers and sellers. External influences are present, as are built-in institutions—formal or informal [83]. Such conformations sustained in the markets have built institutions with different purposes around the globe.

As discussed by Acemoglu, the formation of institutions in the world is strongly influenced by colonization [84]. Thus, in countries where colonization was carried out in an exploratory manner, the construction of institutions was supported by similar agrarian and productive systems, as in Latin America and Africa. Thus, despite the existence of productive initiatives in more complex market niches, nations with this type of colonization mostly maintained commodity-producing systems. On the other hand, colonized nations with purposes of permanence developed similarly to those of their origin, industrialized, formed urban elites, and opened space for the construction of more complex markets in the food field. In addition to the form of colonization, regions where the dominant groups do not come from rural areas were able to implement formal institutions with greater capacity for the development of more complex agri-food markets.

Thus, countries colonized in an exploratory manner created agrarian elites that reproduce themselves in political power. Formal institutions, be they state structures or legal instruments, result from the political constructions into which they are inserted [18,34,94]. Thus, institutions represent the thinking and interests of dominant groups. In the case of nations that maintained exploratory agricultural systems and, consequently, less complex markets, their institutions became reflections of groups with greater power in the countryside.

Therefore, with the formation of agrarian elites resulting from exploratory colonization, structured groups that produce large-scale commodities are formed. On the one hand, such groups exert local power and political influence and, on the other hand, consolidate the common sense of the field’s function according to the theory elaborated by Gramsci [47]. In the same vein, Michels states that the interests of those on top of organizations always come first, and oligarchies tend to sustain the elite’s interests and suppress people’s interests [113].
While consolidating the ideology and values of the dominant groups, institutions suppress the development of systems that could threaten their hegemony. Thus, the agrarian elites, upon establishing themselves as the dominant group in certain regions, build systems of political and ideological tools that make the development of other productive systems unfeasible. In these regions, by establishing the commodity production system as a model, they suppress the development of more complex agrarian systems and niche market products, such as products with GI.

The fact that institutions result from the embeddedness of the social actors involved allows for mutability in their construction. However, since institutions reflect the groups that influence them, in order for there to be transformations, it is necessary to change the groups that dominate the construction of these institutions. Thus, in order for new systems, products, and markets to flourish, it is necessary for new groups to become dominant over the construction of these institutions. In the same sense, Acemoğlu and Robinson argue that political institutions need to increase state capacity and distribution of power in a balanced way in order to be inclusive [86]. Therefore, modernization is achieved through inclusive and balanced institutions. Even more specifically, Allaire and Wolf point out the importance of hybridity in institutions in the qualification process of agri-food systems [114]; the authors’ approach solidifies the importance of transforming institution-forming forces in order to objectify identity-based food systems.

In this way, the process of globalization consolidates the position of the nations concerning their commercial function in the world, allowing little or no mobility between them [102]. For this reason, Bonanno and Constance argue that global post-Fordism is a system that takes advantage of economic and social rigidity, seeing the labor market and local consumption as forces to be included or excluded according to their corporate interests [3]. Thus, the capitalist logic of serving the interests of hegemonic groups is maintained, to the detriment of the development of complex agri-food markets such as GI. This view of the disproportionate effects caused by globalization is endorsed by Friedland, who sees it as a phenomenon of heterogeneous effects and proportions across sectors, regions, and products, and proposes a neo-Fordist approach to cross-cutting commodities [115].

This concept paper indicates that the market (and especially the agri-food market) has different levels of embedded influences, via economic and agrarian analysis. Therefore, we can conclude that there is no such thing as an invisible hand. Economic issues and, more specifically, markets are always oriented by a power balance. This balance is a result of the embeddedness of social, political, and economic matters. The outcome of this struggle pushes the profits towards the most powerful actors in play. Furthermore, GI agri-food products arise from embedded agrarian systems resulting from terroir, as the fruition of the multiple hands acting towards creating and stabilizing a market.

Finally, institutions are built to consolidate the ideas of the ruling elites. If, in turn, these elites exercise power through domination over land, the tendency is for these institutions to be oriented towards perpetuating this form of power and maintaining the interests of dominant groups. Thus, the formation of these groups allows for divergent models of agri-food production: One, oligarchic and commoditized, where colonization was exploratory, and other, in productive niches where industrialization was able to emerge.

4. Conclusions

The present work sought to discuss the embeddedness of institutions in agri-food markets, based on critical theory. According to agrarian complexity, as well as the consequent formation of the market, the present concept paper sought to approach the differences in the construction of institutions by the dominance of interest groups. Much study has been devoted to agricultural markets. This work sought to present contemporary approaches to the theme and contextualize them in terms of their formation, central ideas, and analytical skills associated with different agrarian complexities and their products. In no way does
this work aim to exhaust the debate; simply to present possible, viable, and assertive paths for the future discussion of these markets.

The first conclusion is that products such as GI, imbued with cultural values derived from environmental conditions and proper knowhow, are only possible in complex agrarian systems. In turn, such systems are reminiscent of practices in specific regions, carried over time by the cultural factors that allowed their current existence. Therefore, as the complexity of agrarian systems increases, the determining variables in the market for such products also increase. Thus, regions where less complex systems predominate tend to hinder the creation, maintenance, and perpetuation of such products, which may compromise their existence in the long run.

A clear conclusion is based on the principle of the formation of agrarian systems, with embedded relations with civilizations’ cultural formation. Food and culture are part of the same matrix, and cannot be dissociated. Barham [55] and Allaire [4] suggest that the embeddedness perspective along with convention theory analysis can enlighten the discussion of origin-related food issues. Such a path could be a future avenue of research.

The second conclusion is that more or less complex agri-food markets develop due to the elite formation in each region. In regions where there is an agrarian elite sustained by the production of commodities, institutions tend to be built with their own interests in mind. Regions with industrialized economies tend to set the interest groups on this sector and open a window for dispute in the agri-food sector, allowing for the development of more complex products.

On the other hand, as a third conclusion, regions colonized through exploration, without goals of permanence, built institutions capable of maintaining this vision, as noted by Acemoğlu [84, 86, 87]. In commodity-oriented nations, these institutions are formed by agrarian elites who exercise power and influence over them. Furthermore, the theory developed by Wallerstein applies to the present case in terms of maintaining positions regarding their functions in the periphery and semi-periphery of the world.

The fourth conclusion is that the construction of institutions is carried out to promote the maintenance of dominant groups’ interests through ideological means, as highlighted by Gramsci [47]. Thus, in agri-food markets, nations reproduce these interests according to the formation of dominant groups in each place: oligarchic elites where colonization was exploratory, and productive groups dedicated to niches in regions where industrialization was a driving force.

Finally, in response to the question presented at the beginning of this work as to what drives GI agri-food markets, it is clear that the construction of these markets does not result merely from productive capacity, from the number of individuals involved in agriculture, or from the diversity of the environment that influences the goods. The primordial and determining factor for the construction of these markets is the result of the social conformation and power struggle where dominant interests prevail, which exercise control through institutions, which is called hegemony. In other words, where agrarian elites from fundamentally exploratory colonizing processes predominate, they tend to perpetuate the dominance of low-complexity agrarian models, constraining more complex embedded systems such as those endowed with terroir, such as GI. Meanwhile, in regions where the dispute for power takes place in other fields, there is room for developing factors capable of producing agri-food products and more complex markets. For agri-food markets to be altered, it is necessary to break the hegemony of dominant interest groups over the structures that form institutions. New systems can be developed only by breaking the hegemony of these groups and expanding the base of influence.

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