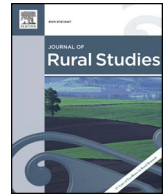




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## Benefitting from the global, protecting the local: The nested markets of wild product trade

Mikelis Grivins<sup>a,\*</sup>, Talis Tisenkopfs<sup>b</sup>

<sup>a</sup> *Baltic Studies Centre, Kokneses Prospekts 26-2, Riga, LV-1014, Latvia*

<sup>b</sup> *Baltic Studies Centre, Latvia*

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### ABSTRACT

The economic hardship of rural communities and the interest multinational processors have shown in local wild blueberries has facilitated the quick growth of the wild blueberry trade in Latvia. With this trade, rural areas have witnessed the emergence of new market structures and new roles supporting the sector. However, despite the growing number of powerful actors in the wild product supply chain, communities have managed to maintain control over the wild products and to secure high blueberry prices. This article analyses the properties of the wild blueberry sector that have enabled local communities to do so.

The paper asks two research questions: what aspects have facilitated the shift from foraging for wild blueberries as a subsistence activity associated with cultural heritage, to the globally integrated market sector it is today, and what properties of the blueberry market and the associated structural and political context have allowed local communities to maintain ownership over wild products? The concept of nested markets is used to explain those attributes characterising relations between stakeholders, which strengthen local level actors and thus balance out the power relations within the supply chain. This also provides ways to defend, maintain and strengthen an agrarian lifestyle.

### 1. Introduction

The agriculture, forestry and fishery sectors are among the main employers in Latvia's countryside (Eurostat, 2013). However, due to intensification, the share of people working in these sectors has significantly decreased in the decades following the collapse of the Soviet Union (Eurostat, 2016; Central Statistical Bureau of Latvia (CSB), 2009). Other employment alternatives, however, have not been introduced. The rural situation was further aggravated by the economic crisis of 2009 (CSB, 2016) when unemployment levels rose all across Latvia. Unemployment forced people to rethink their livelihood strategies. In the search for income, land and natural resources re-emerged as livelihood opportunities for rural communities. This situation, accompanied by the discovery of the lucrative wild blueberry (*Vaccinium myrtillus*) retail market, facilitated the quick growth of the wild blueberry trade into a noteworthy sector with well-functioning logistics and significant turnover. Statistical data illustrates that during the economic crisis, the amount of exported frozen blueberries grew more than tenfold in just a few years – from 271.8t in 2005–3034.3t in 2013 (CSB, 2017a). It is also suggested that in 2009, ~5000t of wild berries were foraged just for subsistence (Donis and Straupe, 2011). In an assessment

conducted in 2010, the Ministry of Agriculture of Latvia concluded that the wild berry, fruit and nut market could be worth around €17 million (Ministry of Agriculture, 2010). It is estimated that in the year 2009 4.1% of Latvia's population (or approximately 69,000 people) had sold berries at least once (Donis and Straupe, 2011). This article explores the transformation wild product foraging in Latvia has gone through – from culturally-rooted wild product subsistence foraging into a commercial activity connected to a global market while all along keeping the ownership of the wild products in the hands of the local communities.

This paper raises two research questions: firstly, what aspects have facilitated the shift from foraging for wild blueberries as a subsistence activity associated with cultural heritage to the globally integrated market sector it is today? This question addresses the changes that linked land with new forms of livelihood. Secondly, what properties of the blueberry market and the associated structural and political context have allowed local communities to maintain ownership over wild products? This question addresses the power relations underlying the wild product market in Latvia.

In this paper, the concept of a 'nested market' is used to explain the relationship between locally-owned, often culturally-embedded economic activities and global markets. A nested market designates the

\* Corresponding author.

E-mail address: [mikelis.grivins@gmail.com](mailto:mikelis.grivins@gmail.com) (M. Grivins).

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type of relations between market actors where weaker, typically smaller and local actors have been enabled to overcome power asymmetries and thus have the means to negotiate better deals (van der Ploeg et al., 2012; see also Hebinck et al., 2015). This presupposes that certain market arrangements can empower farmers (or in this case – foragers). In this paper, the concept helps to explain how during the rapid wild product market expansion, foragers have managed to secure high incomes from wild blueberries. At the same, etc. the analysis of the nested blueberry markets uncover the nature of the strategies of the wild blueberry harvesters. For them, harvesting berries secure some kind of agrarian lifestyle which helps them in their struggle against exclusion and against the trend that rural livelihoods tend to deagrarianise and that off- and on-farm work takes over the central role of farming in rural life (Rigg, 2006; see also the Introduction to this Special Issue). Harvesting wild products from the forest emerge as a strategy to maintain rural livelihoods that are based on harvesting and the management of these natural resources. The paper, inter alia, also shows that what is meant by 'agriculture' in the deagrarianisation literature needs to be broadened to also include harvesting of wild products, such as blueberries.

This paper is organised into six sections. The introduction is followed by a section examining the explanatory strength of the 'nested market' concept. In this part of the paper, characteristics that can be associated with nested markets are discussed and the peculiarities of nestedness that make this concept applicable to an analysis of wild products are identified. The next part offers a detailed overview of the data used in this article. The paper then moves on to a section discussing the study results, which starts by dealing with foraging as a cultural activity and continues with an explanation of the relationships between the stakeholders in the sector, before finally discussing the attempts that have been made by some actors to concentrate power. The article ends with two sections – discussions and conclusions.

## 2. Nested markets

The concept of nested markets has been used to describe market arrangement structures that have allowed local actors to penetrate global markets while also securing ownership claims to established nodes connecting the local and the global (van der Ploeg et al., 2012). The nested market approach is just one of the concepts researchers have used to capture the principles that allow small-scale actors to maintain control over the production process in ever more globalised markets (the others being Alternative Food Networks, niche markets, local food supply chains, etc.). Nestedness differs from other, somewhat similar notions in the sense that it is not seen as being in opposition to conventional global markets, but rather as a more inclusive response to the challenges posed by these markets (Schneider et al., 2016). A nested market is a part of a global market that through unique operational principles manage to enable local level actors.

Nestedness signifies an attempt to incorporate into the market some regulatory, distinctive, supportive aspect that can only be replicated in certain conditions – either by following certain production practices or by being in a specific region, etc. The embeddedness of nested markets has also been explained as mutual agreements between the actors involved when it comes to product properties (Schneider et al., 2015). What sets the borders that protect and separate nested markets, in general, is an interpretation of uniqueness manifested through historical practices, tacit knowledge, specific tastes or maybe already institutionalised social structures, such as trademarks, schemes of geographical indications, or historical specialities. This demarcation of uniqueness can be seen as a common pool resource (publicly available to everybody, yet owned by no one) that sets the specific market apart from surrounding common market structures (Schneider et al., 2015; van der Ploeg et al., 2012).

When compared to conventional markets, nested markets will exhibit one or more of these features: (1) a clear final price differential for

the product, (2) a different distribution of value added, resulting in a higher price for farmers (or in this case – foragers), (3) a different infrastructure (or socio-material infrastructure), (4) a different location of transactions in time and space, and/or (5) a different governance pattern (van der Ploeg et al., 2012). The properties of nested markets emerge from the fact that these markets are not anonymous – nested markets could rather be described as embedded in a set of goals and values out of which these markets emerge. The actors operating in nested markets are known and set the shape of processes in the market. In contrast, anonymous free trade, manifesting itself through lack of ownership is expected to regulate the relations between actors in global markets.

In the case of wild blueberries (as well as most other wild products) there are several characteristics that have the potential to enable local actors to maintain a certain agrarian lifestyle: most of these products grow only under certain conditions (in the wild); many of these products are associated with unique nutritional properties (for example, wild blueberries from northern Europe are associated with a high level of anthocyanin); alternatively, it might be claimed that societies around the globe have lost the practice of foraging and knowledge about wild products, thus rendering such practices unique characteristics.

The interest of global actors in Latvia's wild blueberries is based on the product's characteristics as well as being due to the historical practice of foraging. These features explain at least in part as to why blueberry foraging became linked to global markets in the first place and why global actors are listening to local demands. However, it cannot explain the power of the communities to make and sustain any claims on ownership. None of the properties listed above is unique: practices can be replicated while wild resources are publicly owned. That is, they are as much available to global as to local actors.

An additional problem emerges from the fact that concepts like nested markets typically presuppose organisational structures that represent each part of the analysed system (such as farms or enterprises). Each of these guarantees certain stability in the sector – these actors need a constant outlet and can have long-term contracts. This is different in the case of wild products. In the case analysed here, foragers take up foraging spontaneously, getting involved in the sector occasionally and unpredictably. The absence of the need for any investment makes foraging a much more accessible activity and facilitates dynamism at the lower levels of the supply chain. It also reduces subordination among those actors operating in the market and allows the rural poor to reconnect with the land as a solution to poverty (Rigg, 2006). However, this very dynamism could be the reason why foragers might have more problems protecting their interests – robust and static global parts of the markets will have more time to accumulate power and to protect their interests. However, due to dynamic involvement and the absence of fixed regulatory structures, tacit knowledge regarding market properties takes on more importance. Trust, relations that go beyond simple trade, and mutual recommendations become crucial factors in relationships within the sector. Relations in the sector are also maintained away from the wild blueberry market – foraging and community life are intertwined. Thus, the reputation obtained in one sphere will most likely be carried over to the other. The nestedness of wild product foraging is based on the structure of social relations that connects the daily life of communities with the wild product foraging and selling practices in which they engage.

Those relations that presuppose mutual empowerment and co-dependency and which set sectoral rules have ensured the emergence of a nested market. The following sections of this paper illustrate how these relations came about and how they are maintained.

## 3. Methods used in this study

The topic of wild product foraging in Latvia is not well examined. For this reason, the available data related to this field of activity is limited and unstructured. Keeping this in mind as well as taking into

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