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The expansion of big retailers in developing countries and emerging markets – a challenge for food security? New evidence from Argentina

Abstract

The impact of the expansion and investments of big retailers like Carrefour – a French multinational retailer – in emerging markets over the last two decades has been broadly discussed under the term 'Global Food Governance'. Depending on the academic background, different outcomes of that development are stressed: E.g., political scientists analyse the role of retailers as 'business actors in global governance' and emphasize the shift from merely economic actors to political actors. They pinpoint the different facets of power (often classified in structural, discursive and instrumental dimension) and the ways they are exercised, so for example the importance of Private-Private-Food-Standards as instruments to govern global food chains. Academics of development policies tend to highlight the potentially negative outcomes for the weaker parts of the global food chain like small-scale producers, workers, and consumers.

From the perspective of development theory focusing on food security for the whole society these certainly important contributions fail to convince in both theoretical and empirical regards. Empirical findings suggest a methodological approach which focuses on the interfaces between various social actors and institutions in contrast to an approach that takes just one actor or even the whole commodity chain as the analytical starting-point. Based on such a methodological approach, power must be analysed in relation to other actors and cannot be perceived as an intrinsic characteristic of one single actor. Furthermore all action in a given society is routed in historically grown but dynamic structures. To capture that aspect the idea of domination/rule based on Max Weber seems to be more adequate to depict the outcome of the global expansion of retailers. The paper will illustrate these methodological and theoretical questions with Carrefour's expansion in Argentina based on preliminary findings of empirical research conducted from March to June 2009.

Yvonne Franke

Freie Universität Berlin

y.franke1@gmx.net

Preliminary version, comments welcome

1. Introduction

In the run-up to the FAO World Summit on Food Security and against the backdrop of the disappointing outcomes of the Millennium Development Goals – especially with regard on eradicating hunger in the world – we cannot but conclude that the political and scientific answers to this challenge have failed the test of time. This paper suggests revisiting the discussion on 'global food governance' and the focus on multinational retailers and supermarket chains as new and central actors in governing the global food chain. To link these discussions with the question of food security it is necessary to broaden the analytical viewpoint and capture certain socio-economic developments of a given society as a whole. While this is demanding in methodological as well as in theoretical terms, the objective of this paper is to present first evidence for further research.

After a brief discussion of the conception of Global Governance and the role of business actors in a globalizing world, I will depict some relevant historical elements of the Argentine society and the present situation of the Argentine agrifood sector. Based on first empirical field research in 2009 I will delineate the impacts and outcomes of big retailers` activities in Argentina taking Carrefour as an example and connect them with questions of food security. On this basis I will expound the problems of the main concepts of business power in global food governance and illustrate an analysis based on the idea of global complexity. Applying this theoretical framework I will give some first methodological and political insights.

2. Retailers and supermarket chains as business actors in global food governance

The term Global Governance arose at the beginning of the 1990s clearly inspired by the end of the Soviet Bloc. Early contributions discussed "analytic order versus normative order" (Rosenau 1992: 9) but academic treatment intensified, and today there is a marked shift to an analytical approach to Global Governance. Some academics go as far as stating that "global governance has become a paradigm in analyses of the organization of the international system and global problem-solving" (Fuchs 2007: 1). Indeed it can be assessed that some actors – especially non-state actors – have gained more importance and are participating by novel forms in the formation of the current global world order. Exploring the different aspects of that development can be considered as the core academic program of global governance research. The revaluation of the role of transnational corporations or so-called business actors in a globalizing world is a main task of social science, as their ways of influencing political decision-making undoubtedly have changed.[1] With regard to transnational corporations in global food governance today we can easily recognize new policy instruments which they use in order to frame norms and rules in their interest. Widely discussed as an important tool are public-private or private-private-partnerships, especially codes of conduct and private voluntary standards, like the worldwide key reference GlobalGAP (formerly known as EurepGAP) for good agricultural practices (GAP) or Hazard Analysis Critical Control Points Concept (HACCP) focussing on food quality. Given this

[1] I am here stressing the point of the way they influence political decision-making because I doubt that we can easily prove that their influence has grown.

new policy tool and its outcomes the question of the power of business actors, unsurprisingly, emerged again (see e.g. Fuchs/Kalfagianni/Arentsen 2009; Fuchs 2007; Wiggerthale 2007; Asfaw 2007; Chemnitz 2003).[2]

The academic debate on power and transnational corporations is not new itself, it was particularly vivid within critical development theory of the 1960s and 1970s (see Arrighi 1974; Sunkel 1976; Müller-Plantenberg 1976). But since then academics have observed fundamental changes that have redefined the possibilities and instruments of power of transnational corporations – in particular within the global food system:

First, the context of national and international trade liberalization clearly favours foreign direct investment and helps to organize and control global food chains. Free Trade Agreements like the *North American Free Trade Agreement* or bilateral *Economic Partnership Agreements* – all based on the regulative framework of the *World Trade Organization* and its accompanying *General Agreement on Trade and Tariffs*, *General Agreement on Trade in Services*, *Trade Related Aspects of Intellectual Property Rights* and of course the *Agreement on Agriculture* are one cause for the expansion of food retailers and supermarkets.

Second, innovations in technologies concerning logistic strategies like *Electronic Data Transfer* and *Radio Frequency Identification* allow for the complete control of the status of a commodity in the whole global chain from producer to shelf.

Third, and maybe the most marked and cited fact is the growing concentration in the global retail sector, a trend we can actually find in almost all branches.

Drawing from the changes of the past twenty years academics conceptualize the power of retailers and supermarket chains and their ways and forms of exercising it. I will describe two prominent ideas of power in global food governance in order to expound their problems.

One widespread conception of power in political science is the theoretical work of Steven Lukes *Power. A radical View* (Lukes 1974/2005). In his elaborated work Lukes differentiates between three dimensions of power, instrumental, structural and discursive power. Academics use these dimensions of power to describe actions of business actors in global governance (see e.g. Fuchs 2007; Clapp/ Fuchs 2009; Smythe 2009). Instrumental power is defined as “one of the most obvious forms of power held by corporate actors” because “they attempt to wield in policy process via corporate lobbying or political campaign financing” (Clapp/ Fuchs 2009: 8). The debate of global governance centres even more pointedly on the structural dimension of power of corporations. As Andrew Walter outlines with critical emphasis: “However, a core element of ‘globalisation theory’ is that enhanced capital in a world divided into separate states constitutes a structural constraint upon national economic policy” (Walter 2000: 53). This means that corporations can “punish and reward countries for their policy choices by relocating investments and jobs” (Clapp/Fuchs 2009: 9).

In contrast to these two dimensions that quite directly influence actions, discursive power is less tangible. “Actors strategically use discourse to shape norms and ideas, for

[2] Basically corporations in the global food system never had an excellent reputation, especially in the context of their operations in developing countries and of course analytically intertwined with considerations of the power of corporations (see e.g. the 1974 study “The Baby Killer” about Nestlé’s selling-strategies in Africa (http://www.evb.ch/p25008967.html).

instance, by employing symbols and story-lines and by strategically linking issues and actors to established norms and ideas" (Fuchs 2007: 61).

Social science applied to development and food policy, as well as governmental and non-governmental organisations involved in these issues generally embark from a different conception of the power of business actors in global food governance. The debate comes to one main conclusion:

> "The internationalisation of food retailing is causing significant institutional changes that affect small producer agriculture and the livelihoods of rural communities the world over. Increasingly, domestic markets in liberalized economies have more in common with export markets, with products chains that are buyer driven (Gereffi, 1994). In these chains, down-stream segments are determining the conditions such as scale and volume of procurement, higher quality and safety standards, packing and packaging requirements, and consistency of supply" (Biénabe et al. 2007: 3).

Or in short, the liberalized market is driven by 'buying power' (see e.g. Brown 2005; Wiggerthale 2007). Thus, in this definition the source of power mainly lies in the economic backdrop and oligopsonistic market structures that privilege retailers and supermarkets in global food governance.

Both approaches basically discuss the same problems of transnational retail power investing in developing countries. In the centre of this cross-disciplinary debate are the potential market drop-outs of small-scale producers. Further mentioned, but not empirically elevated is the possible crowding out of small corner shops and independent retail sales. In summary we can say, that the major concern is the continuously increasing concentration in all parts of the agrifood chain with retailers as the driving power.

With the growing success of transnational retail chains labour conditions in the stores themselves and for agricultural labourers were in some cases critically investigated as an additional aspect. Here the analysis compares conditions in the so far included parts of transnational retailing. But in general the discussions of the broader impacts of the expansion of multinational retail chains are empirically insufficient.[3] Theoretical approaches are a tool for understanding reality and therefore empirical phenomena. So before discussing these conceptions of power, in a first step the historical background of retail expansion will be briefly outlined. Based on this, the ongoing process will be described by first empirical findings showing some new aspects of the expansion of transnational retailing.

3. The Argentine agrifood sector

Socio-economic structures – a sketch

To appraise the influence of retailers operations in Argentina, and the embeddedness of their expansion in the socio-economic structure I will highlight the constituting structures framing the spreading of (multinational) retailers in Argentina.

[3] For an exception see the compilation Vorley; Fearne; Ray 2007; for the Argentine working conditions in supermarkets see Abal-Medina 2004, for labour conditions in citrus production see Aparicio et al. 2008 – both of them actually using a different concept of power. So Abal-Medina works with a Foucault linked approach, Aparicio et al. pledge themselves to a Global Complexity approach.

First, a central motive of the Argentine society is the integration of the Argentine middle class into the ruling position of the agro-export orientated class (Cardoso/Faletto 1976: 101). This fundamental element of Argentine society can be shown politically as well as economically. The connection originates in the period of 1860 to 1930 named by Aldo Ferrer *la economía primaria exportadora* (primary production based, export orientated economy – translation by author) (Ferrer 2008). This classification captures that primary production was the main force of national economic development and that, furthermore, the international commercialization of agricultural commodities was the decisive element of Argentine economic growth. The expansion and international integration of the national economy and the extraordinary cultivation of the fertile *pampa* zone surrounding Buenos Aires were the two underlying factors of this period of growth (Ferrer 2008: 143). The economic success enabled a political consolidation beginning with nation state building under President Bartolomé Mitre (1862-1868), educational expansion fostered by President Domingo F. Sarmiento (1868-1874) and, not to forget, the eradication of almost all native people living in the Argentine South-West in order to use the land for modern agriculture. The encouragement of immigration and the extension of the railway network were further steps to become part of the new expanding world economy (Muno 2006: 7f). This economic development, based on large scale land ownership and agricultural exports, has had its reflection in a corresponding political system: *el orden conservador* (conservative order) as it is named by Argentine sociologist Juan Carlos Agulla, meaning a political order, which is formally democratically structured, even though like in most modern societies the majority of people was not allowed to vote, and de facto dominated by informal group networks:

> "The representative institutions of the ruling classes participate informally as genuine 'pressure groups' in the existing ruling structure. Organizations like the 'Sociedad Rural', 'Jockey Club', 'Circulo de las armas', 'Bolsa de Comercio', and 'Union Industrial', 'La Nación' and 'La Prensa' composed an informal part of the ruling structure and controlled the political scene. Even more: From these circles the ruling political elites were recruited, and this was, where political positions were created" (Agulla cited after Birle 1995: 91).

Agulla analyses the political, economic and social structure as a dominant ensemble made up by landlords (Sociedad Rural), related financial (Bolsa de Comercio) and industrial sectors (Union Industrial), political leaders (Jockey Club and Circuito de las Armas) and intellectual leaders (the most important newspapers La Nación (which is the leading newspaper till today) and La Prensa). Yet the democratic-bourgeois movement headed by the political party Unión Cívica Radical which won the elections in 1916 could not or did not want to intervene in this informal system of domination (Muno 2006: 9). A reason for this must be seen in the widespread conviction – also for socialist and middle class political movements – that the *economía primaria exportadora* was the best and most convincing model for Argentina (Ferrer 2008: 176).

The world economic crisis of 1929, which affected Argentina from 1930 on via declining exports, resulted in revised economic (import substituting development) and political models, the latter being the peronist government´s focus on redistribution and national development.[4] Analyzed as the period of *unfinished industrialization* (1930-1976) it is characterized by these two dominant facets, politics of redistribution and increasing industrialization. Indisputably, there have been positive effects of these politics: The Gross National Product increased remarkably in this period, albeit in a stop-and-go way (Muno 2006: 16). Furthermore there was considerable growth in industrial production, albeit mainly in producing consumer goods.

Vitally important outcomes of these historical periods are the main pillars of the specific Argentine pattern named by Cardoso and Faletto:

First, agricultural production and export – though declining in absolute numbers – still played a central role at the end of the *industrialización inconclusa (unfinished industrialization)*. Reflecting this, it is even more important to realize that one of the dominant sectors of industry even in this period was the sector related to agricultural production in the wider sense, like e.g. food processing industry (Eberhart 2006: 58).

And second, the growing middle class participated in this economic progress, while in Argentina as a whole income was still very unequally distributed. Argentine society until today stands out in comparison with other Latin American countries regarding these indicators (Ferrer 2008: 351).

The next period - *la hegemonía neoliberal* from 1976 to 2001 (Ferrer 2008 - neoliberal Hegemony – translation by author) – began with one of the most cruel military dictatorships in Latin America from 1973-1983. Economically the dictators introduced the neoliberal ideology by the economic plan *Proceso de Reorganisación Nacional*. Main objectives were the liberalization of the economy, redistribution of income to the disadvantage of labourers and a financial reform in order to attract foreign investment. After the collapse of the military regime in 1983, democracy was established by Raúl Alfonsin. In sum his term in office was dominated by short term strategies to cope with indebtedness and the demands of International Monetary Fund and World Bank – from 1984 clearly neoliberal oriented. The Carlos Menem government program has a name: *el uno a uno* – the fixed exchange rate 1:1 of the newly created Argentine Peso to the US-Dollar in combination with a strictly neoliberal program, especially the privatization of state owned enterprises. The next president Fernando de la Rúa proceeded with the socio-economic politics of Menem – until he had to leave the Casa Rosada by helicopter.

The politics of *la hegemonía neoliberal* did not affect the above mentioned central motive of the integration of the new middle class into the ruling position of agri-export orientated class.

With the economic breakdown in 2001 this dominant structure seemed to rupture. But economic recuperation appeased the middle class. So, reactions to the taxation policy of the Christina Fernández de Kirchner government were clear: the producer walkout of 2008, which paralyzed the country for 120 days, was broadly supported by urban middle class people. In

[4] Especially the first Peron government represents the ideal of this period. His vision of a *communidad organizada* – the organized community – can be categorized as populist, state-interventionist, and redistribution oriented – surely a description that leaves something to be desired, for the movement, which through today, proves very attractive for Argentine masses.

the end the demonstrations forced the government to give up the introduction of a flexible purchase tax for the main export commodities soya beans and sunflower seeds. This incident strikingly demonstrates the existence of the Argentine middle class – agro-exporters nexus. In conclusion, Argentine socio-economic development is until today strongly linked to agro-exports. How and where do retailers, as an integral part of the Argentine agrifood sector, fit in these central structures of Argentine society?

The expansion of French multinational retailer Carrefour

The Argentine retail sector historically was dominated by corner shops and small-scale retailers. This predominant structure can be described as atomized and ordained by a scarcity of capital (Pastore 1997: 50). In the 1970s corresponding with international credit expansion and based on redistribution politics of the 1950s and 1960s there has been a remarkable increase of so-called *autoservicios*. These are national self-service retailers, some of them with just one shop and limited selection, some with regional presence like Tigre, La Anónima, Coto – which originally was a butcher's shop – and so forth. The move towards national self-service stores is intertwined with the above mentioned national industrialization as the growing national food and beverage industry was looking for new groups of buyers, which they could not address via traditional commercial channels like local corner shops and markets

Corresponding to the neoliberal turn – globally and nationally – the rise of national super- (at least 400 m² sales area) and hypermarkets (at last 5000 m² sales area) began in the 1980s, a period when foreign investment in the retail sector also intensified. Carrefour entered the Argentine market in 1982. During the following decade Carrefour opened 9 hypermarkets in Buenos Aires province and federal capital. Carrefour's strategy during this time clearly was orientated towards middle and upper class consumers – as a result they invested in high end hypermarkets, where the presentation of food and brands was very important in order to give the customers the impression of modernity and exclusivity.[5] Being highly successful with this strategy, they started to conquer the market of the so-called *interior del pais* meaning regions outside Buenos Aires province and capital, but still mainly focusing on wealthy costumers. As a turning point in Carrefour`s business strategy I interpret the 2001 acquisition of the well-established Argentine supermarket chain Norte, funded in 1937 as a corner shop and symbol of the growth of Argentina's national retail sector in combination with an aggressive pricing policy extended to all costumer strata (*"el precio más bajo"* – the lowest price in comparison to other competitors was assured). In recent years Carrefour amplified their strategy by competing in another domain: the local shop presence to win over customers with short distances to shops. During the years 2006-2009 they opened – respectively reopened by acquisitions – nearly 170 new smaller sized shops and supermarkets. In the following chapter I will analyse Carrefour's expansion and the existing Argentine retail sector within a broader socio-economic context, and present some first trends based on results from my field research.

[5] As an illustration: Carrefour invested 15 million US-Dollars in the hyper market in San Isidro, one of the richest suburbs of Buenos Aires (http://www.carrefour.com.ar/institucional/historia.jsp).

4. Preliminary empirical findings from Argentina

This chapter is based on data from 9 experts and stakeholders of the Argentine agrifood sector interviewed in 2009, forming the explorative part of the investigation. Methodologically based on the heuristic framework of *Grounded Theory* by Juliet Corbin and Anselm Strauss (Corbin/Strauss 1996), I use the Grounded Theory Coding scheme supplemented by Gabriele Rosenthals and Wolfram Fischer–Rosenthals *thematische Feldanalyse* (thematic field analysis) (Rosenthal 1995; Fischer-Rosenthal 1996) for data interpretation. Data collection also included secondary data. Further investigation with a more profound and centred data collection based on these preliminary findings will be conducted in 2010. This chapter attempts to identify some first trends and findings. They suggest the need for a different theoretical and methodological approach from a development theorist point of view, especially when taking into account questions of food security and food sovereignty.

First the structural change of the Argentine retail sector is obvious. From 1997 till 2009 the concentration in retail increased, 20 chains opted out of the market. At the same time total sales quadrupled, whereas the number of stores only doubled and the number of employees merely rose by little more than thirty-three percent (see chart nr.1).

	Number of chains	Total Sales in millions of Argentine pesos	Number of Stores	Number of employees
1997	89	1 012 608	780	75 300
1998	82	1 127 049	853	87 531
1999	80	1 141 847	990	92 355
2000	77	1 118 659	1 136	90 426
2001	77	1 114 821	1 366	97 523
2002	78	1 034 467	1 390	95 412
2003	74	1 273 759	1 406	91 072
2004	73	1 387 048	1 394	89 217
2005	73	1 590 406	1 429	89 547
2006	73	1 816 569	1 443	87190
2007	72	2 200 830	1 484	88 406
2008	69	3 006 997	1 525	97 852
2009	69	3 836 771	1 595	101 317

Source: INDEC (data based on January figures)

In accordance with Pastore's findings from 1997 my interviewees did emphasise, however, that the Argentine retail sector is still very heterogeneous.[6] On the other hand I did find evidence for significant change in the retail structure itself. Pastore – as mentioned above –

[6] For comparison: In Germany, retail chains via discounter, super- and hypermarkets do commercialise around 90 % of the consumed food (http://www.lebensmittelhandel-bvl.de/modules.php?name=Content&pa=showpage&pid=24&cid=7).

marked a tripartite structure: First, the *almacenes de barrio* (corner shops). Second, small autonomous supermarkets, and third, the big (multinational) retail chains. He noted that the first and second sections constantly loose market shares to big supermarket chains (Pastore 1997: 51ff).

My findings suggest, that the structure can still be described as tripartite, with the first segment – the *almacenes de barrio* – still existing but furthermore declining (corner shop owner Morón 2: 10)[7], a new second segment, the so-called chino autonomous supermarkets, and the further expanding big retailers. Unfortunately there is not any reliable data available that include *chino* supermarkets and *almacenes de barrio* (corner shops) for the current structure of Argentine retailing.[8] The appearance of the streets and some superficial calculations made in Buenos Aires quarter Palermo and in the *Conurbano* suburb Morón as well as the information transmitted by the interviewees suggest that there are some trends we have to take into account.[9]

First, the in a way astonishing ongoing existence of the *almacenes de barrio*.[10] While they have been mostly replaced, some shops manage to resist this trend. While in wealthy Palermo quarter I found just some isolated shops of this type, in the *conurbano* quarter Morón they are still more in place in the current retail sector. My interviewees explained these somewhat puzzling findings and emphasized that they are necessary as a fundamental part of food supply:

First and most important, in general and even more so at the end of month, the clients – mostly well-known to the shop-owners – are allowed to pay the next month or when they are able to do so. Also, the *almacenes de barrio* sell small amounts in comparison to the packaged goods commercialized by supermarkets, which is convenient for people short of money. In addition they sell lowest quality (*de tercera qualidad*), usually bought as animal food, but of course a source of human alimentation, when running out of money. These reasons are obviously due to the Argentine socio-economic development in general and mark a counter-tendency. The latter cannot be explained or captured with a theoretical and analytical approach centred around the power of big retailers, only.

The second segment – the so-called *chino* supermarkets – is an expanding sector in Argentine retail in recent years. These autonomous small supermarkets are replacing the *almacenes de barrio* and autonomous traditional Argentine owned self-service stores. Unfortunately this section of the Argentine retail structure is quite opaque for consumers and academics. Even the official Chamber of Commerce does not have valid data about the number of shops existing and their supply channels. The establishment of the Cámera de Autoservicios y Supermercados Propiedad de Residentes chinos de C.A.B.A. y G.B.A

[7] The interviews have been made anonymous. So the references mark the interviewee in his/her function and the cited line of the transcript converted in the qualitative data analysis software MaxQDA.

[8] Concheiro 2005 made some calculations for Quilmes, but was not able to deduce the structure of the retail sector or Argentine supermarket COTO market share in Quilmes in 2005.

[9] I do not include specialized shops, like butcher shops, greengrocery etc.

[10] Astonishing in an urban context. We have to divide very strictly into urban and rural areas. In rural areas there still remain zones so far in which the almacenes de barrio are the only representatives of commercialized retail sector.

(Chamber of Commerce of Self-Service Shops and Supermarkets owned by Chinese Residents in Capital Buenos Aires and Buenos Aires province) in 2004, which represents at the moment 3186 supermarkets and is expanding in the whole country, shows that that segment must be considered as a durable structural part of Argentine retail (see www.casrech.com.ar). My interviewees and participant observation suggest that the main strategic advantages of Chinese supermarkets are proximity to the costumer, expanded opening hours, and an offer of middle range goods with reasonable prices compared to those of the big retailers[11]. As they seem to somehow manage better than traditional self-service stores, several interviewees suggested, that they benefit from some kind of advantageous, informal channels of supply and favourable family and ethnic community structures, reducing labour costs especially.

This second segment of the Argentine retail sector demonstrates just as well as the first one, that other factors must be taken into account for judging the restructuring of a given retail sector. Furthermore the assumption that just the seemingly most dominant and powerful actor rules the process can be discharged. It is true that the Chinese supermarkets profit from the expansion of the big retailers, because the majority of corner shops cannot compete, on the other hand their success relies on completely different social dynamics like immigration and community building.

The third segment is clearly the expanding sector of big (multinational) retail chains, like the French multinational Carrefour or Argentine COTO. The most valid figure of their market share of 55 % in this segment dates from 1997. According to data by the national statistics institute INDEC, Carrefour and COTO I estimate a present share of 65 %. The basic question here is why do big retailers, especially multinationals like Carrefour expand so rapidly in an emerging market like Argentina and what outcomes do they provoke?

The intriguing aspect of Carrefour's performance in Argentina is its astonishing expansion after 2001 – the year of economic break-down and the following recession. Even though the crisis affected earnings, Carrefour's management changed their strategy and "adopted a highly aggressive pricing position through 2001" (Carrefour Annual Report 2001: 16). With the take-over of Argentine owned Norte with more than 130 stores Carrefour became the top retailer in Argentina (Carrefour Annual Report 2001: 40). Carrefour maintained this position over the following years as mentioned above. What are the reasons that shopping in Carrefour supermarkets was commonly accepted considering that the poverty rate rose up to 50 % between 2001 and 2005 and spending power was low? One interviewee gave an interesting explanation, based on the colloquial spoken *uno a uno* currency regime (corner shop owner morón 2: 46):[12] During the neoliberal Menem government retail expansion not only benefited from the above mentioned international conditions for foreign investment, but also from the fixed exchange rate that led to an overrated Argentine peso and favoured imports. This Argentine particularity was a stroke of luck for multinational retailer Carrefour for until today it commercialises a huge amount of imported products. The

[11] see also http://www.infobrand.com.ar/notas/12963-ncc-auge-del-super-chino-donde-compran-los-argentinos).

[12] *Uno a uno* is the common term describing the currency regime, when the argentine peso was in a fixed exchange rate to the US-Dollar. In reality the argentine peso was obviously overrated, which favoured international imports and harmed Argentine exports.

Argentine population got easily accustomed to these products, because they were even cheaper in the *uno a uno* era than national ones. This national particularity allowed Carrefour to acquire costumer confidence, which can be considered as one pillar of the ongoing successful expansion in the following years.

This preliminary finding points to the relevance of national and even regional characteristics that structure the expansion of multinational retailers. While evidently emerging markets in general are attractive as new consumer markets, the potential success of multinational retailers' strategies also depend on national politics creating a certain socio-economic environment. Relevant policies largely exceed classic governance instruments by national authorities focusing directly on the retail sector.

Focussing on the outcome of their undoubtedly existing demanding or market power, the provisional trends command a closer look. Resulting from the historically dominant agricultural and corresponding agro-industrial structure in Argentina the clearly discernible trend emerges, that in response to the demand of multinational retailers the supply side is also concentrating. Here the traditionally quite strongly developed and competitive Argentine agrifood sector generated national concentration, primarily in distributing and some branches of food processing industry, even before the multinational retailers and big chains conquered the Argentine food market. Several interviewees pointed out this ongoing concentration of agricultural production and distribution, as for fruit production in Neuquén (trader1: 72), the dairy sector (Executive Manager Federación Agraria Argentina: 48), and meat production (corner shop owner Morón 1: 6). All of them mentioned the important role of distributors, like e.g. in the meat sector the traditional Argentine distributor *Matarife*.

Aparicio et al. demonstrate the same tendency with their case study "Have Private Supermarket Norms Benefited Labourers? Lemon and Sweet Citrus Production in Argentina" (Aparicio et al. 2008). In the two analysed regions only five big producers are certificated by EurepGAP in 2004, as for the small scale producers the certification process is too expensive and complicated. The latter still sell on the national market (Aparicio 2008: 73). So the national producers contracted by international retailers are also the big ones. The outcomes of certification depend on other socio-economic factors, though. In Tucumán region the labourers on the plantation just recently benefited from the EurepGAP standard certification, whereas in Entre Río region the labourers benefited almost immediately. Aparicio et al. stress amongst other things as one pivotal point the presence of organized labour unions.

How do these selected findings relate to food security? Two crucial points have to be taken into account when examining the linkages:

First, as one interviewee put it bluntly "someone who doesn't have anything, doesn't eat anything" (si no tiene, no come, Costumer BA: 39) which is an unsurprising finding and the core of what e.g. Armatya Sen and Mike Davis state: Food Security is basically not (always) a question of food availability but of the money to buy it (Davis 2005; Sen 1983/2007). Now, in developing countries the available monetary resources are scarce and volatile for some societal strata.[13] It is within this context the first finding of the persistence of some of the

[13] Aparicio et al. give an excellent example: "When the lemon harvest ends in the orchards of Tucumán, about 25,000 Labourers lose their jobs and cannot be absorbed by any other regional industry" (Aparicio et al. 2008: 76).

almacenes de barrio in spite of their general decline must be evaluated. As they provide informal ways to bridge monetary scarcity as well as to reduce the amount and quality of food consumed their existence is crucial for poorer sections of the society to help them to cope with and compensate for income fluctuations.[14]

Second and also linked to the existence of the *almacenes de barrio* is the *agricultura familiar*, which can be paraphrased as agricultural subsistence production. Based on the latest census of 2002 there are 218 868 *pequeños productores*[15] without constant and stable relation to the capitalist market in Argentina. If their production exceeds their consumption they sell their products on local ferries or to corner shops. To appraise their contribution to national agricultural production, it must be taken into account that around 20 % of national agricultural production is generated by *pequeños productores.* Furthermore their products are cheaper because of lower standards – at least in quality aspects like size or appearance (de Obschatko; del Pilar Foti, Román 2007: 64). Taking into account the high volume of industrial agricultural production in Argentina, it becomes obvious that subsistence farming constitutes a central pillar of food security and food sovereignty. My findings suggest that *pequeños productores* are so far very indirectly affected only by retail expansion. While they might lose parts of their market share, rural emigration into the cities is caused by other factors like lack of monetary funds, and inadequate basic infrastructure in the countryside like schools etc. Furthermore two experts from the Instituto Nacional de Tecnología Agropecuaria (INTA) considered massive acquisition of land by soybean producers over recent years as the core problem (Expert INTA 1: 23; Expert INTA 2: 119).

In a nutshell, this means that problems of food security have to be differentiated into urban and rural areas and can only be solved in the wider context of socio-economic development. In the following concluding remarks I will attempt to outline the implications for further methodological and theoretical research as well as some political conclusions.

5. Conclusion

The trends I highlighted point in the same direction as Aparicio et al.'s findings. They conclude for the export production sector:

> "Seen from the great port of Rotterdam or the aisles of Tesco and Carrefour, producers in the far south blend into generalized schemes of commodity chains. Such images fail to capture the range of technical and socio-political forces that determine production and labour management strategies. They also fail to fully capture the characteristics of units of production and the forces at play in the competition to participate in export market." (Aparicio et al. 2008: 70)

My study likewise suggests that the power of retailers is overestimated, especially when focusing on the outcomes of their buying power via food standards for example. In addition my findings demonstrate that with regard to food security the analysis of central actors like

[14] Which is of course not consistent with FAO official definition of food security: "Food security exists when all people, at all times, have physical and economic access to sufficient, safe, and nutritious food to meet their dietary needs and food preferences for an active and healthy life."

[15] Who are defined as peasants without any family member or other workers permanently working for remuneration (de Obschatko; del Pilar Foti, Román 2007: 32).

multinational retailers fails to provide the necessary ample insights for evaluating the state of food security.

On theory level my findings indicate that the conception of power needs to be revisited. The discussion of multinational retailers in global food governance mentioned above is trapped in a conceptualization of power as an intrinsic characteristic of single actors. My findings demonstrate, however, that power is always something exclusively arises in relation to other societal actors. Max Weber's theory underlines this clearly: "The term of power is sociologically amorphous." (Weber 2005: 28) So Weber abolished the term of power as fruitless for social science and instead focused on domination as the materialized outcome of power and therefore the only structure academics can analyse:

> "Domination in the most general sense is one of the most important elements of social action. Of course, not every form of social action reveals a structure of dominancy. But in most of varieties of social action domination plays a considerable role, even where it is not obvious at sight" (Weber cited after Lukes 1986: 28).

Thus Weber clearly advises on the necessary focus: social action and the resulting structures. By emphasizing social action and therefore agency, society and structures are variable and stable at the same time. He also offers valuable insights how domination is achieved:

> "To be more specific, domination will thus mean the situation in which the manifested will (command) of the ruler or rulers is meant to influence the conduct of one or more others (the ruled) and actually does influence it in such a way that their conduct to a socially relevant degree occurs as if the ruled had made the content of the command the maxim of their conduct for its very own sake. Looked upon from the other end, this situation will be called obedience" (Weber cited after Lukes 1986: 33).

In other words, a given structure of domination always implies certain actively exercised acceptance by the subordinated groups. With these key elements Weber provides an inspiring idea for a contemporary analysis of multinational food retailers, but cannot be considered as theoretical approach in extenso, as a further theoretical challenge is to *situate the global in the local*[16]. Expanding Webers considerations the ideas of Global Complexity approach – named by John Urry (Urry 2003; 2006) – show the starting point to reach this objective:

> "A complexity approach builds on social network theory (e.g. Castels, 1996, or Held et al., 1999) by focusing on both nodes and the structure of relationships between nodes. A complexity theory approach draws attention to how agents or actors at any nodal point interacting with limited information can intentionally or unintentionally ignore the network's structural imperatives" (Curran 2008: 10).

Academics taking up the ideas of Global Complexity then suggest that the global trends have to be analyzed "where global connections originate or touch down" (Cooke et al. 2008: 4). An analysis orientated on just one actor or even the commodity chain in global food governance cannot depict important local outcomes, because a theory must be "grounded" (Curran 2008).

Considering a theoretical framework based on the relevance of domination, structure and agency as I find them included in the Global Complexity framework, I suggest a grounded theory design (Corbin; Strauss 1996) as the methodological approach, as a heuristic

[16] Following Albrow 2007: Situating Global Social Relations.

framework and in order to search for the relevant structures, outcomes and contradictions nowhere else than in the researched field itself.

With regard of political assessments of the expansion of multinational retailers in Argentina, my research points to the crucial role of small corner shop owners and small scale producers, in enhancing food security in Argentina by providing access to food and absorbing man power. Food security could deteriorate if Carrefour implements its new strategy of opening mini-markets creating a higher presence in the *barrios* itself. But so far there is no national regulation existing, only some isolated cases local regulations via urban management can be found (Garcia 2007). The most urgent governing action therefore should be to provide some kind of protection to small corner shops and small scale producers. Here the most effective way at the moment seems to be the regulation via urban management and tax reduction.

As far as I can evaluate the Argentine situation, the manifested disinterest in regulating the expansion is caused amongst other things by the historical coalition of middle classes and oligarchy, both economically and ideologically connected to global networks. A multinational retailer like Carrefour is a symbol of modernity and membership in the club of the first world countries and therefore welcomed in Argentina. Furthermore most parts of the economically dominant agrifood sector are afraid of any kind of regulation.

Summing up these findings it can be concluded that while the expansion of big retail business influences the structure of Argentine agrifood sector, it is by far not the (sole) dominating and ruling actor. For the analysis of the outcomes for socio-economic conditions in emerging markets, a less static methodological and theoretical approach is needed. The same holds true when confronting these findings with questions of the level of food security. In order to adequately analyse the interfaces between food security and the expansion of big retailers we have to look at the bigger picture of general socio-economic development and structures of domination.

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