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**FOOD SECURITY AND 'REGIMES OF
ACCUMULATION': THE CASE OF ARGENTINA**

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Introduction.

Food riots in Argentina in the last week of May 1989 showed starkly that hunger and poverty had increased substantially over the last decade. While this "social outburst" had not been unexpected, its occurrence denoted that hunger, poverty and marginality had acquired a social and political significance unheard-of hitherto. The spectre of millions of people without access to basic food requirements - that is, that food security had broken down - appeared as something new for Argentine society. Apart from its social and political implications hunger could also be seen as putting in question the development model or "regime of accumulation" which through a series of adjustment policies had been established in the past 15 or 20 years. As one author has put it "hunger should be the central issue for those concerned with development - since its presence indicates a critical failure of the economic system" (Stewart, 1989: 294).

Nowadays it cannot be denied that hunger in Argentina is an important problem affecting not only isolated groups of people in some rural areas or in the "villas miseria" (shanty towns) of urban cities. Moreover, it is not only a problem of the "nutritionally vulnerable": pregnant women, children, the old, which could be reached through some sort of assistance. When we speak of hunger, poverty and even misery in Argentina we do not refer to small isolated groups but include increasingly vast sectors of the population. Research carried out by Minujin and Ventura indicated that in the Greater Buenos Aires 433,000 households had basic needs unfulfilled in 1988, that is 35.8% of total population of that area and that households below the poverty line had increased substantially between 1980 and 1988 (INDEC, 1990; Minujin, 1991). Press reports based on studies carried out at the National Institute of Statistics and Census (INDEC) stated that 10 out of 32 million inhabitants lived below the poverty line (defined as about 100 dollars per month) in the late 1980s and that another 15 million had incomes which

oscillated near it (see Verbitsky, 1989: 356 quoting Time magazine). Several studies consider this problem to have acquired a significance unheard-of before in Argentine history (Altimir, 1979, 1986; INDEC, 1984, 1990; Feres and León, 1990).¹

Why then does hunger exist in a richly resource endowed country such as Argentina? In this paper we address this question. We focus on its dimensions, characteristics, and how it has evolved in recent years. But basically we concentrate on its causes.

While in recent years much has been written and researched with regard to poverty and income distribution in the case of Argentina² much less has been analyzed concerning the problems of food, malnutrition and their basic causes. While surely the recent hyperinflation which began in February 1989, with prices accelerating up to 200% per month had much to do with the food riots of that year,³ Argentina's hunger problems can also be

¹. Traditionally hunger in Argentina was considered to be a marginal problem affecting only some "sick" individuals which could be "cured" with the help of the nutritionist or social worker. Emphasis was usually placed on educating the needy on how they should balance different types of foods to attain a nutritionally balanced diet. Hunger also tended to be minimized when the situation in Argentina was compared with that of other countries of Latin America, Asia or Africa.

². See Minujin, 1991, Beccaria, 1991 and other papers presented at the Seminar: Efectos de la crisis en la sociedad Argentina (Effects of the Crisis on Argentine Society), August 28/29 1991. For a recent comparative study for several countries of Latin America which shows the substantial increase in poverty and indigence in the 1980's see Feres and León, 1990. These authors also draw on previous work by Altimir at ECLAC.

³. Hyperinflationary spurts had been induced, in large measure, by the run on the foreign exchange market which forced the government to devalue the austral in February 1989. This led to increases in tariffs and interest rates. The end result of all this was an acute recession with increases in unemployment, the closure of factories and businesses and a drastic reduction in real wages and incomes of lower income groups. A consequence of what at the time was called an "economic coup d'etat" was the substantial increase in food prices which reduced access to food for lower income strata of the population thereby affecting their already precarious nutritional standards. Needless to say price increases in 1989 and 1990 were much greater than in previous years when they rose at an average of

seen in a more long run perspective. In this paper we analyze them as reflecting trends which are ingrained in Argentina's development process of the past few decades.

Many are the "structural" factors which led to the degree of hunger existing at present. One could therefore ask oneself what are the macro economic and social factors which led to a breakdown in "food security" in Argentina?⁴

A diagnosis of the macro situation could also help elaborate on alternative policies tending to "solve" the problems of hunger. So far these have been approached via welfare measures usually dissociated from the analysis of the wider socioeconomic and institutional framework. Nevertheless, if the prospects are that wages or employment are not bound to increase in the long run, and that income distribution is to worsen as well - as occurred during the 1980s - it is difficult to presume that hunger in itself will inevitably go away no matter how much attention is given to welfare measures. Hence, what is required is an analysis of food security within the context of alternative models or regimes of accumulation. In this sense we relate hunger or food security to the analysis of the new "regime of accumulation" established in Argentina in recent years.⁵

Traditionally the problem of hunger in Argentina was confronted through the application of a series of charity or welfare measures. In 1984 a government program, the Programa

about 100% per year.

⁴. Food security refers to "access in physical and economic terms to food at all moments for all citizens" (Streeten 1987:39) or "access for all people at all times to adequate food for a healthy and active life" (Parikh and Tims, 1988:17/18).

⁵. By "regime of accumulation" we refer to "a particular form of the accumulation process as governed by a particular set of social norms" (Kotz, 1990). In essence it is considered that accumulation is conditioned by a set of social institutions and/or structures and that this refers to a specific historical context. The concept of "regime of accumulation" was elaborated by the French School of Economic Regulation (Aglietta, Boyer, Liepietz) and the "Social Structure of Accumulation" theorists of Radical Economics. For a comparative analysis of both approaches see Kotz, 1990.

Alimentario Nacional (PAN) was instituted which set for itself the task of giving food assistance to 1.2 million families. The PAN was a response to deteriorating nutritional conditions affecting large segments of the population during the 1976-1983 military dictatorship. Initially considered a program which was to cope with an emergency it set as its main objective "to solve the problem of hunger". But as time went by it became a permanent feature of government policy. While the assistance given tended to deteriorate - boxes with supplementary food rations distributed did not reach all the needy and their contents were many times deficient- families with basic needs unfulfilled or below the poverty line increased substantially instead of being reduced. In this sense it became evident that the problem of hunger could not be set aside from the broader institutional and socioeconomic context. Nonetheless, the riots of 1989, initially induced an increase in food welfare measures, at least for a short period of time. They did not lead to the development of alternative social and economic strategies.⁶

The problematic of food and hunger can be approached from different perspectives. In this paper we consider it as a problem of "access to food", of a lack of "entitlements" to adequate

⁶. At the time, the government of the Province of Buenos Aires increased its food assistance. According to one official 1300 popular dining rooms were established. A new Comisión Nacional de Emergencia Social (National Commission of Social Emergency) was created and important resources were allocated to solving new problems that had been created. Government sources stated that more than 600.000 people were provided with food assistance every day in predetermined places, and a series of institutions and forces were mobilized at the local level: state, church, public welfare entities, political parties, municipalities etc. "The problem of assistance or welfare increases every day and requires more and more resources for more and more people. While 317.024 schoolchildren have lunch at school in the province of Buenos Aires 274,869 additional meals and 1,078,163 cups of milk have been added." (See Página 12, 3/8/89).

On a national level the new government which took office in July 1989 scrapped the PAN, but did not replace it very effectively. In the Province of Buenos Aires the Plan País was instituted, food assistance was continued to schools and other institutions. In 1991 several corruption charges were brought into the open associated with food assistance measures.

food (Sen, 1981). What then are the factors which influence or determine access to food? Why is it that increasing strata of Argentine society have been deprived of an adequate access to food in recent years?

The overall problem of access to food (or entitlements) can be related to two macro aspects or factors: on the one hand, to the model of development or "regime of accumulation" established in Argentina in recent years and which can be construed to be increasingly "socially and sectorially disarticulated" (de Janvry, 1985; de Janvry and Sadoulet, 1983; Amin, 1974).⁷ On the other hand, it can be related to changes in the "agrofood system" - production, marketing, processing and distribution of food - which influenced costs, prices and hence access to food.⁸

Since the mid 1970's a new model of development emerged as a consequence of the application of a series of "adjustment policies". This resulted in the overall stagnation of GNP, lower income per capita and real wages, unemployment in its different forms, increased regressiveness in income distribution and an appalling increase in poverty. All these are factors which help explain the deteriorating purchasing power capabilities of the mass of the population and hence their reduced access to food (Teubal, 1990).

In this paper I argue that these deteriorating conditions are a result of the new regime of accumulation established in Argentina, that has increased "social disarticulation" to a much greater degree than what prevailed under import substitution industrialization.

Other factors which reduced the access to food or food entitlements flow from the side of "supply" influencing costs, prices and hence access to food. I present as another main hypothesis the idea that changes in the agrofood system, that is, in the network of relations associated with production, marketing, processing and final distribution of food, have also

⁷. For an analysis of "social disarticulation" see later on.

⁸. A food system refers to "the network of relations associated with production and access to food". (Barraclough, 1982:125). See also (Spitz, 1985).

influenced costs of, and hence access to, food. Changes in the structure of food consumption patterns reflect these structural changes in the agrofood system and influenced considerably the access to food for the bulk of the population.

In a sense a new agroindustrial model slowly being developed globally, and in much of the Third World as well, has had much to do with these trends towards increased food prices which seem to be prevailing.

Thus, "social disarticulation" inherent in the new regime of accumulation and changes occurring in the agrofood system both transformed the structures of Argentine society and were instrumental in reducing access to food for vast segments of the population.. We therefore include the entitlements approach in a wider structural framework (see Kay, 1989) and associate it with the "regimes of accumulation" analysis presented by French regulationists and "social structure of accumulation" theorists of Radical Economics. Changes in the agrofood system can also be related to the new regime of accumulation which emerges as a consequence of the transition from import substitution industrialization to a new stage of "development", which implied a more "open" and deregulated system, yet which also tends to be much more regressive in terms of its impact on income distribution and much more "socially and sectorally disarticulated".

In the following part of this paper I present the apparent paradox of Argentina: a large food producer and exporter to the world market which, nonetheless, has seen the rise of hunger in recent years. Next, I consider Sen's entitlement theory and relate it to differing regimes of accumulation. The dynamics of "social disarticulation" for the case of Argentina and data on recent trends towards stagnation, regression in income distribution and increased poverty is then considered. This is followed by an analysis of changes in the patterns of food consumption and factors influencing these trends. Finally, my conclusions and additional reflexions on the Argentine case are presented.

Hunger amidst plenty

What usually comes to mind when considering problems of food and hunger are the relationships between production, availability of food and/or of resources susceptible of being used in producing food, on the one hand, and population, on the other, that is, the old Malthusian perspective. In this respect the case of Argentina appears quite paradoxical: food availabilities are widespread in macro terms, and production of food is sufficient to feed several times the total population.

Due to exceptional soil fertility - particularly in the Pampa region - Argentine agriculture is capable of producing substantial food resources. Except for a few tropical commodities (coffee, hearts of palm) Argentina produces almost all the food that is consumed domestically. The country does not exhibit the external food dependence characterizing most other Third World countries. On the contrary, Argentina is one of the few large surplus grain and oilseed exporters to the world market.

Food availabilities in Argentina are sufficient to provide adequate calories and proteins for the whole of the population. Per-capita food availabilities were sufficient to produce the equivalent of 3120 calories per day per person and more than 129 proteins per day per capita in 1983, both of which were levels of calory and protein intake 40% or so higher then what the World Bank considered to be the "critical limits" for calory and protein deficiencies.

Traditionally the typical Argentine diet used to be rich in proteins and calories due to much consumption of meat, milk and dairy products and other foods which also formed part of the popular diet a situation which tended to distinguish Argentina from other countries of Latin America.

There are other reasons, as well, that determine the apparent paradoxical nature of the Argentine situation. Rates of population increase are low and there is not necessarily population pressures on existing land or natural resources. Neither can floods and other natural catastrophes be held responsible for the substantial increase in hunger registered in recent years.

While hunger in the Third World is, to a large extent, a problem of rural poverty, of the exploited peasantry and landless labourers frequently expelled from rural areas, in Argentina this situation is not as widespread as it is in other countries. In part this is because the agricultural sector is relatively small in terms of its contribution to GNP or employment (it provides for no more than 13/14% of GNP and employment). Apart from this, the Argentinian agriculture sector is very heterogeneous: while in recent years agriculture in the Pampas has been relatively prosperous having sustained a process of modernization which lead to an important "boom" in cereal production, it is outside this region where half the rural population resides, where important pockets of rural poverty prevail. It is in particular in the peasant or small producer's economies of the Northwest and Northeast where rural poverty and marginality mostly persist (see INDEC, 1984).

Nevertheless, while rural poverty in some of the provinces of the interior is substantial the influence this exerts on national rates of poverty is relatively small. Consequently, poverty and hunger appear to be mostly an urban problem; at least in quantitative terms, it is in urban areas where the problem acquires most visible significance.

Entitlements and regimes of accumulation.

Hunger, as Sen and others have pointed out (Sen, 1981, Schejtman, 1983), is not necessarily related to the availability of food. It has much more to do with access to food by different social strata of society and therefore must be related to the resource endowments of different individuals and to the structures of property rights (Sen, 1981, 1987). While Sen refers mostly to cases in which there are famines the argument he presents can be extended to the problem of "hunger" in general.

The entitlement of a person stands for the set of different alternative commodity bundles that the person can acquire through the use of the various legal channels of acquirement open to someone in his position. In a private ownership market economy, the entitlement set of a person is determined by his original bundle of ownership (what is called his "endowment") and the various alternative bundles he can acquire starting respectively from each initial

endowment, through the use of trade and production (what is called his "exchange entitlement mapping)" (Sen, 1986).

According to Aslanbegui and Summerfield:

Entitlements are the means to the goal of expanding capabilities. They are in turn affected by the endowments or ownership patterns of society (the entitlement to food of a landless labourer differs from that of a poor peasant who owns some land). Endowments are not the only influence on entitlements, however. Given the same ownership bundles, people's positions in the productive process can influence their entitlements. Landless labourers must exchange labour power for a wage, while landless sharecroppers own part of their product...Furthermore, one's entitlements will be influenced by employment prospects, what can be produced by one's labour power or the labour power that one can mobilize, and state policies such as social security or free health care (Aslabegui and Summerfield, 1989: 344).

Therefore, the capacity for a person to avoid hunger will depend on his resource endowments and on his purchasing power for acquiring food bundles. It will also depend on overall state policies guaranteeing access to basic needs as occurs in modern welfare states.⁹

The social situation of an individual can worsen if for some reason or another the price of food increases thus exerting unfavourable impacts on his exchange entitlements. Hence, his capacity to acquire food can worsen for reasons that have nothing to do with global supply or availability of food. Given that same

⁹. As Sen points out hunger, or even famines would also occur in advanced capitalist countries if it were not for the social policies of modern welfare states:

The reason why there are no famines in the rich developed countries is not because people are generally rich on the average. Rich they certainly are when they have jobs and earn a proper wage; but for large numbers of people this condition fails to hold for long periods of time, and the exchange entitlements of their endowments in the absence of social security arrangements could provide a very meagre commodity bundle indeed. With the proportion of unemployment as high as it is, say, in Britain or America today, but for the social security arrangements there would be widespread starvation and possibly a famine. What prevents that is not the high average income or wealth of the British or the general opulence of the Americans, but the guaranteed minimum values of exchange entitlements owing to the social security system (Sen, 1981:7).

national food availability, if certain social groups that are increasing their wealth continue buying food this can influence the rise of food prices and hence reduce the purchasing capacity (or exchange entitlement) of the rest of the population. Similarly, his wages can fall behind prices. Or the price of necessary resources for the production he engages in can go up relatively. "These diverse influences on exchange entitlements are as relevant as the overall volume of food supply vis a vis population "(Sen, 1981:4).

Droughts, floods, general inflationary pressure, sharp recessionary loss of employment and so on, can all in their own way deprive large sections of the population of entitlement to adequate food...That famines can occur even without any decline in food output or availability per-head makes that metric particularly deceptive" (Sen, 1987: 10).

As Sen points out the purchasing capacity or exchange entitlements of a person depends on the position he occupies in the social structure of society and on the modes of production.

To understand poverty in general, hunger or outbursts of starvation it is necessary to analyse not only the patterns of property and exchange entitlements but also the forces which work behind these factors. This requires a careful consideration of the nature of different modes of production and the structure of economic classes as well as their interrelations (Sen, 1981:6).

While Sen's concept of "entitlement" has been subject to substantial analysis and debate (See Gore, 1991) it can also be set in a wider perspective related to differing regimes of accumulation and the concept of "social articulation".

In the 1970s and 1980s critical social sciences oriented themselves, in large measure, to the analysis of the crisis of capitalism. Two schools of thought stand out in this respect: the French School of Economic Regulation, or Regulationists, and the Social Structure of Accumulation theorists. Both set for themselves the task of analyzing the changing "accumulation regimes" in terms of structural or institutional factors. While both had in mind the global crisis of capitalism, not much was

said in their of approaches with regard to the problems of the Third World.¹⁰

The regulationists reintroduced in their economics the stage theory of development: capitalism passed through different phases characterized by differing "regimes of accumulation" each of which "represents a distinct pattern of economic evolution which, though limited in historical time, is relatively stable (Brenner and Glick, 1991: 47).

...the content of the regularities defining the pattern of economic growth that constitutes a regime of accumulation is viewed largely as an expression of institutional structures governing intra- and inter-firm relations, the relations among capitals and the relationship between capital and labour - namely the mode of regulation...Each mode of regulation is constituted by a relatively integrated network of institutions that reproduces the fundamental capitalist property relationships, guides the prevailing regime of accumulation and helps make compatible the myriad of decentralized decisions, potentially contradictory and conflictual taken by the economy's individual units. It functions, in particular, so as to achieve 'a certain match between the transformation of the conditions of production (volume of capital employed, distribution between branches, and norms of production) and transformation in the conditions of final consumption (norms of consumption of wage workers and other social classes, collective expenditures)' (Brenner and Glick, 1991: 47/48).¹¹

Various phases of capitalist development are therefore investigated. Essentially, two regimes of accumulation - the

¹⁰. For an comparison of the regulationist school with the "social structure of accumulation theory" (see Kotz, 1990). A critical analysis of the Regulation Approach is presented by Brenner and Glick, 1991).

¹¹. The combination of mode of regulation with regime of accumulation gives rise, from the Regulationist standpoint, to a distinctive "mode of development", with a distinctive type of cyclical, non-threatening and self-regulating crisis. The extension in time of each mode of development ultimately issues in a series of ever more crippling contradictions, which result from the fetters imposed by the already-existing mode of regulation upon the regime of accumulation. As the mode of development reproduces itself, hitherto virtuous circles thus give way to increasingly vicious circles. The outcome is a structural crisis... (Brenner and Glick, 1991: 48).

extensive and intensive - and two modes of regulation - the competitive and monopoly, are presented. But what is the main interest of the regulationists is the analysis of the Fordist regime of the post- World War II years and the reasons for its breakdown beginning the late 1960s.

The emphasis placed by the Regulationists on structural and institutional factors brings to mind much of the problematic discussed by the Latin American structuralists and dependentistas in the 1950s and 1960s (see Kay, 1989). Yet the stages of development theory in Latin America never reached such elaboration. It is generally considered that development in Latin America passed through the Primary Exports and Import Substitution Industrialization phases and at present is embarked in a fullfledged "apertura" or opening to the world market. These represent different phases in the development processes of Latin America as a whole.

Another conceptualization which initially was used to point out the differences between Third World economies and those of the First World is related to what de Janvry and Amin call "social articulation".

According to de Janvry and Saudoulet:

The logic of growth under social disarticulation is best understood by contrast to the logic of growth under social articulation. Under social articulation, wages create the bulk of final demand for all sectors of the economy. This implies that, once full employment is obtained, steady-state growth requires that any increase in the productivity of labor in the sphere of production must be matched by an increase in real wages in the sphere of circulation. Labor is simultaneously a cost and a benefit for capital: a cost in that all wage payments are a subtraction from profits, and a benefit in that the mass of wages paid creates the necessary effective demand for the products to be sold and for capital to return to the form of money. Growth and income distribution are, thus, indissolubly tied together in an ultimately progressive manner even if the nature of this relation is marked by serious class confrontations and recurrent economic cycles and crises"(de Janvry and Saudoulet, 1983: 279).

Conversely,

Under pure social disarticulation, by contrast, labor is only a cost to capital. Non-worker's incomes create both the source of savings and the expanding final demand for

the key growth sectors. Repression of workers' wage demands becomes a condition to accelerate growth as this expands simultaneously the capacity to produce and the capacity to consume of the economic system. Growth finds its roots in increasing inequality, and the only limit to inequality is the relative power of labor versus other classes. This relation tends to become institutionalized in repressive and non-democratic forms of government" (op. cit.)¹²

"Social articulation", in the terms in which de Janvry and Soudoulet present it, can be related to the Fordist regime of accumulation of the French regulationist school in that mass production inducing large productivity gains results in increased wages and mass consumption of wage goods (see Boyer, 1989). Nevertheless, "social articulation" need not refer to a distinct pattern of development qualitatively different from a "socially disarticulated" ones. A continuum from more to less articulation can be considered in the context of different phases of development and with reference to differing institutional and structural contexts.

These concepts apparently refer to different institutional settings which result in alternative mechanisms for the workings of the economic system. "Social articulation" tends to be more "progressive" incorporating wage earners, peasants and other lower income groups into the production and consumption matrix. On the other hand, the more "socially disarticulated" regime tends to be more exclusive or marginalizing for the lower income groups of society. If mostly wage or other "basic" goods are

¹². A broader instance of social disarticulation than the pure case is one where the working class does participate in consumption of key sector goods but its consumption does not expand on the basis of rising individual incomes. The market for key sectors' goods thus expands horizontally on the basis of growing employment at constant wages and vertically on the basis of rising per capita incomes for non-workers. For as long as the economy is under conditions of surplus labor and workers' wages are fixed, social articulation thus remains unlikely. Since - with labor saving technology, - employment creation is low relative to growth, the dynamics of key sectors' market expansion remains principally based on rising non-workers' incomes (de Janvry and Soudoulet, 1983: 279). _

produced, the situation is different from if mostly "luxury" goods are considered. Amin and de Janvry visualized this to differentiate the situation in Third World countries in relation to that prevailing in the advanced capitalist economies, the latter being mainly the "articulated" economies.

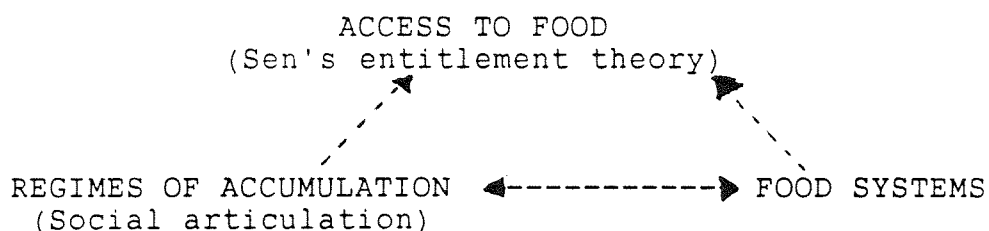
Another concept we present in this paper is that of "food systems". Spitz points out that this is a term that has come increasingly in current use but that "every author has his definition of it or, if not, uses it in his own way" (Spitz, 1985: 376)

It is often a handy way of referring to what used to be called circuits of food products: production, processing, marketing, distribution and possibly also the inputs necessary for agricultural production... Sometimes, analysis in terms of food systems also includes analysis of the relations between economic, social and cultural factors, which may affect groups at various levels (local, national and international) (Spitz, 1985:376).

In this paper we assume that food systems change in relation to changes in the regime of accumulation. A food system can contribute to social articulation if it is oriented mainly to the production of "wage" or "basic" food goods; it reinforces "social disarticulation" when mainly "luxury" goods are produced. In this sense a food system refers to a particular social and economic "space" within the context of the national economy.

The relations between these three groups of conceptualizations are presented in Figure 1.

Figure 1



Access to food is influenced by the "regime of accumulation" (the degree of social articulation inherent in it), and by the characteristics of the food system. Moreover, the food system is also influenced by the regime of accumulation and interacts with it.

Adjustment policies and social disarticulation

Since the mid-1970s successive governments in Argentina applied a series of market oriented adjustment policies following a neo-liberal monetarist stance. Presumably these policies were to guarantee the "free workings of the market," by eliminating "excessive state interventionism" and the fiscal deficit, controlling increases in real wages and "opening up" the economy to world markets. After a period in which mostly short-run adjustment policies were applied, "structural adjustments" (privatizations, with or without debt for equity swaps, full liberalization of different markets and, in particular, the flexibilization of labour markets) became the main economic policy elements which according to the IMF and World Bank were necessary to control inflation, increase growth and guarantee international creditors that foreign debt would be repaid.

Key elements of these adjustment policies were the wage and incomes policies. Whether due to a greater "flexibilization" of labor markets, direct controls on real wage increases (especially the state sector), or limitations of different sorts on the power of trade unions, wages became the main "adjustment variable" of these policies. Presumably, all this was necessary for inflation to be curbed and a greater "governability" of the economy be attained.

Since the mid 70's a series of welfare measures and social policies established previously were also "flexibilized" thus reducing "indirect wages" for the majority of wage earners.

These policies led, on the whole, to a fall in real wages (both direct and indirect) and in the share of wages in national income. As a consequence, the domestic market which had been largely expanded under import substitution industrialization was also reduced and activities oriented to the production of wage-goods tended to have their expansion capabilities limited. To a large extent this affected small and medium sized firms, based in Buenos Aires or in the interior of the country, that in previous decades had expanded substantially under the umbrella of import substitution industrialization policies. These

industries and activities occupied a significant proportion of the economically active population, in particular, that pertaining to the manufacturing industrial labour force.

On the other hand, firms associated with the large conglomerates or grupos económicos¹³ operating in manufacturing, commerce, services or finance activities that sold mostly "luxury" goods or services oriented to the demand of upper income groups, -mainly non-wage income earners- or foreign markets, on the whole, were expanded. Nevertheless, these activities were not as labour absorbing as the traditional "wages-goods" and industries. The financial sector of the economy also grew in large measure due to the importance successive governments gave to speculative and financial activities in the wake of high interest rates and a substantial foreign and domestic indebtedness.

The series of services traditionally provided by the state to wage earners and the lower income strata of society -health, education, social security, housing, etc.- all of which in essence constituted important indirect wages were also reduced and/or deteriorated substantially. The state also provided low productivity employment for much of the unemployed or underemployed expelled from the productive sectors of the economy.

These were some of the elements inherent in a new regime of accumulation that tended towards increased social disarticulation. Large income transfers to upper income strata of society continuously reinforced through activities that constituted the basis of expansion of the large grupos económicos in detriment to those catering to the demand of wage earners and the popular sectors of society. For those firms producing "luxury" goods wages constituted basically a "cost" which could be substituted or eliminated, almost never a demand

¹³. In recent decades a new economic power structure whose upper segments were formed by large domestic and transnational conglomerates, the so-called "grupos económicos" (economic groups) were very active influencing public policy and becoming some of its main beneficiaries (See Azpiazu, Basualdo and Khavisse, 1989).

factor, hence the domestic market tended to lose its relevance.¹⁴

The model tended to reinforce itself continuously. As wage goods industries or activities did not expand or closed down, the occupational structure of the economy changed. A vast proportion of the industrial workers that previously had been employed in plants of the Greater Buenos Aires, Rosario and other large urban areas, lost their jobs. Many became self-employed, small traders, taxi drivers or members of the so-called "informal" sector catering, to a large extent, to the demand of upper income groups, the upper segments of the construction industry or the ever increasing service sector. The country slowly became, so to speak, latinamericanized as the share of wages and lower incomes in national product fell and unemployment, underemployment and multiple forms of precarious employment became structural features of Argentine society. The marginalization and impoverishment of vast sectors of the population also became a logical consequence of these processes.

Data and trends.

In the 1980s - the "lost decade" for Latin America as a whole - the Argentine economy exhibited one of the worse performances of the continent. Global production stagnated or fell, income distribution became much more regressive, unemployment and underemployment rose, labor markets were "flexibilized" with "precarious" and "informal" employment becoming some of their more permanent features, and poverty and

¹⁴. The share of wages in GDP fell from about 43% in the early 1970s to about 23% in the late 1980s. If the incomes of the self employed and "informal" sector are also considered the overall income of these groups is estimated to be no more than about 30% of GNP. In the advanced capitalist countries the share of wages in national income is much higher. In the US it was about 73% in recent years. Advanced capitalist countries tend to be much more articulated in the terms in which de Janvry puts it. This also has much to do with the Fordist regime of accumulation of the post World War II era. The argument need not be related to the degree of "openness" of the economy to world markets. Let it be noted that in this respect highly industrialized countries also trade among themselves mostly wage goods.

marginality were increased substantially. The hyperinflations of 1989 and 1990 only magnified and intensified these trends. Argentina was, thus, submerged in an acute process of underdevelopment.

Some of the indicators of these trends are the following:

1. In the period 1981-1989 overall GNP fell 13% while GNP per capita did so by 23.5% (CEPAL, 1989). This fall in income per capita was greater than that experienced by almost all other Latin American countries except Bolivia, Peru, Nicaragua and Guyana. In this period GNP only increased in four years and fell in five. In 1989 GNP fell 5.5% one of the worse yearly rates of the decade. These trends reversed the moderate growth rates sustained by Argentina during the 60's and part of the 70's.

2. This fall in GNP was in large measure due to the fall in the output of manufacturing industry (-22.8%) and construction (-57% in the period 1980-1988) only partially compensated by increases in agriculture GNP (+10.6%). Lower manufacturing output and employment followed trends which had begun in the 1970s. The recent industrial census shows that between 1974 and 1985 total number of industrial firms fell by 14%, industrial employment by 10% and hours worked in industry by some 30%. Textiles, light metallurgical products, wood and furniture, and even some food, beverage and tobacco industries all of which were on the whole quite labor-intensive, occupying an important part of the industrial labour force, sustained reductions. On the other hand, paper products, chemicals, plastics and petrochemicals which are not as labour absorbing but which increasingly contributed to industrial exports, grew substantially (Dorfman, 1988). Increases in agricultural production were due mostly to the growth of 4 or 5 grain and oilseed products, as well as milk and poultry products. Beef and sheep production fell as did that of the traditional agroindustrial crops of the interior (wine and yerba mate).

3. Following an outward orientation of the economy some exports (mostly cereals, oilseeds and other agricultural products) increased throughout the decade contributing to the development

of substantial balance of trade surpluses, which alone in 1989 amounted to US\$ 5368 million. Nonetheless, these continuing balance of trade surpluses were not used to enhance productive investments, which in 1989 represented in real terms less than half what they had been in 1980. Investments which in 1980 amounted to 23.7% of GNP fell in 1988 to 11.7% and thereafter continued falling.

4. Therefore, we are confronted with another factor which contributed to "social and sectorial disarticulation": balance of trade surpluses which were not used to increase growth but mainly to pay for foreign debt servicing and capital flight. From 1983 onwards an average of about US\$ 5 billion per year were used for foreign debt servicing. These payments represented about 50% of exports and between 5 and 8% of GNP (CEPAL, 1989, FIDE, May 1990). Despite these payments foreign debt continued increasing from about US\$ 43 billion in 1984 to about US\$ 61 billion in 1990 (CEPAL, 1989). Moreover, total deposits of Argentine nationals in international banks is estimated to amount to US\$ 50 billion (The Economist, 1992: 20).

5. Except in some years, real wages fell throughout the 1980s, especially during the hyperinflations of 1989 and 1990. In September 1989 average real wages were 58.9% of the level attained in 1983. In 1989 they fell by some 27% leading to a worsening of income distribution. In manufacturing, wages increased much less than productivity rates.

6. Unemployment and underemployment also increased in the 1980s. In 1989 the rate of unemployment was about 8.1% of economically active population while underemployment ascended to 8.9%. More than 2 million people were unemployed in that year. To this could be added much of the "informal sector" which according to one estimate included 1.480.000 persons (FIDE, May 1990). Therefore, the degree of unemployment (including "disguised" unemployment) was substantial indeed. Precarious employment also increased throughout the decade.

7. A crucial feature of the new development model established in Argentina since the mid-1970s was the worsening of income distribution. Table 1 shows that distribution of household

income worsened substantially in recent years. While in 1974 the highest decile income households absorbed 27% of total income and had an average income per-capita of U\$S 3261, the lowest 10% income households only absorbed 2.7% of total income with an average of 333 dollars per year. In 1988 the share of total income of the upper decile income households had increased to 33.8% of total income despite average income falling by 26% to 2426 dollars per year. The poorest 10% of the population reduced their share of total income to 1.6%, and their average income fell to 114 dollars per year. On the whole, the share of total income of almost all the income deciles of the population except the upper two deciles was reduced between 1974 and 1985. Average income was also reduced. This fall in income is inversely related to average income: the lower income deciles show the greatest reductions in average income. This implies a greater concentration of income as a result of these trends and a worsening of household income distribution. In 1988, 65% of all households had incomes which were - in constant values - no greater than the incomes of the lower three income deciles in 1974 (Beccaria, 1991: 4).8.

8. Finally, and most important, is data on changes in poverty rates in Argentina. In the 1980s poverty increased substantially. According to estimates by Minujin the number of "poor" households in the Greater Buenos Aires Area increased by 73% in the 1980-1988 period. Not only did absolute poverty increase but what mostly increased was the proportion of the newly "impoverished", "new poor", or "pauperized" segments of the population, that is people who were not "structurally" poor, but who in recent years became impoverished.¹⁵ This refers to people who did not have

¹⁵. According to Minujin (1991) these "new impoverished" or "pauperized poor" are those sectors of the population who due to a strong descending social mobility have seen their living conditions deteriorated, reaching levels equivalent to the traditionally poor, and much below what the living standards of preceding generations had been. "This doesn't refer to an inherited poverty, but to an acquired one, a situation in which people have been pushed into, due to the crisis, stabilization and adjustment processes" (Minujin, 1991: 1). The distinction between the "structural" poor and the "new or impoverished poor" is also associated with different methods of calculation. While

unfulfilled basic needs (according to the methodology used by Minujin and others) but which in the period under consideration, fell below the poverty line (See Minujin, 1991). The number of "new impoverished" or "pauperized" households increased by 300% in this period much more than the "structurally poor" which increased by no more than 16%. These new impoverished households refer basically to strata pertaining to the middle classes, including many retired people. The new impoverished represented 62.8% of the total poor in 1980, and 82.5% in 1988.

Table 1

DISTRIBUTION OF HOUSEHOLD INCOME PER-CAPITA

Decil	1974		1988		% Variation 1974- 1988	
	% of Income	Average Income	% of Income	Average Income	As % of Income	Average Income
1	2.7	333	1.6	114	-42	-66
2	4.3	517	3.0	214	-30	-59
3	5.3	644	4.1	297	-22	-54
4	6.4	775	5.3	382	-17	-51
5	7.6	923	6.4	458	-16	-50
6	8.6	1037	7.7	552	-10	-47
7	10.2	1232	9.5	683	-7	-45
8	12.3	1492	12.0	862	-3	-42
9	15.6	1876	16.7	1199	7	-36
10	27.0	3261	33.8	2426	25	-26
Total	100.0	1209	100.0	719		-41

Source: Beccaria, 1991, table 1, p. 2.

Trends in food consumption patterns

"structurally poor" households refer to those with basic needs unfulfilled (mostly deficient housing, education, and other basic needs) households below the "poverty line" are those with insufficient incomes to maintain themselves within a certain standard of living bracket. The latter are considered to be the "newly impoverished poor".

Throughout the period we have been considering food consumption per-capita fell, a factor which reflects deteriorating food conditions and nutritional standards of the population.¹⁶ In part this was due to the fall in wages and the decline in the standards of living of much of the population; but this also could be construed to have been due to increases in food prices. Both these factors influenced "access" to food for the bulk of the population.

1. Food consumption measured by the Food Balance Sheet approach (production + imports - exports + stock variations) (see Parikh and Tims, 1988:8) for some of the "basic foods" consumed in Argentina (meat, milk and dairy products, eggs, flour, sugar, vegetable oilseeds) tended to decline. While in 1975 each person consumed per-year an average of 350 kg. of these foods, in 1986 average consumption had been reduced to 318 kg. per year. This factor could reflect some of the limitations of the export strategies put into effect in Argentina in recent years. While cereal and oilseed exports expanded substantially, this apparently was done at the expense of domestic food consumption, especially of the lower income groups of society. This also reflects the lack of an adequate food policy.

2. Declining food consumption also implied a reduction of the calory intake of the population provided by these basic foods from about 2496 calories per-capita in 1975 to about 2200 calories per capita in 1986. This trend continued after 1986, and in particular in 1989 and 1990, when the nutritional standards of the population fell abruptly.

3. Information on national food consumption does not reflect the trends of consumption by social strata, nor the types of foods being consumed, that is, the patterns of food consumption of the community as a whole. Table 2 provides some indication of

¹⁶. Data on this is of course scanty. It has been elaborated on the basis of periodical surveys carried out in the urban areas of Argentina. Since no widespread study analyzing the nutritional standards of the population has been made, we take this as a proxy of that situation. It can also be considered to reflect changes in the structure of the food system.

Table 2

FOOD AND BEVERAGES CONSUMED IN 1965 AND 1985/86. (In Kgs. per-capita per year)		
ITEM	1965	1985/86
Beef	69.5	67.0
Lamb meat	2.7	0.4
Pork meat	2.7	0.8
Poultry	11.0	17.1
Fish and Sea Products	6.8	3.8
FRESH MEATS	92.7	89.1
Canned/frozen Meats and fish	1.2	0.8
Vicerias	4.8	3.2
Cold meats and sausages	7.9	7.9
COLD/CANNED/MEATS	13.9	11.9
Fluid milk	102.0	70.3
Powdered milk	0.3	1.3
Condensed milk	1.0	0.5
Milk Caramel	1.7	1.9
Butter	3.5	1.7
Yogurt	...	5.0
Cheese	12.0	11.5
DIARY PRODUCTS	120.5	92.2
EGGS	13.75	11.71
Fresh vegetables	169.0	106.0
Fresh fruits	85.0	61.0
Frozen fruits	4.4	1.9
Frozen vegetables	8.1	7.9
Dry beans and veg.	3.6	1.4
Dry fruits	1.6	0.5
VEG/ AND FRUITS	271.7	178.7
BREAD/CEREAL/PASTA	121.3	101.4
Sugar and Sweets	32.3	26.8
Oils and fats	16.1	15.1
Infusions	12.3	10.0
Other	11.7
SUG/OILS/INF/OTHER	60.7	63.6
TOTAL FOOD CONSUMPTION	694.55	548.6 (-21%)
BEVERAGES	190.0	158.5 (-17%)

SOURCE: Diaz, D. and Russo, C. (1988). Based on a survey by CONADE, 1968 and several surveys by INDEC in 1985/86.

Table 3

CHANGES IN FOOD CONSUMPTION OF POPULAR STRATA, 1965-1985/86 (In Kg. per person per year)									
Items	Strata 4			Strata 5			Strata 6		
	1965	1985	%var	1965	1984	%var	1965	1985	%var
Meat/fish									
poultry	111	97	-13	103	81	-21	79	69	-13
-poultry									
meat	11	17	54	9.1	9.0	..	5.2	9.4	80
Milk	120	67	-44	107	58	-46	85	52	-39
Dairy products	19	16	-17	14	10	-33	10	8	-18
Eggs	12	12	-2	12	10.	-16	7	9	+23
Fresh Veg.	196	109	-44	172	91	-47	136	78	-42
Fresh Fruit	94	56	-41	77	41	-46	43	37	-13
Dry/fruit / veg	15	8	-44	11	6	-45	5	3.4	-31
Prepared foods	.8	4	400	.3	3.2	970	.2	1.7	750
Bread/cer /pasta	125	106	-15	122	103	-15	122	102	-16
Oils	16	15	-6	14	11	-26	12	9.6	-16
Margarine	.9	.6	-33	.7	.3	-57	.5	.2	-60
Sugar	25	21	-14	23	20	-11	20	16	-23
Tea	1	.3	-73	.7	.3	-57	.4	.3	-25
Coffee	3	1.3	-57	3.7	.8	-78	1	.3	-70
Yer.mate	7.1	6.8	-4	7.4	6.2	-16	7.4	4.4	-40
Total Foods	745	519	-30	668	442	-34	527	390	-26
Total Beverages	114	84	-26	100	68	-32	76	46	-39

Source: (Diaz and Russo, op. cit). The three strata here presented refer to the lowest income groups of society classified according to degree of schooling of heads of households, that is % of primary school incompleted. It was considered that this indicator is the one that best reflects income levels. Strata 1: 0.0 to 9.9% of primary school incompleted; Strata 2, 10.0 to 19.9%; Strata 3: 20 to 29.9%; Strata 4: 30.0 to 39.9%; Strata 5: 40 to 49.9% and Strata 6: more than 50% primary school incompleted (INDEC, 1985/86).

Table 4

FOOD EXPENDITURES AS A SHARE OF TOTAL EXPENDITURE ACCORDING TO INCOME LEVELS, 1969 AND 1985/86 (From lower to higher quintile levels)						
	1st.	2nd.	3rd.	4th.	5th.	Total
1969/ 70	45.23	41.15	35.96	29.84	22.91	31.22
1985/ 86	53.0	49.5	44.2	39.0	29.5	38.2

Source: INDEC

changing food consumption patterns in Argentina. While information is fragmentary since it is based on not completely comparable surveys (see Diaz and Russo, 1989) carried out in 1965 and 1985/86 they are, nonetheless, roughly indicative of basic trends. Consumption of fresh and processed meats, dairy products (in particular fluid milk), eggs, fruits and vegetables, bread, cereals and pasta, sugar and vegetable oils all fell throughout the period. On the whole in 1985/86 the volume of food consumption per-capita had fallen 21% while 17% less beverages were consumed. Consumption of fluid milk (-31%), fresh vegetables (-37%), fruits (-28%) and dry beans (legumbres) (-61%) fell quite markedly. On the other hand, consumption of poultry products, yogurt and other processed foods, oriented in large measure to more upper income strata, increased.

4. Among the lower income strata of society this fall in food consumption was quite substantial indeed. Table 3 registers food consumption patterns for the lowest three income strata of society in the same period considered above.¹⁷ As can be noted lower income groups reduced their consumption of fluid milk, fruits and vegetables, processed or canned fruits, wine as well as beverages such as tea, coffee and yerba mate. These items were also partially compensated by increases in the consumption of poultry meat, powdered milk, "other" dairy products (yogurt), prepared meals, crackers and soft drinks, that is, more expensive

¹⁷. Income strata divisions are based on household educational standards, see the research project INDEC, 1985/86.

processed foods. Food consumption per-capita of the lower income

Table 5

INDICES OF TOTAL FOOD EXPENDITURE ACCORDING TO LEVELS OF EXPENDITURES. Buenos Aires Metropolitan Area, 1985/86. (Lowest quintile income level = 100)					
Items	1st	2nd	3rd	4th	5th
Bread	100	103	126	129	156
Flour and rice	100	109	131	140	131
Noodles/Pasta	100	113	157	175	200
Fresh meats	100	121	140	140	147
Cold/canned/meat	100	143	220	286	345
Fish/sea/prods.	100	163	185	352	459
Oils and fats	100	122	165	159	168
Milk	100	120	124	137	134
Dairy products	100	151	218	254	344
Eggs	100	116	150	160	150
Fruit	100	146	219	259	300
Vegetables	100	118	148	161	177
Beans	100	167	257	353	437
Sugar/sweets/	100	101	135	144	159
Cocoa and prod.	100	238	470	725	1001
Candy	100	127	187	322	421
Tea/coffee/y.mate	100	134	210	241	315
Spices/condim.	100	101	149	190	237
Prepared foods	100	137	175	254	355
Foods prepared for consumption	100	193	369	757	2390
Soft drinks	100	126	150	163	191
Alcoholic/bev	100	135	169	188	295
Meals at work	100	160	234	344	587
Meals away from home	100	255	854	1760	6750
TOTAL FOOD EXPENDITURES	100	125	163	191	252

Source: (Diaz and Russo, op. cit.) based on surveys by INDEC

Table 6

STRUCTURE OF FOOD EXPENDITURES (Share of each food item in total food basket) (Federal Capital and Greater Buenos Aires, 1985/86)						
ITEM	TOTAL %	Quintiles				
		1st	2nd.	3rd.	4th.	5th.
Bread/Pasta cereals	13.9	16.6	13.9	13.4	12.5	10.5
Meats/Fish	25.9	28.5	28.2	25.6	23.5	19.4
Oils/Fats	2.5	2.7	2.6	2.7	2.2	1.8
Milk/eggs	12.2	12.3	12.8	12.5	12.0	10.8
Fruits/Veg.	15.2	15.0	15.4	16.8	15.6	13.5
Sugar/cocoa	3.6	3.6	3.3	3.6	3.9	3.6
Infusions/ prepared foods	7.6	5.9	6.4	7.7	9.3	10.7
Non- alcohol/bev	5.5	5.9	5.9	5.4	5.0	4.4
Alcohol/ beverages	4.3	4.1	4.5	4.3	4.0	4.8
Food away from home	9.4	5.3	6.9	8.8	11.9	20.6
TOTAL FOOD EXPENDITURE	100.0	100.0	100.0	100.0	100.0	100.0

Source: Same as table 5.

strata fell 26 to 30%, more than the average fall in food consumption of the population as a whole.

5. Consumption patterns of lower income groups are different from the average consumption patterns of the population as a whole. A comparison of Tables 2 and 3 shows that in 1985/86 persons included in the three lower twenty percent income brackets consumed on the average more bread, cereals and pasta than the average for the population as a whole.

6. Surely declining trends in food consumption have many causes. But before trying to explain this let us analyse data on food expenditures for several population strata. Apparently the share of expenditures on food in total expenditures has not declined in the past 20 years, and even may have increased. Data presented

in Table 4 refers to the share of food in total expenditures for five income strata as well as for the population as a whole.¹⁸ As could be expected the share of food consumption in total expenditures in both periods considered was much higher for lower income groups than for higher income ones. In the 1985/86 period this share for the lower fifth income strata of the population represented more than half of total expenditures.

7. Higher income groups spent more money on food in absolute terms than lower income groups. According to data presented in Table 5 people in the highest quintile income bracket spent two and a half times more money on food than those in lowest quintile income bracket. In absolute terms they spent more money on noodles and pasta, cold meats and sausages, fish and sea products, dairy products, fruits, vegetables, cocoa, candy, and several infusions. They also spent much more eating prepared foods and eating away from home not only at work but also for entertainment.

8. A more detailed analysis of food expenditures shows that such important items as bread, cereals, fresh pastas, oils and fats, fresh vegetables, all of which are considered to be necessary foods in terms of their contribution to calory intake represented a much larger proportion of total food expenditures for the lower income groups than for the higher income ones. On the other hand, dairy products, fresh fruits, tea, coffee, yerba mate and prepared foods, including food consumption outside the home represented higher proportions of food expenditures for the higher income groups than for the lower income ones (see Table 6).

¹⁸. Data of both periods are not strictly comparable because in the more recent surveys imputed household rents are included while previously they were not.

Table 7

INDICES OF BASIC REAL WAGES AND COSTS OF BASIC FOOD BASKET						
YEAR	Basic Food Basket, 1974=100		Real Wages of Unskilled Worker, 1974=100		Share of Food in Real wages	
	March	Sept.	March	Sept.	March	Sept.
1974	100.0	93.8	100.0	97.8	16.8	16.1
1975	88.0	83.5	98.1	63.5	15.2	17.5
1976	84.5	89.5	47.8	46.5	23.5	32.4
1977	101.3	100.7	42.1	39.9	31.9	42.4
1978	98.2	103.2	31.0	25.8	53.1	67.3
1979	108.9	110.9	44.2	41.6	45.9	43.4
1980	114.2	118.3	32.3	47.5	59.4	41.9
1981	120.5	107.4	44.2	41.6	45.9	43.4
1982	101.6	89.5	35.0	42.8	48.9	35.2
1983	83.3	93.9	44.6	52.5	32.2	30.0
1984	98.7	98.1	55.5	64.7	29.9	25.5
1985	95.3	86.0	51.6	40.5	31.1	35.9
1986	103.9	114.5	45.5	59.5	37.7	32.1
1987	116.9	120.3	55.8	55.6	35.2	43.4
1988	100.7	94.3	46.4	41.0	36.6	38.7

Source: INDEC (1985/96).

9. In Table 7 we present data on real wages, the cost of the basic food basket as determined in Table 8 and the share of this basic food basket in total expenditures. As can be seen up to March 1981 the cost of this basic food basket increased, thereafter it fell somewhat, and in the second half of the 80s continued rising once again. In September 1987 it had already reached the level attained in 1981. On the other hand, real wages of a standard non-skilled worker fell quite dramatically in the second half of the 1970s only to recuperate slightly in 1984/85. Thereafter, they continued their downward trend, which became

Table 8

MINIMUM FOOD BASKET OF MALE WORKER OF 35 to 59 YEARS OLD	
ITEMS	Kg./ month
Bread	6.06
Biscuits salt	0.42
Biscuits sweet	0.72
Rice	0.63
Wheat flour	1.02
Other flour (corn)	0.21
Noodles	1.29
Potatoes	7.05
Sweet potatoes	0.69
Sugar	1.44
Sweets and Jams	0.24
Dry vegetables (peas, lentils, beans)	0.24
Vegetables (onions, lettuce, Tomatoes, carrots, canned tomatoes, etc.)	3.93
Fruits (bananas, apples, oranges, tangerines)	4.02
Meats (beef, poultry)	6.27
Eggs*	0.63
Fluid milk**	7.95
Cheese	0.27
Vegetable oils**	1.20
Soft drinks and juices**	4.05
Other beverages**	3.45
Salt	0.24
Vinegar	0.09
Coffee	0.06
Tea	0.06
Yerba Mate	0.60
* One egg weighs about 50 grams	
** litres	

SOURCE: INDEC,

acute during hyperinflation in more recent years. Finally the share of the basic food basket in real wages is presented. In 1974/75 this constituted only about 15/17% of the basic wage rate; this proportion was substantially increased, reaching a peak in 1978/79 of more than 60% of wages. Thereafter this share descended once again reaching a relatively low level in 1985. The share of food expenditures in total wages increased once again in the late 1980s. Evidently, many are the factors which influence this indicator coming from the side of wages, on the

one side, and food prices, on the other. Some combination of both factors could have influenced these increases in the share of expenditures used in purchasing food.

Changes in the agrofood system

The Argentine food system used to provide cheap staple foods which permitted, at certain times, a relatively high standard of food consumption for the lower income strata of society. But in recent decades the food system underwent a series of transformations which have influenced the price of food. Hence access to adequate food costs more as particular food prices tend to increase, many times even more than the general price level.

Several are the factors that exert an influence on this situation:

a) In a country where traditionally the main agriculture and livestock exports were also staple foods consumed domestically price policies related to export strategies exerted an important influence on domestic food prices. New agro-export strategies of recent years led to increases in domestic prices of traditional grains and oilseeds as well as of new export commodities (in the case of Argentina the new oilseed complex emerged as the dominant agrofood complex in the last two decades). The production of these new export commodities required new technologies and input packages, which implied important changes in the structure of rural society reducing the stability of the small farmer in the Pampa areas.

Despite substantial increases in agricultural production and productivity due to the introduction of double-cropping, share-cropping and new technologies, agricultural prices did not fall. Several were the factors influencing the increase in domestic agriculture and food prices: devaluation pressures which were then transmitted to the general price level and in particular to domestic food prices. Many of these agriculture price increases were thereafter transferred to agroindustry. Pressures to reduce taxes on exports, or on land, also tended to increase domestic agricultural prices. All these factors tended to increase domestic food prices;

The traditional agro-export interests of the Pampas have, on the whole, been favoured by this "boom" in cereal production and by "structural adjustments". Tax reductions on exports or land and trends towards devaluation and foreign exchange liberalization policies were some of the mechanisms used to transfer income to these interests. Rents and profits were appropriated by these agricultural interests in part due to the flexibilization of share-cropping (Aparicio, Giarracca and Teubal, 1991).

b) Domestic and transnational agribusiness expanded its share of food industry and distribution, both wholesale and retail. Most of the branches of the domestic food industry show an increased concentration and centralization of capital. Distribution of food has seen the spread of supermarkets and wholesale supermarkets leading as well to much greater concentration. Large agribusinesses operating in the food industry and in the final distribution of food have become important "price makers", exerting substantial power over the food system as a whole. To this must be added increased vertical integration of much of the food system following trends inherent in the internationalization of agroindustrial capital. New organizational forms which enhance vertical integration of the agrofood chain and contract farming have also increased substantially in recent years (see Aparicio, Giarracca and Teubal, 1991). Agribusiness has also increased its hold of the food system as a supplier of inputs, and in particular, seeds, to the agriculture sector as a whole.

c) The above also led to increased processing of food and to the introduction of new foods, in particular new "brand foods" being sold on the market. These tend to be costlier than the traditional foods since they require more packaging, advertising, etc. They tend to be foods which are oriented to the demand of upper income strata, implying reduced food access to lower income households.

These are some of the factors which have changed the nature of the agrofood system. They have transformed Argentina from

being a relatively "cheap" food producer into a relatively "expensive" one in recent years.¹⁹

Conclusions and final reflexions

The transformation and modernization of the Argentine agrofood system carried out within the context of a socially disarticulated regime of accumulation led to reduced access to food and hence increased hunger in recent years. Access to food was reduced because real wages, employment and incomes of lower income strata of society fell; but also because of changes in the agrofood system tended to increase the price of adequate food. Hence, the share of food in total expenditures - in particular, for the lower income segments of society - also increased reinforcing trends towards a regressive income distribution. Changes in the agrofood system and in the regime of accumulation reinforced each other increasing regressiveness of income distribution, and social and sectorial disarticulation.

The case of Argentina stands apart, in many respects, from the advanced capitalist economies, on the one hand, but also with regards to the largely peasant labour surplus economies of the Third World, on the other.

Social articulation was the basis of the Fordist regime of accumulation in advanced capitalist economies whereby high productivity rates led to increases in real wages, a high share of wages in national income, and to mass consumption patterns. A part of these high real wages was a result of cheap food policies that have historically prevailed, due to substantial agricultural productivity increases and a lowering of the share of food in total expenditures. This in turn implied a high level of demand for industrial products.

High agricultural productivity rates and the "treadmill effect" tended to create the basic conditions for a cheap food policy and hence social articulation. Cheap food was necessary because it lowered the reproduction costs of the labor force, and because it became a source of demand for industrial commodities.

¹⁹. A detailed analysis of the changes operating in the Argentine agrofood system is the subject of another paper.

At present the share of food expenditures in total income has fallen to very low levels indeed so that this factor has a reduced importance. But in previous stages of capitalist development, large increases in global productivity were in large measure a result productivity rises in agriculture and cheap food. Cheap food in recent years has led to surplus food only to be compensated by subsidies to agriculture. Hence, large subsidies provided to farmers in advanced capitalist economies of Europe and the US, has led to large accumulation of surplus food.

In the peasant economies of the Third World the mass of the peasantry tends to be a purveyor of cheap food and a reservoir of cheap labor. Hence, social disarticulation tends to be the predominant mode. Agricultural and food prices are low but determine very low incomes for the peasantry as a whole. "Raising producer prices would generate greater benefits throughout the economy than any other single policy" (Barkin, 1989: 17)). Labour surpluses tend to reflect some of the basic trends inherent in the dynamics of these economies.

Peasant economies tend to produce cheap food via super-exploitation of peasant labour or to be a reservoir of cheap labor itself. Increasingly so peasant economies become a reservoir of cheap marginalized labor. Peasants and landless labourers - unless an agrarian reform which increases peasant income is carried out -, do not count significantly as demanders for industrial or agricultural commodities. Hence in economies with a large peasantry "social disarticulation" tends to prevail.

Disintegrating peasant economies provide cheap labour - surplus labor- to the overall economy. Adjustment policies and labor saving techniques in agriculture and in industry, also increase or create cheap redundant labor. It is not necessarily true that surplus labor in the Third World will tend to exhaust itself. Rather the opposite seems to be prevailing: the disintegration of peasant economies, "structural adjustments" and a greater liberalization of the economy, as well as prevailing "modernization" strategies all seem to be providing for the

constant reproduction and creation of surplus labor to an extent much greater than its absorption (Teubal, 1988).

Land reform and increased prices and incomes for the rural population could thus contribute to greater social articulation. But in essence this seems to be contrary to dominant trends which prevail at present.

Argentina in the 19th century and up to the 1930s, was deemed to be a "rich" country of the periphery (Arceo, 1990), a "new and empty land" which could have followed the Australian or Canadian road to capitalist development. Large differential rents on an international scale due to the soil fertility of the Pampas provided the basis for the horizontal expansion of a dynamic agro-export economy, based on the incorporation of "new and empty lands", massive immigration from abroad and the development of a "settlers capitalism". To a large extent these rents were appropriated by large landowning, marketing and export interests associated with the agro-export economy.

After the crisis of the 1930s import substitution industrialization (ISI) was enhanced. Cheap food policies led to the development of a relatively large domestic market, at the expense of agro-export differential rents traditionally appropriated by agrarian interests. ISI policies implied, to a large extent, the transfer of these differential rents, via a series of mechanisms, to the industrial sector of the economy. Income redistribution based on this appropriation of agricultural rents and cheap food was compatible with the expansion of ISI.

Argentina emerged in the 50s and 60s as one of the countries of Latin America where ISI had advanced most. This implied the development of a relatively expanded middle and working class strata in society. It also implied a relatively developed - by Third World standards - welfare state. Income redistribution reflected in a high share of wages in national income combined with ISI to develop this particular structure of Argentine society.

In recent years this situation has changed substantially. Despite a "boom" in cereal and oilseed production and the increased export orientation of much of the agricultural economy,

all of which increased Argentina's foreign exchange earning capacity, accessible cheap food for the mass of the population was not available. This situation has also been enhanced by the expansion of agroindustry in the inputs and food processing industries. To a large extent rents and profits were appropriated by interests associated with post farm gate processing of agricultural produce and the provision of agriculture inputs. These changes in agrofood system have thus contributed to social disarticulation under the present "regime of accumulation".

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