

## How the Very Poor Survive - The Impact of Hyper-Inflationary Crisis on Low-Income Urban Households in Buenos Aires/Argentina

*Aguirre, Patricia, Dr., Universidad de Buenos Aires, Catedra de Salud Publica y Salud Mental, J. J. Biedma 920, 1405 Cap. Fed. Buenos Aires, Argentina*

**ABSTRACT:** This paper is based on an anthropological research with a longitudinal type of design on the Domestic Consumer Strategies of 30 extremely poor families with undernourished children, living in the Greater Metropolitan Area of Buenos Aires, Argentina. They are analysed on the basis of food intake, as this is one aspect of survival strategies that can be measured.

Domestic Consumer Strategies analyse phenomena such as government policy regarding food programmes, wages and prices at the macrosocial level, and microsocal phenomena like the selective distribution of food in the home by sex and age.

Three periods in the development of survival strategies are covered in this paper: the initial stage (1988), two hyper-inflationary periods, and the following period of stability (1990).

Families living so close to the minimum survival level, where the slightest difference can mean death, did not create new strategies but exhausted tried methods. These are related to:

1. Changes in family composition
2. Diversification of sources of income
3. Self-exploitation

A fourth strategy exists: the extended Family Social Organization that influences all of the above.

Although the strategies are adaptive when considered as transactional systems between the family units and its social environment, this does not necessarily mean that they are successful, in fact none of these strategies allowed the families to maintain their prior food intake. There were even cases when families were trapped in suicidal transactions: maintaining the calorie intake of undernourished children at the expense of mothers and teenagers.

These extremely poor families have systematically been losers during the hyper-inflationary period and also during the stabilization that followed.

### Introduction

What is it that causes families living far below the poverty line to survive and reproduce, even during two hyper-inflationary crises and the no-less-harsh austerity programmes that followed?

In this paper the impact of public policies on the survival strategies of thirty families living in the greater Buenos Aires area during 1988–90 is analysed on the basis of food intake, as this is one aspect of survival strategies that can be measured.

Regarding public policy, it should be pointed out that since 1975, when it became apparent that the import-substitution economic model was no longer viable and a structural adjustment was begun, government spending on programmes affecting popular sectors has been reduced, thus accelerating the decline of social services (eg health, education, welfare) and infrastructure (eg potable water, public transportation, land distribution) affecting their welfare.

The government elected in 1983, when democracy returned to Argentina, attempted a redistributionist policy

Sections of the variable	average kcal % available in homes	average kcal % covered by undernourished
I	135	114
II	99	100
III	85	87
IV	31	70

Tab 1 Value of calorie adaptability in families

first, followed by an unorthodox austerity plan that included welfare programmes. But the failure of these initiatives led to an opposition victory in the next presidential election, followed by savage infighting among power groups and a violent redistribution of income brought about by the first round of hyper-inflation in 1989, when prices rose at a rate of 5% a day. The current government instituted an orthodox austerity plan that, following a new bout of hyper-inflation from December 1989 to March 1990, has led to a stabilization policy, which has meant a sharp decrease in government spending on social programmes and the virtual disappearance of the government's role in popular sectors' reproduction. What these policies have meant over time is that present deterioration must now be viewed as chronic. We will have to wait for the results of this year's surveys whether Argentina's so-called stabilization does not in fact mean an even greater nutritional deficit.

### Theoretical Framework

This paper is based on an anthropological research with a longitudinal type of design on the "Domestic Consumer Strategies" of 30 extremely poor families with undernourished children, living in the Greater Metropolitan Area of Buenos Aires.<sup>1)</sup>

"Domestic Consumer Strategies" involve applying the concept of "Survival Strategies". Thus, we have at our disposal a single analytical tool which links theoretical-methodological phenomena, such as government policy concerning food programmes, wages and prices at the macrosocial level, and microsocioal phenomena like the selective distribution of food by sex and age.<sup>2)</sup>

During the hyper-inflationary period studied, the families used tried methods.

It should be noted that novelty is extremely risky for the very poor families (living so close to the minimum survival level, the slightest difference can mean the death of a family member); therefore, it is not surprising that they exhaust tried methods before creating new strategies. The former are related to:

1. Changes in family composition
2. Diversification of sources of income
3. Self-exploitation

A fourth strategy exists - the "Extended Family Social Organization". It influences all the above, since it is a means to increase the number of family members, diversify income sources, and better resist the demands of self-exploitation.

Although the strategies are adaptive when considered as transactional systems between family units and its social environment, this does not necessarily mean that they are successful. In fact, short-term adaption can be achieved through suicidal behaviour that threatens long-term family reproduction, or when a strategy results in the death of an existing family member.

Three periods in the development of survival strategies are covered in this paper: the initial stage, two hyper-inflationary periods, and the following period of stability.

### Survival Strategies under Conditions of Extreme Poverty

#### Changes in Family Composition

Adjusting the number of members of a household is one traditional strategy adapting to poverty and crisis conditions (a non-poor household in greater Buenos Aires has 3.2 members, a structurally poor household 5.2 (INDEC 1990), and our extremely poor sample had 6.12). But we wanted to see if short-term mechanisms, such as the release for adoption or institutionalization of children and the elderly, had been used to increase or decrease family size rapidly. Another aim was to see if there was any evidence suggesting the use of more sophisticated methods of reducing family size, such as murder by omission.<sup>3)</sup>

In order to rule out the existence of this latter type of behaviour, we established the kcal available per family, contrasting it with the calorie intake of the undernourished

	Initial stage Dec. 1988	1st Hyper-inflation June 1989	Stabilization July 1990
Market	81.52	69.48	85.60
Self-production	2.38	4.98	0.14
Networks	5.12	12.82	7.58
Assistance	10.98	12.72	6.68
Total	100.00	100.00	100.00

Tab 2 Variation of sources of income (December 1988-July 1990, in percentage)

children. When food availability decreases - which happened - there are several options to distribute food: one is to maintain the prior logic of food distribution, and another is to favour the calorie consumption of some members (the strongest) at the expense of others (the weakest), which will, in the long run, result in the death of the latter.

There was no evidence of this behaviour in the households surveyed. Tab 1 shows that in the households with average or above average caloric availability (groups I and II), undernourished children receive more than the basic food requirement. The most interesting situation is found in families whose calorie intake is below their needs (groups III and IV); in these households undernourished children received more food than the average kcal for the household.

As can be seen, the greater the need, the greater the tendency to protect the weakest members. It is clear that this was accomplished by reducing the calorie intake of other family members: mothers and teenagers, a tendency that continued in the second period studied, further weakening them.

The prevalence of this tendency during the stabilization period following the two bouts of hyper-inflation makes it necessary to ask if this is not a suicidal transaction: food deficiencies of mothers in households in the expansive stage of the life cycle necessarily affect future birth (with sinister consequences as abortions and low-weight newborns), the results in teenagers will show in the households they form in the future.

During the stabilization stage (July 1990), a change in the age distribution of the population appeared: female adolescents clearly predominate over males (these are the daughters employed as live-in maids who returned home when the middle class, whose income had dropped as well, could no longer afford to employ them).

### Diversification of the Sources of Income

During the *initial stage*, income from urban jobs represented 81.5% of total resources. In traditional survival strategies, the poorest households must try to diversify their sources in order to be able to compensate for lost wages.

The indirect salary provided by government food programmes in Argentina (PAN: National Food Plan; PMI: Maternal-Infantile Plan, and School-Lunches) represented in the initial stage 10.98% of the resources of the households surveyed.

It should be noted that social programmes are an important component of the resource policies in Argentina. Evidence of this is the fact that the per capita government expenditure for social programmes increased 2.7% annually between 1941 and 1986, and this increase was higher than the growth in the per capita gross national product, which grew at an anemic 1.1% annual rate (Lach 1990). The Federal Government plays an important role in

	Initial stage 1988	Stabilization 1990
PAN (14 kg in monthly boxes)	90.0	interrupted in June 1989
PMI (2 kg of milk-powder monthly)	16.6	22.5
School lunch-rooms (lunch or milk)	20.0	29.0
Municipal aid (food, medicines)	6.6	interrupted in June 1989
PAIS (provincial) US\$ 4 person/month	starts 1990	19.3
OLLAS-soup kitchen	3.3	22.5
Confessional assistance (food, clothes)	13.3	3.3
Plan average/family	1.5	0.96

Tab 3 Assisted families according to the nature of allowances (December 1988-July 1990, in percentage)

this regard: it provides goods and services, it redistributes (by means of subsidized public utility rates of family allowances), and/or regulates private actors (health plans, pensions). But social spending grew faster than the resources to pay for them.

The funding for government programmes dwindled as a result of the successive fiscal and monetary austerity programmes. The welfare state was also a victim of the crisis in the model of accumulation, and the government per capita spending for social programmes never again returned to the levels recorded from 1973-75, the income distribution policy of 1984-86 notwithstanding.

The government food programmes were the PMI (powdered milk distributed among pregnant women and wet nurses by doctors) and school lunches (a commitment to provide school lunches with a minimum of 750 kcal to students). But conflicting demands and underfunding have all but eliminated these programmes which were aimed at high risk populations.

In late 1984, the PAN programme was implemented; its aim was to supplement the calorie intake of one million three hundred thousand needy families by the direct distribution of a box of food. The target population was the entire household. At its peak, the PAN programme represented 10% of the average wage and 25% of nutritional needs of high risk households (where the head of the household did not have a steady job and households with pregnant women and/or children under six years of age). The PAN programme grew steadily between 1984 and 1987. But in 1988, a sharp drop was recorded that precluded its demise during the first half of 1989. Distribution decreased during that year (the number of boxes given), and so did coverage (the ratio between PAN boxes and the target population), dropping from nearly 1.0 in 1986 and 1987 to 0.8 in 1988 (Aguirre 1990a).

In September 1989, the new administration suspended the PAN programme and launched a short-lived programme entitled Solidarity Bond, which was a quasimonetary allowance distributed among the poor in general. Notwithstanding its exorbitant cost, the programme's impact was slight: the apparent coverage was barely 0.6% and its monetary value dropped from 50% of the minimum wage at inception to 0.06% when it was suspended five months later (Aguirre 1990a).

By late 1990, the Government appeared to have abandoned all poverty programmes. With few exceptions (one is the plan PAIS: Integral Solidary Food Programme, undertaken on a limited basis by the province of Buenos Aires), no significant food programmes are in effect. In general, the social salary has dropped to unprecedented lows during the 15 year-long Argentine structural crisis.

Grouped under the heading of *self-production*, food from gardens, chicken coops, pigeon and iguana trapping, fishing, etc. has come to constitute 2.38% of resources in December 1988.

Unlike other countries, where a vegetable garden represents an important complementary source of food, among the very poor in Argentina self-production is irrelevant.

In areas where water must be transported by hand, maintaining a garden means an excess work for women and children; where land is polluted and periodic flooding carries off young plants and hardens the soil, keeping a garden is a waste of time and effort because, even in the best of conditions, plants whose growing cycle exceeds a single season are unlikely to be harvested. An additional problem is the lack of fences (or the existence of stick fences), which means that gardens are contaminated by dog excrement and destroyed by children (toddlers between 12 and 24 months). Also, a garden competes with family needs for available space (it should be remembered that the majority of dwellings occupied by this sector consists of one multi-functional room (kitchen, dining- and bedroom) with many activities taking place outdoors).

Although without denying its cultural function, in our opinion, maintaining a vegetable garden to provide food is an inadequate strategy in metropolitan areas. In practice, self-production is almost non-existent among extremely needy, this in spite of all the efforts of the government in this direction in the form of ten programmes (national and international) designed to encourage it.

The final resources for these sectors are the *mutual aid networks*. These personal relations networks, comprised of friends, neighbours and relatives, constitute an effective social security system that channels messages, goods, and services from the better off to families grappling with a special problem. What is received will be returned to neighbours, friends or relatives when they, in turn, are in need.

Where squatters have successfully laid claim to the land they occupy, mutual aid networks have played an important role in the process, and therefore it is not surprising that network interchange accounts for 5.12% of the resources of this type of population.

During a *hyper-inflation*, monetary income decreases along with the percentage represented by wages in total income.

Social programmes, a traditional form of support during times of crisis, were severely cut. School lunches (which were to have provided a 750 kcal meal to all primary age children) decreased in caloric content as inflation rose (reaching a low of 250 kcal).

Originally mandated to distribute 14 kilogramme boxes of food providing 65,215 kcal per month, the PAN programme ended up distributing boxes weighing 6 kilogrammes (one kilo was salt) providing 4,287 kcal before it was cancelled in July 1989.

The gardens, whose initial contribution was minimal, could do little to fill the breach.

The mutual aid networks, on the other hand, deserve special mention. Although their share in total resources did increase (Tab 2), this was accomplished by selling assets, which are the form of accumulation in these sectors: home appliances are bought on credit and then sold in times of crisis. But, once the appliances are sold, the networks' resources are exhausted and impossible to replace, since all members are equally affected by the crisis. The only networks that remained operative during hyper-inflation were the heterogeneous ones (made up of persons from different socio-economic groups) that channelled surplus resources from other social strata towards this sector.

During the *stabilization period*, the resource level has dropped, and the share corresponding to the different sources has changed.

Not only has the percentage contributed by social programmes dropped, but coverage has also been reduced: In 1988, each family received help from an average of 1.5 plans, while in 1990 the average was 0.96.

It goes without saying that a drop in coverage is accompanied by more arbitrariness in distribution, which increasingly depends on a favourable decision by government workers and the mothers' negotiation capacity.

It is interesting to note that, unlike what happened in the initial period, during the stabilization period the networks' share of total resources increased, not because more goods are in circulation but because the network provided the only resource available to some households. The social security role played by these networks becomes evident at this point: without the help of neighbours, relatives and friends, these families would perish.

The drop in the overall circulation of goods in the networks is an indication of the spread of poverty, which leaves the networks with nothing to share; as the crisis deepens, the networks tend to become more and more homogeneous. This loss of heterogeneity not only destroys the networks, but is also indicative of the social polarization taking place – a consequence of successive austerity programmes which suggests more and more segmented patterns of social reproduction with little tendency toward vertical integration.

	Initial stage Dec. 1988	Stabilization July 1990
Formal market	53	28
Informal market	47	72

Tab 4 Distribution of workers according to the labour markets (1988–1990, in percentage)

Finally, the virtual disappearance of self-production is clearly a consequence of the fact that there is little to be gained from these activities.

### Self-Exploitation

Self-exploitative behaviour has two aims: to *increase* income (by increasing the number of workers in a household and/or the number of hours worked per labourer) or to *reduce expenses* (which in survival structure of consumption means eating less). Each of these strategies is analysed below.

### Income modification

At the beginning of the hyper-inflationary period, the households surveyed had a dependency rate of 5.2 persons for each employed worker. When prices exploded (in May when inflation had reached 75% a month), the first reaction was to increase the number of workers per household by sending teenage girls to work – they had always found jobs quickly as maids in the past. This strategy failed because demand had collapsed in this field.

This strategy was shared by society as a whole, which, in response to the drop in income, attempted to increase its rate of activity (in May, 42 of every 100 economically active people wanted to work). But unemployment rose dramatically, due to massive layoffs in the formal job market and to the disappearance of “changas” (short term odd jobs for unskilled labour) since would-be-employers – middle income sectors – were also suffering the effect of less disposable income and price increases.

Following the two rounds of hyper-inflation, in July 1990 employment was characterized – in the society in general and in this sector in particular – by the increasingly *precarious and informal nature of employment*.

Note the occupational categories at the initial stage and their evolution up to 1990 in Tab 4 and 5. The only resource for earning money available to the growing number of persons expelled from the formal job market – since unemployment is still on the rise – are odd jobs (changas) or recycling garbage (cirujeo).

Also, it should be pointed out that job losses were selective by sex and age: given the fact that, even with a

	Initial stage Dec. 1988	Stabilization July 1990
Qualified workers	19	10
Non-qualified workers	15	20
Domestic employees	34	22
Non-specialized occupations		
changas	20	32
ambulantes	7	8
cirujas	5	8

Tab 5 Distribution of workers according to occupational groups (1988–1990, in percentage)

better education than men, women in this sector can only find jobs as domestics in the informal job market, it is not surprising that in a family in the expansive stage of the life cycle, the maternal function takes precedence over the productive one.

During the hyper-inflationary period, women were the first to lose their jobs. This is a characteristic not only among the extremely poor; in Argentina, the general contraction of job markets also has a sexist hue. Regarding the two cases of child labour recorded in our sample in 1988, both employed in the service sector with payment in kind, following the hyper-inflationary period both children were replaced by adults who agreed to work for the same recompense.

The second strategy for increasing resources – the attempt to increase the number of hours worked per worker – ran up against the reality of layoffs, reductions in the number of hours worked, production premiums and overtime in the formal job market, and the disappearance of demand in the informal sector. The result was an increase in the amount of time spent looking for a job, not working, with the subsequent emotional and physical wear and tear this implies.

Total household income fell, even though the dependency rate rose from an average of 0.90 workers per household to 1.5.

We have felt it necessary to divide the informal jobs category into *continuous* activities (domestic service) and *discontinuous* activities (changas, odd jobs). In this way we can analyse some adaptive transactions found in the informal job market. In effect, a certain continuity in income flow is needed in order to adequately structure a consumption strategy.

Off and on employment, odd jobs, and immediate payment (this includes day labourers from both the formal and informal sectors) do not permit strategies that allow for resource optimization. One cannot shop around for quality or price when purchases must be made with one day's pay at the store that happens to be open when the work day ends; a shop where one can, not where one wants to buy, thus losing the opportunity to take advantage of the informal sales circuit.

	Initial Dec. 1988	1st Hyper June 1989	2nd Hyper Dec. 1989	Stabilization July 1990
Income as % of minimum salary*	159	96	49	97

\* Source: Ministry of Labour: Collective Bargaining Agreements. Workers in the formal sector had, as could be expected, the highest income at the start.

Tab 6  
Total income of domestic units belonging to urban labour markets in percentage in respect to minimum wage fixed by the State, 1988-1990.

One additional disadvantage of the discontinuity in employment recorded in these families is the "feast or famine" mentality it fosters (eat as much as possible on pay day), along with the tendency to buy junk food. When the work-purchase-consume cycle is concentrated in a single day, there is a greater tendency in these families to include wine, beer, candy, cold cuts, etc. as "treats" or compensation, because there is no guarantee there will be anything to eat tomorrow.

Another factor that hinders the day labourer's attempt to establish a consumption strategy is his lack of storage and conservation technology, which leads to rapid deterioration of food purchased. Taking these three factors into consideration, it is not surprising that workers in the informal sector accept lower wages in exchange for a minimal cash flow that allows them to plan a strategy for optimizing consumption.

During the hyper-inflationary period when prices rose by 147% between January and May 1989, wages - for those who had a job - only increased by 52%.

During this period a curious, short term phenomenon occurred. In periods of "inflationary normality", the average income of workers in the formal sector is higher than that of workers in the informal sector. But during a hyper-inflation, daily price increases (which reached 5%) had a differential effect on workers in the formal sector, who are paid every two weeks. Informal workers, on the other hand, integrated into a system of short-term payment of wages negotiated directly with the employer, recorded an increase in their monetary income which, although not equal to the rate of inflation, was at least close.

The most interesting case involved informal workers paid in kind. Their income grew faster than the inflation rate, since the breakdown in the relative price chain benefitted workers paid with bread, for example (the price

of bread increased 1011%). Thus, the hyper-exploitation customarily associated with payment in kind was temporarily reversed.

The primordial desire of the families surveyed is to place all their working members in the formal job market, although in practice employment is characterized by its diversity. Taking into account data gathered during 1989-90, if this desire had come true, the result would have amounted to suicide: households with all their workers in the informal job market increased their resources by 76%; those of workers in both markets rose 40%, and the resources of households with all workers in the formal job market 28%, when accumulated inflation was 147%.

During the following stabilization period, the sum total of the resources contributed by all the working members in a household seldom exceeds the minimum salary (Tab 6). The majority (51.62%) earn between 50% and 100% of the minimum salary, and 20% earn less than half of it.

The severe restrictions imposed by this level of resources on the quality of life of these families is obvious. With regard to their food intake, it will suffice to say that this average level of resources covers only 70% of the food required for survival (in July 1990).

#### Expense reduction

The second type of self-exploitation attempted by these families was to reduce their expenses. Living far below the poverty line, where 67.76% of a household's resources are used for food, 13.93% for transportation<sup>4)</sup>, 0.97% for health, 7.62% for housing, 3.22% for clothing, 1.37% for education, and 5.13% for miscellaneous (Aguirre 1990a), the only possibility was to reduce the amount of resources spent on

	Initial stage	Hyper	Stabilization
Weight of food per household per month, in kg	184.34	78	130.84
Contribution in kcal daily	11.523	4.573	8.150
% of caloric deficit	1.09	60.70	29.03

Tab 7  
Food actually consumed per household (Dec. 1988-July 1990)

food. In order to analyse food consumption, we established the AFC: "Food Actually Consumed".<sup>5)</sup>

As can be seen below (Tab 8) there is a list of 22 products that remain constant while the quantities consumed are reduced to a minimum. This circumstance is an example of a well-established rationale. According to anthropologists, eating habits are structured along the lines of and can be considered a language, expressing such deeply rooted categorical order that, according to Levi Strauss, they are better suited to thinking than to eating. In Argentina, in spite of prevailing inequalities, social classes share a common diet; there is not a separate "poor people's food" profile. But as one austerity programme succeeds the next and the food consumption of these sectors approaches minimum survival levels, the question of how long a unified food profile will continue to exist must be posed. Is not this fracturing by sector into differential food consumption profiles still another indicator of the growing segmentation taking place in a society where inequalities are becoming increasingly rigid?

The "Food Actually Consumed" provides the families with 11,523 kcal (consisting of an average of 62.50% carbohydrates, 11.34% proteins and 26.16% fats). From the strictly nutritional point of view, this family profile needs an average of 11,650 kcal per day to be adequately fed. As these families are on the borderline of minimum daily food requirements, any special circumstances, such as a job requiring hard labour on the part of the father, a pregnancy that increases the mother's caloric requirements, or favouritism shown in intra-household food distribution can shift the balance in favour of some at the expense of others, thus justifying the presence of an undernourished household member.

In Tab 7 the evolution of the AFC is compared during the three periods covered in this paper, and the results show that during the hyper-inflationary period, consumption fell to a bare minimum with the caloric deficit reaching 60% in June 1989.

This occurs after all possible substitutions have been tried, and there is no way to sustain the calorie intake the household requires.

Not until recently has nutrition become a social question in Argentina. In the recent past, doctors tended to refer undernourished patients to a psychologist because it was commonly believed that "in a country famous for the abundance of its wheat and cattle, everyone can eat". Thus, the psychological aspects of the nutritional problem (disturbances in mother-child bond) has to be eliminated first before examining the social implications of a nutritional problem (Aguirre 1986).

Hence, it can be seen that nutrition has traditionally been a private affair confined to the home. There are no examples of social struggles where the right to adequate food was a demand.

It was only after the sharp drop in the food consumption recorded during 1981-82 (Aguirre 1990b) that Argentine's political parties opened a debate on nutrition,

and from 1984 to 1989 the PAN programme provided food boxes to more than one million families.

Hyper-inflation turned the question of food briefly into a reason to riot. In June 1989, more than 50,000 people (mainly women) took part in more than 700 lootings, the great majority of which arose spontaneously, leaving 16 persons dead in the wake. The conclusions drawn in popular sectors regarding the effectiveness of looting as a means of securing food are by no means positive: the products thus acquired lasted only a few days, and the social stigma resulting from being perceived as dangerous took a high social toll. In addition, given the fact that the majority of the stores looted belonged to neighbourhood retailers, intragroup violence was stirred and peripheral neighbourhoods were left without access to retail food outlets, which had important consequences as will be seen later.

The fact is that nutrition problems are not limited to the private sphere. At the strategy level, shantytown dwellers looked to the extra family organization and, taking advantage of this network, organized "ollas populares", soup kitchens, which were seen early on as a way of filling the gap when government funds threatened to dwindle.

The success of the soup kitchens as grass roots organizations was limited because of the insufficient supplies provided mainly by the municipal government and NGOs. When government aid recommenced they did not serve as organizational channels for food.

But the question of the right not to go hungry was not a subject the administration, which took office in July 1990, wanted to be associated with, and also the "starving mothers" who looted stores in June 1989 became "antidemocratic delinquents" during the second bout of hyper-inflation (December 1989 - March 1990).

During the stabilization period, there has been an undeniable return by the shantytown dwellers to the home as the source of food. The fact that the majority of the soup kitchens have closed due to lack of supplies is one reason, and another that although prior nutritional levels were not reached, the balance was less precarious than it had been.

Since self-production is not to be recommended, food prices in the two retail circuits used by this particular shantytown will now be analysed.

There is a formal food supply chain in Buenos Aires, made up of supermarkets, outdoor markets, mom and pop groceries, butcher shops, bakeries, etc. that sells industrialized food products and is controlled by municipal authorities.

But there is another circuit existing in outlying neighbourhoods selling both canned goods and also homemade products (like bread, sweet rolls, cheese, and cold cuts), homegrown farm products (such as domestic fowl, eggs, and vegetables), discards from the food industry (recycled bread, soup bones, hooves and tails of slaughtered animals, etc.), and unlicensed establishments such as clandestine slaughterhouses that operate with no kind of sanitary control.

Product	Unit	Formel circuit			Informal circuit		
		Jan.	May	% Increase	Jan.	May	% Increase
Meat	kg	25.5	94.79	271	16.45	59.0	258
Bread	kg	11.5	43.20	275	4.50	50.0	1011
Chicken	kg	30.0	66.87	122	20.00	52.0	160
Vegetables	kg	5.0	28.44	468	3.00	12.0	300
Potatoes	kg	3.0	14.62	387	1.00	10.0	900
Fruits	kg	15.0	29.53	96	4.00	15.0	275
Rice	kg	15.0	40.26	168	7.00	40.0	471
Noodles	kg	20.0	63.72	218	7.00	40.0	471
Polenta	kg	4.0	32.00	700	4.00	32.0	700
Sugar	kg	13.6	58.28	320	11.00	50.0	354
Oil	l	13.5	71.30	428	14.00	56.0	304
Eggs	doze	14.0	51.29	266	12.50	39.0	212
Flour	kg	5.0	20.33	306	3.50	30.0	757
Milk	l	5.9	20.58	248	5.70	22.0	285
Yogurt	u	4.5	17.50	288	4.50	17.5	288
Butter	g	6.0	21.75	262	6.50	25.0	284
Juice	l	7.0	28.00	300	7.00	28.0	300
Cheese	g	5.5	14.21	158	3.00	10.0	233
Tomatoes	can	7.2	23.23	222	5.00	17.0	240
Wine	l	9.9	28.30	185	7.00	28.0	300
Yerba	kg	32.9	98.80	200	28.00	160.0	471
Soft dr.	l	8.6	18.91	119	5.00	25.0	400
% increase of food prices				272			407

Tab 8 Variation of prices according to supply circuits (January and May 1989, in Australes)

This latter circuit operates in multi-function premises where a variety of small-scale businesses (a butcher shop, grocery store and drink stand, for example) are concentrated under one roof; they have little stock and the type of credit they offer are adapted to the ability of their clientele to pay. Products from the informal circuit are also sold by street vendors who "advertise" the merchandise or, in the case of the clandestine slaughterhouses, the meat finds its way into licensed butcher shops as a way to keep prices down.

As will be shown below, prices in the informal market circuit tend to be much cheaper for some merchandise (in general home produce) and more expensive for others (mainly canned and packaged foodstuffs), depending on the "know how" of the consumer and their ability to pay in cash (buying on credit involves exorbitant interest rates).

In January 1988, when the women surveyed applied an astute strategy involving compensation, taking advantage of special offers and diversifying circuits (ie when "Domestic Consumer Strategies" functioned normally), the AFC cost 32% less in the informal market circuit than in the formal one.

During hyper-inflation food prices increased 407% in the informal circuit, while the formal circuit recorded a rise of only 273%. This is a result not only of the break in the relative price chain - that had the same effect on both circuits - but also because of *the breakdown in the wholesale-retail chain itself*.

When the price explosion began, the "special offer" brands and products, formerly consumed in these households, were bought up by supermarkets, which meant that, for the first time, leading brands and products

appeared on the shelves of shantytown groceries, at sky-high prices for these sectors, of course.

Bulk products were then sold, meaning that merchants bought products in bulk and then measured out smaller amounts at the time of sale, although the rudimentary infrastructure of these stores made it almost impossible to store goods, for the small size of the store made it difficult to finance stock purchases and fragmentary demand tended to keep prices high.

The kinds and causes of price increases that affected consumer strategy can be divided into four categories:

The price of *meat*, which is cheaper for this sector because it comes from large animals, did not go up as much as in the formal circuit, but this was achieved by increasing the risk of health of the consumers. During the two hyper-inflationary periods, we recorded an increase in meat from unlicensed slaughterhouses with no germ control.

The rise in the price of *bread* was dramatically with 1011% (compared to a price increase of 275% in the formal market circuit). This happened because during the initial stage families ate recycled bread from industrial bakeries (which sold their excess production in this area). As inflation rose, accompanied by the government subsidies on flour prices, the flour industry accumulated inventory (11% more than the prior year), which eventually left bakeries with no flour to bake bread. One result was that recycled bread was no longer available, and these families had to buy regular bread at a very high price.

Grocery store products (*flour, sugar, canned tomatoes, rice, etc.*) and potatoes rose by a higher rate in outlying neighbourhoods than was the case in general. These products were represented by little-known brands and the



merchandise was often of a lower quality - the black potatoe is an example. When prices began to stampede, these less well-known brands were bought up by the supermarkets with the result that for the first time top-grade food brands (or top-grade white potatoes) appeared in neighbourhood stores at correspondingly higher prices.

The increase in the price of *vegetables*, on the other hand, was less severe in the neighbourhood (300%) than in general (468%). But the quantity and variety of vegetables consumed dropped. Given the favourable prices of vegetables, they could have been used to compensate other foods whose price rose more (potatoes, for example: 900%). But Argentine culinary customs assign a secondary role to vegetables, viewing them as appropriate for side dishes and not as a main course. In addition, the quantity of vegetables served must be increased to give a person the sensation of being full. Also, their preparation presents a series of additional difficulties: the main problem in areas without running water is that they must be washed, and another that other expensive ingredients like oil, eggs, etc. are required to make them into a main dish.

As shown above, food could be bought at cheaper prices in the outlying neighbourhoods by sacrificing quality during the initial period, but these special offer brands were swept into the supermarket circuit during hyper-inflation. *Thus, it can be concluded that with regard to food, these sectors were looted by both price setters and the purchasing power of other social classes long before they began looting supermarkets.*

Little remained of the commercial circuit in peripheral areas after June 1989, since, when faced with price increases of 200%, the small scale of their operations could neither provide the credit needed by their customers nor replace stock. In addition, some businesses were looted, and thus an alternative formerly available to a consumer strategy was lost.

An analysis of prices in the food basket shows that carbohydrates increase more than proteins. As a result, the traditional strategy of substituting bread and pasta for meat and milk becomes highly inefficient. If we compare the AFC month by month, we notice besides losing 2,000 kcal, costs turn out to be more expensive than they were during the initial stage. When these food baskets are compared with salaries, even if all resources were spent on food, only half of the minimum requirement basket could have been met.

*Stabilization.* In the months following hyper-inflation, the retail food circuits gradually adjusted to the new circumstances. Some stores reopened their doors, and new businesses appeared. An option open to workers laid off from the formal job market was opening a multifunction premise with their severance pay. So by July 1990, prices in the two market circuits could once again be compared.

The AFC acquired in the informal market circuit continues to cost less than in the formal one, but the best strategy now is to purchase in both circuits at the same time (which allowed savings of 29.12%). What changes have occurred with respect to the initial stage? Has the formal

Formal AFC	Informal AFC	Combined AFC
551,554	443,047	390,954

Tab 9 AFC price in different commercialization circuits (July 1990, in Australes)

food supply circuit registered gains in these sectors? If this were the case, it would be congruent with the advance of supermarkets over mom and pop grocery stores in the retail chain as a whole. Another possibility is that the recovery time required by the informal circuit exceeds the scope covered in this study. Be that as it may, the figures are eloquent: while during the initial period it was possible to optimize spending by 32% using only one circuit, now in the hypothetical case that a housewife can take advantage of all the specials in both circuits, spending would be optimized by 29% (if we wanted to carry this to an extreme, since this figure is the measure of the efficiency of a consumer strategy, when this is projected over total resources the resulting optimization is 24.33%).

Of course, this is a hypothetical construction, but it does illustrate the rationality of "Consumer Strategies" used by those living in poverty. Government officials who encourage community buying in supermarkets do not take the fact into account that diversification is a survival behaviour that can optimize scant resources.

## Conclusions

We have analysed different strategies put into effect by families to adapt to successive hyper-inflation and austerity programmes. These different behaviours had been tried out time and again in the course of the family life cycle. But not even if it had been possible to put all of them into effect simultaneously would they have remained functional during the period of generalized crisis. None of these strategies allowed the households to maintain their prior food intake. There were even cases when families were trapped in *suicidal transaction*: they maintain the calorie intake of undernourished children at the expense of mothers and teenagers; they increase the hours spent by fathers fruitlessly searching for an additional resource that if successful would obtain a basket of food with 30% less than the minimum daily requirement. The gap left by the virtual withdrawal of the Government from this sector's reproduction has not been filled. And, in the short run, no novel behaviour was recorded, although this is not surprising given the risk factor involved.

It is paradoxical that the society at large sees these sectors as violent and potential looters. In fact, they are victims of violence: they are systematically looted by price setters and by those who, from within the Government, have muted a legitimate demand for food, which is the demand for life plain and simple.

In spite of being presented as beneficial in general terms, government policies have winners and losers. Poor families have systematically been losers. This paper is nothing more than a description of how families living in poverty have adapted to these policies with transactions that are merely strategies, the strategies of the victims to stay alive.

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## Footnotes

- <sup>1)</sup> This paper is based on a longitudinal *design*. The *universe* is formed by families far below the poverty line (families with a high degree of "Unsatisfied Basic Needs" - UBN - where reproduction is compromised in the next generation by the presence of undernourished household members.  
The *sample* is random, based on a census of households in four shantytowns in the Greater Buenos Aires Metropolitan Area.

The *unit of analysis* is the family, household or domestic unit as a reproductive nucleus with value priorities that decide as a group on resource allotment, as well as on expenditure make-up and internal food distribution.

*Data gathering techniques* were quali-quantitative in order that results could be triangulated with anthropological interviews. The data gathering techniques included questionnaires, interviews and observations.

- <sup>2)</sup> The concept used to link macrosocial policies with the behaviour of families they are destined for, who must receive, accept, suffer and modify them, is termed "Survival Strategy". It is a set of behaviour repeated by a family throughout its life cycle whose aim is to satisfy productive and reproductive goals.

This behaviour is chosen from a range of alternatives that make up a limited repertoire of possibilities determined by restrictive parameters, such as occupation and income that determine the family's social intersection; the poorer the family, the more limited the "Survival Strategies" at its disposal.

As our purpose is to observe the accommodating capacity of the families' strategies to cope with hyper-inflationary crises, we use an operational variable: "Domestic Consumer Strategies". These strategies comprise the behavioural choices made by the households whose aim is to obtain and assign the food necessary to produce and reproduce.

Thus, the "Domestic Consumer Strategies" are a synthesis of the three levels involved in this study:

- *cultural* (in the selection of products, namely food, and those invited to share it),
- *social* (how purchasing power, employment conditions, income and prices were determined) and
- *biological* (how food intake was adjusted to the needs of each family member).

From the theoretical framework of survival strategies to the operational tool termed "Domestic Consumer Strategies", nutrition unfolds as a concrete social reality that continually alternates between the public and private sectors as shown:

Macro level	Public policies Parametric restrictions	Public Sector
Articulator	Survival strategies	
Micro level	Domestic strategies of consumption	Private Sector

- <sup>3)</sup> The families referred to in this study live in four shanty towns in the Greater Buenos Aires Metropolitan Area. These shantytowns are the product of usurpation of low, flood-prone fiscal land not suited for housing.

The neighbourhoods in this study grew beyond the confines of already urbanized areas and therefore have no public utilities, such as running water (water is tapped collectively and is highly contaminated), garbage collection or electricity (although there are clandestine connections).

In our sample, the demographic profile of the domestic units analysed was nuclear (reproductive unit and children), complete (with both spouses present), with four children (an undernourished two-year-old girl, a five-year-old boy, another nine-year old boy [also undernourished in the final stage of the survey] and a fifteen-year-old adolescent [probably undernourished by the final stage]), surveyed during the expansive stage of the family life cycle (29 year-old mother and 35 year-old father).

- <sup>4)</sup> Transportation means taking the men to their jobs. Given the cost of public transportation women and children do not go where they cannot walk with the degree of urban segregation this implies.
- <sup>5)</sup> The "Actually Consumed set of basic Food Products" (AFC) is based on the consumption registered during the surveyed month; it is limited to per capita food consumption multiplied by the family's demographic profile. It provides an average measure of the sample's consumption and implicitly shows consumption strategies based on empirical data that reveal underlying beliefs, habits and values. From a nutritional point of view, we may disagree with the composition and/or amount of the products consumed, but this was the best arrangement the households were able to conceive in order to survive.