

Supermarket Expansion, Informal Retail and Food Acquisition Strategies: An Example from Rural South Africa

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INTRODUCTION

Since the 1980s, supermarket retail has expanded dramatically, affecting diets and livelihoods around the world. This process represents fundamental shifts in the operation of global food systems, characterized partly by an extension of corporate control along commodity chains from procurement to sales, as well as the increasing ownership of market shares in food sales by a small number of companies (Lawrence and Burch 2007; Reardon and Timmer 2007). From the 1990s, supermarkets have extended their reach into most low-income countries. Supermarket-led corporate agriculture, Philip McMichael suggests, has become a central element of contemporary capitalist transformation and accumulation (McMichael 2008).

This 'supermarket revolution' appears sudden and transformative, suggesting supermarkets are moving into regions in which they were hitherto absent and wiping out existing forms of informal trade and retail (Reardon and Hopkins 2006). Some scholars point out that small producers are pushed out of business, unable to meet the stringent quality and safety standards demanded by supermarkets (Weatherspoon and Reardon 2003), or demonstrate the negative effects on existing small retailers (Reardon and Hopkins 2006). This staggering pace of change has also generated alarm about the implications for the dietary intake of urban, and increasingly rural, populations around the world. Supermarkets offer access to cheap necessities but also contribute to growing trends in overweight and obesity by substantially increasing the availability of energy-dense, nutrient-poor foods (Popkin 2014; Igumbor et al. 2012). Others highlight the demise of local culinary traditions as a result of the introduction by supermarkets of generic, commercially produced food items (Raschke and Cheema 2008). Much of the literature gives the impression of a steadily expanding frontier with power weighted heavily towards supermarkets, creating a passive transformation of existing retail and consumer practices, albeit punctuated by occasional moments of 'resistance' (Abrahams 2010; Miller 2005).

However, this process is characterized not only by the expansion of market control but also by a restructuring of existing markets and food supply chains. While much of the literature focuses on macro-level changes, emerging ethnographic research offers the possibility of a detailed understanding of how this restructuring takes place in particular contexts. Rather than treating supermarket expansion as the inevitable outcome of economic determinants, this literature reveals that it is made up of multiple processes operating inside, and in tension with, a range of situated constraints. I begin this chapter with a summary of this anthropological (and related) literature, before presenting a short case study from my own fieldwork in South Africa. Through an ethnographic study of retail in a small town and its surrounding area in the north of the province of KwaZulu-Natal, I examine critically the perception of an ever-encroaching formal food sector onto a shrinking informal one, by looking at the various ways in which regulated and unregulated modes of food retail interact locally. I argue that the entry of supermarkets into low-income countries has been neither straightforwardly linear nor divorced from, nor simply a replacement of, the systems of production, exchange and consumption that preceded them. I suggest that although supermarkets are expanding and capturing much of the market space formally occupied by these other retailers, it is necessary to consider how the latter are reconstituting themselves, rather than assuming a linear process of decline. I draw on recent anthropological discussion about the informal economy in Africa which suggests that far from representing two distinct spheres, formal and informal practices interact with each other and form connections in a variety of ways. By focusing on specific, historically and spatially produced patterns of food demand, I suggest that a focus on food can also offer an important angle on debates within economic anthropology.

In the next section, I summarize the two areas of emerging literature, the first dealing with the impact of supermarkets on consumers and consumption practices, the second with how supermarkets expand into agriculture, restructuring markets, supply chains and legislative frameworks. The South African example that follows this discussion suggests the importance of integrating these strands.

THE ANTHROPOLOGY OF SUPERMARKET EXPANSION

Influenced by Karl Polanyi's seminal idea of 'embeddedness', which signifies the mutually constitutive character of social and economic processes, trust has long been recognized by anthropologists as an integral feature of markets. Discussions about the effects of supermarket expansion on consumers have focused on the issue of trust, especially the varied techniques deployed by supermarkets to cultivate consumer trust in regions where they were previously absent. Either by evoking trusted notions of 'traditional' foodways through advertising or by replacing interpersonal trust relationships with accreditation and audit, supermarkets reconfigure affective market-based trust relationships. The result is to commodify trust and to embed it within the formal and legal technologies over which supermarkets exert control (Richards, Lawrence and Burch 2011). This is apparent, for instance, in the premium

paid by wealthy consumers in China for accredited products which are perceived as safer than food bought in markets (Wang et al. 2008).

Notions of modernity, which may be associated with 'supermarketization', serve to nurture feelings of trust as supermarkets carve out a 'modern' appeal by emphasizing food safety and standardization (Everts and Jackson 2009). In contrast, another example from China suggests that shoppers place little faith in regulatory systems and are more inclined to trust their own sensory and experiential knowledge about food. Their suspicions frequently arise from a feeling of ambivalence towards wider processes of delocalization and industrialization (Klein 2013). Supermarkets negotiate these ambiguities in order to attract customers. In a British supermarket in China, trust is engendered through the micromanagement of relationships between workers and customers (Gamble 2007). In Thailand, supermarkets imitate the informal gifting practices of local wet markets and mark festive occasions with special events and offers in order to foster a sense of cultural familiarity (Isaacs et al. 2010).

As the comments of shoppers suggest, this shifting terrain of associations may create tensions and ambiguities even as others are resolved (*ibid.*). In Australia, contradictions settle around competing notions of 'progress', a concept through which both positive and negative valuations are attributed to supermarkets (Dixon and Isaacs 2013). Supermarkets in America, China and elsewhere have attempted to engage the ethical concerns of their customers by restructuring supply chains to make use of local agricultural producers (Colloredo-Mansfeld et al. 2014; Klein 2013), and to acquire organic or Fair Trade 'ethical sourcing' accreditation (Friedberg 2007; Lyons 2007; Barrientos and Dolan 2006). Mark Harvey shows how entire food chains are restructured specifically to create products which alter food preferences and tastes. The supermarket-branded ready meal exemplifies this integration of different elements of the food chain, from production, through to packaging, marketing and retail (Harvey 2007).

These strategies are not always successful, and in some cases their failure leads to supermarket divestment (Burt, Dawson and Sparks 2002; El-Amir and Burt 2008). In rural South Africa, commercially produced products supplied by supermarkets can signify high socio-economic status but they can also be recast as symbols of cultural dearth (Hull 2014). Protests against a Japanese-owned supermarket in China show that supermarkets can become the objects of wider political tensions (Wang 2010). Claims to food safety are sometimes threatened, most spectacularly in the recent horse-meat scandal in Europe (Abbots and Coles 2013).

While some view the new knowledge regimes brought into being by supermarkets as a form of colonial expansion (Freidberg 2007), Hugh Campbell expresses cautious optimism about the potential for new audit cultures and regulatory systems to reinvigorate concerns about where food comes from, and so to resituate popular understandings about food within broader frameworks of ecology and sustainability. Supermarkets are not exclusively in control of their own operations, he argues, but also reflect the growing influence of NGOs and social movements in demanding access to knowledge about food systems (Campbell 2009). What emerges from these discussions is that rather than following a formulaic or inevitable path, supermarket

expansion unfolds unevenly in response to particular, situated constraints and events and is more appropriately understood as a 'tough competitive struggle' rather than a 'tidal wave' (Humphrey 2007).

While supermarkets are an increasingly ubiquitous feature of the global landscape they also expand unevenly, in some cases reinforcing existing class and racial inequalities. This is the argument made by a growing literature on 'food deserts' – areas in which food retail is limited or absent – which have come to be seen as emblematic of the spatialized character of poverty. While much of the food desert literature is based on data collected in America, recent work shifts the discussion to developing contexts (Gartin 2012). New research introduces the idea of 'food mirages': areas typically experiencing gentrification in which poorer residents have physical access to supermarkets but lack the capacity to use them because of prohibitively expensive pricing (Sullivan 2014). Here, deeper layers of exclusion render food inaccessible even where it is within reach geographically.

As supermarkets extend into new markets, they restructure food supply chains in order to streamline procurement and render them amenable to stringent quality requirements (McMichael and Friedmann 2007). The supply chains and markets that operated prior to their arrival are altered and in some cases reconstituted or replaced. Thomas Reardon and others have described this transformation at national and global levels (Weatherspoon and Reardon 2003; Reardon and Hopkins 2006; Reardon and Timmer 2007). Hattersly et al. (2013) show that while there is a tendency towards the consolidation of vertical supply chains over which supermarkets increasingly exert control, competition strategies lead to the formation of horizontal alliances between manufacturers that can operate transnationally, sometimes as a way of competing with supermarkets. Much of the research suggests that the intensification of control along the supply chain by supermarkets marginalizes smaller players (Magdoff, Foster and Buttel 2000; McMichael 2008; Neven et al. 2009).

Two recent ethnographic studies provide insight into how this takes place, showing that the expansion of supermarkets entails a restructuring and not simply a displacement of existing supply chains. This perspective is crucial for understanding how agricultural and other food-based livelihoods are affected by the increasingly dominant role of supermarkets. First, Yildiz Atasoy (2013) describes the integration of small producers into commercialized agri-food supply chains in Turkey in the context of growing supermarket domination. Supermarket-led demands of quality control place constraints on producers, she shows, leading to their assimilation into institutions and supply networks that accommodate these requirements. For instance, the creation of farming 'unions' – collectives to which farmers must join that operate like private marketing bodies – renders farmers more easily governable according to new legal arrangements. The result is an institutionalization and intensification of market relations in agriculture.

Similar observations are found, secondly, in Amy Cohen's discussion of supermarket expansion in West Bengal in India. Far from demonstrating the retraction of state governance, corporate retailers seek new forms of regulation upon which they depend (Cohen 2013). As the contrasting cases of West Bengal (*ibid.*) and Maharashtra (Velthuis 2014) show, different political and legislative contexts

may create highly variable conditions of hostility or amenability to supermarket retail, in some cases preventing it altogether, as in West Bengal until recently. Both Atasoy and Cohen recognize the dependency of supermarkets on the mutability of legal systems. But they also show that supermarkets make use of informal networks, existing and new. As Atasoy demonstrates, 'traditional' wholesalers act as crucial brokers, supplying supermarkets via well-established networks of informal, trust-based relationships with small, family-sized producers. Supermarkets rely heavily on these existing informal networks, which they use initially to expand into agricultural networks. However, as Cohen points out, there is ultimately a tendency towards state-authorized contract farming because supermarkets, unlike informal wholesalers, must be accountable to shareholders. The result, she shows, is not deregulation of markets – as posited by a simple rendering of the neoliberal agenda – but an intensification of state regulation alongside a fundamental restructuring of legislative frameworks and supply chains.

The following example from my fieldwork in rural South Africa will not attempt to tackle all of the interconnected dynamics described here, but will focus on some aspects of the relationship between supermarkets, informal retailers and consumers. Here I draw on debates in economic anthropology about the formal/informal interface. The concept of informality is generally used to refer to income generating activities that operate beyond state regulation. However, given the shifting, overlapping or competing regulatory frameworks that operate in parts of Africa, the partially formalized institutions that promote both planned and opportunistic modes of economic action, and the changing roles of actors and institutions vis-à-vis the state, a clear separation between the two is often illusory. Recent literature on the relationship between formal and informal economies in Africa has presented a complex picture of the linkages between the two. Far from representing two distinct spheres, formal and informal modes appear to interact with each other and form connections in a variety of ways.¹

These ideas are reflected in some of the observations made by Atasoy and Cohen, and both sets of literature are drawn upon here to add nuance to the assumption that global supermarket expansion is a homogenous and linear process. I also use the South African example to suggest a link between this work and the literature focusing on consumers, described above. Much of the research on informal economies focuses on income generating activities. Here, I approach the formal/informal interface via the food acquisition and expenditure practices of rural residents. By tracing the temporal and spatial aspects of these consumption strategies, the ethnography here reveals different elements of a diverse retail infrastructure as they are encountered by residents themselves. Increasing household incomes over the last ten years, due largely to the expansion of social security payments, have not only created a major opportunity for supermarkets, but also have generated more possibilities for informal gain.² I argue that smaller retailers are not simply wiped out by supermarket expansion, but continue on the basis that they cater for different needs within the cycle of food acquisition. The practices of informal retailers are reconstituted both in relation to the competition created by formal retail and also by its constraints.

I begin by describing the development of commercial trade in northern KwaZulu-Natal. I show that rather than forcing a radical departure from what preceded them, supermarkets inserted themselves into long-standing networks of trade and retail, readjusting and adapting as best they could to the dense and spatially variegated regimes of state regulation that had developed over decades. Legislative changes at times produced moments of shock and new rounds of readjustment, challenging the idea that supermarket expansion has been a linear process. The story is one involving a complex network of alliances between state and private retail capital on the one hand, and between large and small retail outlets on the other, creating a dense web of both overlapping and conflicting interests. In the third section, I use ethnographic data that I collected over four separate trips to northern KwaZulu-Natal between 2009 and 2013 to describe the food acquisition strategies of residents, focusing on the temporal and spatial frameworks that govern and constrain these. Both formal and informal food retailers adapt as best they can to position themselves to benefit most profitably from these shifting arrangements.

SUPERMARKET EXPANSION IN RURAL SOUTH AFRICA

In Southern Africa, supermarket expansion has been dominated by South African chains which have moved into neighbouring countries, aided by the liberalization of foreign direct investment (FDI) across the region.³ Within South Africa itself, supermarket control of food distribution and retail has quickly intensified. By 2003, the share of national food retail held by supermarkets in South Africa had already reached 55 per cent (Weatherspoon and Reardon 2003: 333), growing to 70 per cent in 2007 (Crush and Frayne 2011: 784). These figures reveal a formal retail sector expanding at an unprecedented rate. The patterns of expansion suggest a broadening of the customer base to include not only the middle and upper classes but also the poor, a shift prompted by the post-apartheid expansion of social security.⁴ Government grants are widely distributed and the number of recipients continues to grow.⁵ This ensures a reliable customer base for formal retail even in the poorest regions of the country, such as the former 'homeland' area of northern KwaZulu-Natal in which data for this study were collected.⁶ The expansion of supermarkets in the former 'homelands' has contributed to the rapid growth of small towns and their surrounding hinterlands.

Ethnographic research was carried out in and around the town of Jozini in the municipality of Umkhanyakude, situated in the far north of the province of KwaZulu-Natal. The town is a hub for the region, and home to several municipal government departments as well as two new supermarkets which opened in 2012 and 2013. Despite the recent growth of retail in Jozini, supermarkets have had a presence in the area since the 1970s when a group of shops known as the Ndumu stores, owned by a local trader called Peter Rutherford, were subsumed under the Spar Supermarket Group, an international supermarket franchise founded in the Netherlands in 1932. The first Ndumu store had been set up several decades earlier

in 1918 just north of Jozini, by Rutherford's grandfather, R.H. Rutherford, who in the same year abandoned his sugar cane field in Umfolozi when it was devastated by floods. He was an experienced trader and formed a company called the Ndumu Group which expanded and within several years managed a network of stores throughout the region. His son Roy Rutherford took over the business, which was later passed to his grandson Peter Rutherford. The franchise model pioneered by the Spar Supermarket Group – which first entered South Africa in 1963 – provided an opportunity for Rutherford to continue running the shops using the Spar insignia and paying a fee in return for selling Spar products (Whelan 2011). The former Ndumu Group stores, now identified by their franchise name Spar Supatrade, are still run by the Rutherford family. At the time of research, Craig Rutherford was managing Supatrade as well as other major retail franchises in the area including Engen petrol stations and Buildit hardware stores, and had supermarket branches in most of the big towns across the region. In addition to the predominantly Chinese- and Indian-owned smaller wholesalers that began to open in the 1990s, and a network of smaller informal retailers, these franchises have been a significant feature of the retail landscape in the region.

The success of the Spar Supermarket Group was due not to its ability to outcompete smaller existing enterprise, but rather to use the franchise model to take advantage of a well-established network of stores, trading routes and traders. Other supermarkets and wholesalers in the region including Boxer Cash and Carry and Jock Morrison's have followed similar trajectories. The example of the Rutherford family's Spar Supatrade demonstrates an alliance between international corporate retail and a highly successful, local family business whose embeddedness and long-standing, intimate connection to the region have ensured its ongoing success. The example of the Rutherford family also challenges a stereotypical assumption that the pragmatic harnessing of kinship networks applies exclusively to supposedly tradition-bound, black South Africans or to informal modes of economic practice; in rural KwaZulu-Natal, they are intrinsic to the operations both of long-established, white traders (whose presence in the region dates to the late nineteenth century) and, via them, to those of international corporate retail.

What is evident is that supermarket retail and 'local' trading networks in northern KwaZulu-Natal have not developed as distinct sectors in competition with one another, with the former 'bulldozing' the latter. Rather, Spar Supermarket Group has operated predominantly through the creation of alliances via the franchise system, which allows companies to appropriate and benefit from existing trading practices. Daniel Miller (1998) describes similar strategies used by Coca-Cola in Trinidad, which entered the market by franchising to a successful and well-known local company. This method was also crucial in the peri-urban areas of the KwaZulu 'Homeland' during the 1970s, when franchises offered a means by which white-owned supermarkets could bypass racial restrictions on economic activity in the 'Homeland' – part of the government's policy of 'Separate Development' – by franchising to black traders (Maré and Hamilton 1987: 107–8). Spar Supatrade will now face increasing competition with the recent entry of Shoprite, South Africa's largest supermarket chain.

Given the dense regulatory interventions that have shaped the economic and physical landscape of northern KwaZulu-Natal the expansion of corporate capital has not followed a linear trajectory. In 1988, the government introduced legislation under the Development Aid Laws Amendment Act which repealed many of the restrictions on trading and which legalized spaza shops: the small- to medium-sized shops known locally as ‘tuck-shops’ which are run from people’s homes or from small buildings, shipping containers or shacks embedded in residential areas. Informal trading operated illegally prior to the legislative changes of the 1980s, but the change prompted a rapid proliferation of *spazas*, to whom wholesalers could now sell products directly, undermining the competitive advantage of larger stores. Many *spazas* remained unlicensed, but could easily procure their stock given that licensees were no longer required to buy goods from wholesalers.

These events reveal a picture that is more complex than the story of an ever-encroaching supermarket sector wiping out informal retail. They suggest that what prevented small and unregulated trading was not excessive competition by larger stores but the tight systems of governance in operation, and that once removed, small retail escalated, undermining the exclusive market access of the hitherto dominant Spar Supatrade and other larger stores. Attracted by the ever-increasing numbers of small traders to whom they could sell, wholesalers eventually relocated themselves in small towns, having been formerly situated in Durban and relying on mobile traders to transport goods to the rural areas.

The town of Jozini expanded quickly in the early 1990s, with Chinese and Indian traders opening food, clothing, car spares and hardware stores. International fast-food retail is represented by Kentucky Fried Chicken, which is now a ubiquitous feature of most small towns across South Africa. More recently, large supermarket chains, Boxers and Shoprite, have opened in newly built shopping malls. Supermarkets’ control of the market is enhanced by their role as locations at which government grants are collected, which structures food practices according to a dominant monthly time frame. I now turn to these consumer practices to examine in what ways they influence the strategies of retailers, both large and small.

RETAIL INFRASTRUCTURE AND THE SYNCHRONIZATION OF FOOD NEEDS

At the beginning of every month, long queues trail out of supermarkets and banks, and the densely populated rural hub of Jozini is a hive of activity. On these days, supermarkets act as grant ‘pay points’, as they are known, where people can collect their grant while shopping at the same time. On this day, supermarket shelves are packed high while people stock up on monthly essentials: maize meal, rice, sugar, beans, bread, powdered baby milk, sugar, teabags, cooking oil, margarine and fermented milk (*amasi*). In summer, a dense heat settles thickly over the town while the queues of mostly women wait often for hours to receive their grant. Those still with money or food to spare by the end of the month wait a couple of days for the rush to subside before going to collect their grant. For most, the first day of the

month is a long time coming, and the few days leading up to it can involve cutting down on food portions, borrowing from neighbours or buying food on credit from informal retailers, forming a set of interlocking strategies that serve to smooth over the monthly cycle. The journey to town and back from the surrounding rural hinterland involves time and expense, so most people combine their grant collection with their main monthly food shop.

In a country characterized by chronic joblessness and an ever-growing population, government expenditure on welfare payments has increased exponentially from R11 billion in 1994 to R113 billion in 2013. Two-fifths of South Africa's population now receive a grant, many of whom are rural dwellers, creating a burgeoning market opportunity for corporate food retail. This was evident in a changing physical landscape. In 2012, two new large supermarkets opened in the two nearby towns of Jozini and Mkuze, adding to the existing three supermarkets in each, and an array of smaller retail outlets. In mid-2013, a shopping mall was being erected on a former sugar cane field in a densely populated area about a mile outside of Jozini town, comparable in size to many of its counterparts in Durban or Johannesburg. This was to house the new Shoprite supermarket, as well as numerous other stores. As the huge grey structure slowly took form, excitement and nervous anticipation intensified around the impending rush for jobs.

For most families, monthly government grants, especially the pension, are used to buy the most essential food items. The ubiquitous use of the social pension for essential food purchase, regardless of other income sources, suggests that the pension is both a lifeline for families without other income or food sources, and the most appropriate means of food acquisition even for those with multiple sources of income or for those engaged in farming. This can be explained partly by the fact that government grants are both the most routine and the most reliable income source, corresponding well with the regularity and predictability of food needs. In Jane Guyer's terms, it is the 'synchronicity' of food needs with government grants that makes the latter so conducive for food purchase (Guyer 1989: 139), though gender norms also make this category of income more available for household food expenditure than others, because most grant recipients are women, who tend also to be responsible for food provisioning.

Just like salaried work, government grants impose a dominant monthly time frame which is the backbone around which food provisioning is structured for the large majority of families. While food is relatively abundant immediately after receipt of the pension, it can run out towards the end of the monthly cycle. For many families, therefore, this cycle involves peaks and troughs in food access, albeit more muted than the fluctuations caused by the longer and less predictable cycles of agricultural seasonality to which previous generations were exposed.

For those without additional disposable cash, various strategies are used to ensure food supply during these once-monthly periods of food scarcity. This is often achieved without the use of money, particularly in areas where small-scale food production was common, for instance by eating food grown at home, by providing piecemeal labour in return for food or through gift exchange. A specific type of exchange known as *ukunana* is tied closely to the monthly cycles imposed by

grants. *Ukunana* refers to a practice of exchange whereby maize or another item is requested, often by a child sent to a neighbouring house, with the expectation that it will be returned when food is restocked in the receiving household. Strict rules apply to *ukunana* that distinguish it from other forms of gift exchange, and that tie it closely to the monthly economic cycle of households. First, the same quantity of the item must be returned as was provided, which is ensured by returning it in the same or similar container. Second, only items considered essential to a meal can be requested. This is usually restricted to maize, though occasionally onions or potatoes may be included. Even rice, which is now widely consumed as a staple starch in addition to maize, cannot be requested through the practice of *ukunana*. *Ukunana* is therefore reserved exclusively for food shortage and hunger relief, and signifies an ethical relationship between two households. A third rule attached to the practice of *ukunana* is the time limit for returning the item, after which the honesty of the recipient may be questioned, and it is here that we find the practice shaped by the temporal framework of government grants. A month is considered the longest period within which food should be returned because, as one person explained, households acquire food using a grant so food is always replenished within this period. The grant, therefore, structures the moral content of this type of food exchange according to a specific time frame. As some grants are received at different times during the month, this strategy can be mutually beneficial for families. In one example two elderly neighbours received their grants two weeks apart, and habitually purchased a bag of frozen chicken for the other on their respective grant-collection days. This staggering of pensions was useful, especially because neither woman owned a freezer or a refrigerator.

Given that *ukunana* is usually limited to the exchange of maize, other types of food are frequently purchased on credit (*ukukweleta*) from local tuck-shops, to be paid on receipt of the grant. This is yet another way around the problem of cyclical food shortage before grant payout day. It is through credit practices that we find small retailers benefitting from the strict time frames imposed by the grant system. Like *ukunana*, *ukukweleta* serves an important function of 'smoothing over' the peaks and troughs of a cycle (Guyer 1989: 139) that is largely determined in this context, as I have shown, by the most regular and reliable form of income: the government grant. Credit offered by local traders has served this function since the end of the nineteenth century, easing families through periods of cash or food shortage, though previously it was the agricultural cycle, in some instances combined with salaried work, which served as the dominant temporal frame. Webs of credit and indebtedness helped to establish the ongoing relationship between residents and traders, and some traders drew on a discourse of philanthropy to locate the practice as part of a broader moral economy, particularly when under threat by new rounds of government legislation. As one long-established trader John Fry stated: 'I have kept families fed until such time as the husband is able to secure employment. ... There are a number of ways I have assisted the Black man at my own expense' (John Fry 1979, quoted in Whelan 2011: 107).

Some treated periods of food shortage as opportunities for gain, such as those who sold government provided 'drought relief' maize at marked-up prices (Whelan

2011: 168). Either way, then as now, it was the ability of small traders to adapt and mould themselves to the ebb and flow of livelihoods and food requirements that was key to the whole endeavour. Today, the ability to offer credit towards the end of the monthly cycle is a flexibility that ensures the continued role of small spaza shops despite the growing presence of supermarkets. They capitalize on the time limitations of formal retail, namely the requirement for immediate transaction, using their knowledge of customers, who are often also their neighbours, to offer this flexibility in the form of credit. They keep detailed written accounts of the debts they are owed and build up knowledge about the reliability and trustworthiness of individual customers. They also generally accept cash only which is why – rather than merely a symptom of financial illiteracy as suggested in government and media narratives – grant recipients often withdraw their grant in full instead of leaving it on their card for later expenditure.⁷

Although food is more expensive than in the larger shops in town, these informal establishments attract customers because, as Maxim Bolt (2012) shows in Limpopo, informal economic practices make use of, and flourish in, the gaps created by the formal sector. Not only do informal retailers capitalize on the time limitations of supermarket retail by offering credit, they also make use of the spatial fragmentation of rural residency by operating close to people's homes. This important spatial character of food retail is partly a legacy of apartheid era resettlement schemes, which created an array of villages separated from one another and with poor infrastructural links, making it difficult for people to access resources and placing constraints on food availability.

Improved transportation, especially the proliferation of the minibus taxi industry, has served to create more competition for *spazas* by overcoming the spatial limitations to some extent. However, this does not only create more competition between informal and supermarket retail, but also between supermarkets, wholesalers and manufacturers. For example, the South African bread company, Sasko, bypasses supermarkets altogether by supplying directly to *spazas*; its delivery trucks can be seen early in the morning in the most remote rural areas. In this instance, the perishability of an item such as bread ensures the continued importance of local tuck-shops for its distribution. Medium-sized stores are also seeking new methods of competing with supermarkets, and these often have to do with a competitive advantage achieved through overcoming spatial limitations. In one instance, a trader planned to supply goods directly to *spazas* at a 10 per cent mark-up, knowing that the latter would save the same amount by not incurring transport costs to and from town to collect stock (Whelan 2011: 173).

Other informal arrangements create food acquisition strategies that bypass supermarket retail. Financial mutuals, otherwise known as rotating savings clubs or *stokvels*, are informal associations typically consisting exclusively of women in which money is pooled and redistributed, or spent on bulk purchase of food. By 1991, *stokvels* in South Africa had an estimated annual turnover of more than R1 billion, and have grown considerably in the post-apartheid era (Bähre 2007: 9). Members contribute an agreed amount of money paid in cash each month, and at the end of the year, food is purchased in bulk and distributed between members.

Most *stokvels* acquire additional funds throughout the year by becoming *mashonisas* (informal moneylenders), offering loans at high interest rates, typically 30 or 40 per cent each month. These two strategies of buying in bulk and gaining interest through lending mean individuals receive much more food than they would have been able to buy with the money they had contributed. *Stokvels* tend to bypass both supermarkets and smaller retailers by purchasing directly from wholesalers. Like the banking or saving of money, the strategy of 'banking' food via *stokvels* ensures some continuity and helps to smooth over the vulnerabilities associated with making a living and achieving food security during periods of economic difficulty or crisis, and demonstrates tight links between formal and informal modes of food distribution.

Traders and small or informal retailers exist in a dense web of relationships that predates the rise of supermarkets in rural South Africa. Despite the increased competition introduced by supermarkets, these networks remain prominent given their centrality to household food acquisition at certain times in the monthly cycle, and in many areas that are geographically more remote.

CONCLUSION

The expansion of supermarkets is symptomatic of a structural transformation in the organizational technologies of global commodity chains. It has been catalysed in South Africa by the widespread reliance on government grants and commercial retail for food acquisition. The fact that the majority of rural dwellers purchase their main food supply from the formal retail sector using the government grant, administered through a sophisticated and standardized biometric card system, is an indication of the degree of formalization of South Africa's economy and its distinctiveness in this regard vis-à-vis other sub-Saharan African countries. However, in this chapter, I have shown that informal/formal linkages in the retail sector are sites both of complementarity and of struggle, rather than one simply wiping out the other. A range of activities suggest tight linkages between formal and informal modes of financial gain. Crush and Frayne (2011: 803) make a similar point in relation to the urban context in South Africa, while Anand (2009) highlights their complementarity in Mexican food retail. As Amy Cohen's research in West Bengal demonstrates, changes in legislative frameworks give rise to a constantly mutating interaction between formal and informal modes of economic action. In this respect, it is more useful to think not in terms of two sectors in opposition to one another but rather, as Keith Hart has suggested, in terms of a 'partial institutionalization of economies' (Hart 2010: 150), where formal and informal modes operate in tandem.

I have focused on food acquisition practices of consumers as a lens through which to investigate the interlocking character of different elements of rural retail infrastructure. This approach offers a link between two emerging yet hitherto separate discussions in the anthropology of food, relating to the effects of supermarket expansion on consumers on the one hand and supply chains on the other hand. What the ethnography here suggests is that the strategies of retailers, both large and small, are shaped by the temporal and spatial character of consumers' food

practices, which present both constraints and opportunities for different types of retailers. Informal institutions such as *stokvels*, as well as various types of exchange including *ukukweleta* (purchase on credit) and *ukunana* (inter-household exchange), are all strategies that smooth over temporal troughs in food access, much like the strategies of 'seasonal adjustment' described by Jane Guyer (1989: 139), though we can broaden the concept of 'seasonality' here to refer in the broadest sense to a timeframe rather than an agricultural season. In the case of *stokvels* – often bypassing supermarkets and buying their stock in bulk directly from wholesalers – the proliferation of informal, organized modes of food distribution diverts the flow of goods away from supermarkets and not the other way around. A focus on retail via the food consumption activities of residents, therefore, offers a useful vantage point from which to understand the expanding frontier of corporate food retail, not as a homogenous process but one conditioned by the particular regulatory systems and historically shaped settings in which it occurs.

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NOTES

1. For a recent review of the diverse literature on this subject, see Meagher 2013. For a discussion in the South African context, see Hull and James (2012).
2. According to the national census, annual household incomes in the municipality of Jozini more than doubled between 2001 and 2011, from R16,122 (about GBP £1,500) to R36,164 (about £3,300). In the province of KwaZulu-Natal as a whole, in which Jozini is situated, average household income increased from R38,905 (£3,500) to R83,050 (£7,550) over the same period.
3. Given the market dominance of highly competitive South African supermarket chains, multinationals have had a limited role in Africa. This changed in 2011 when Walmart won a stiff legal battle to buy a 51 per cent share in the South African retail company, Massmart, and in October 2013 confirmed its intention to buy a major stake in Kenyan retailer Naivas.
4. First introduced for white and coloured South Africans in 1928, pensions were extended to Africans in 1944, though at considerably lower rates. When the African National Congress (ANC) came to power in 1994, they removed differentiated payments based on race, and a key aim became the extended reach of pensions to all who were eligible. As a result, social security payments increased considerably. By 2000, 1.4% of GDP was taken up by the social pension (Devereux 2007: 556).
5. Grants are provided via a non-contributory and means-tested system. They include the child support grant, the foster-child grant, the care-dependency grant, the older persons grant, the disability grant, grant-in-aid and social relief of distress.

6. The 'homelands', or bantustans, were territories set aside by the apartheid government for the purpose of creating ethnically homogeneous, independent states for South Africa's black ethnic groups. Ten were created altogether and were subsequently dismantled following the democratic elections in 1994.
7. SASSA's communications manager, Kelemogile Moseki, encouraged people to use electronic payment facilities such as post offices, banks and ATMs to access their grant payments, not only to reduce queues at formal pay-points but also to encourage 'a culture of saving and ensure that they [grant recipients] move away from temptation because at the bank you can withdraw only the amount you need'. He went on to allude to what he saw as the financially irresponsible behaviour of many grant recipients: 'At the pay-points, they get all the money and end up spending it all on their way home without saving anything, unlike having bank accounts, whereby they will also be able to save the extra money they get elsewhere.' Gabi Khumalo, 24 July 2009, 'Beneficiaries Urged to Use Alternative Payment Methods,' *South African Government News Agency*, <http://www.sanews.gov.za/south-africa/beneficiaries-urged-use-alternative-payment-methods> (accessed 15 October 2013).

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