Modernization, Neoliberal Globalization or Variegated Development: the Indian Food System Transformation in Comparative Perspective

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Abstract

This paper considers India's changing agro-food system of the last few decades in light of three theoretical approaches to agro-food system change, placed at different levels on the ladder of generality. Thus, the paper seeks to examine the question of when generalizations risk compromising the utility and accuracy of a theory. It discusses the general and the particularistic features of the case of the Indian food system, and their implications for theories relating to global governance and international political economy. Finally, the paper seeks to show how a balance can be struck between generalized and context-specific analyses in fields like comparative political-economic analyses.

Keywords: Food sociology, governance, political economy, India, Globalization theory

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Questions regarding whether, and if so how one can speak of a world order, and whether a dominant world order propels all countries towards convergence, have preoccupied social scientists for centuries. In the last few decades, the debate has been centered on the nature of the post-cold war order. In the 1990s, realist international relation theorists and Marxist-oriented scholars of international political economy held that the world had witnessed the rise of a neo-liberal global order whose emergence was explained by global shifts in power. On the one hand, the emerging unipolarity in international politics enabled the United States to overcome resistance on the part of opposing states, and on the other, the consolidation of a transnational capitalist class linked to transnational 'policy networks'(Ayers 2009). At a somewhat lower level of generality and abstraction, the "varieties of capitalism"(VoC) approach does not view the world in terms of a uniform global order. Rather, it sees states as institutional containers with regulatory integrity, and thus, as primary units of analysis. In this perspective, the global political order makes up a patchwork of different national regulatory models, of which neo-liberal market economies, confined primarily to the Anglo-Saxon world, represents one, while other main regulatory models, such as the coordinated market economies of Scandinavia, Germany and parts of East Asia, are seen as relatively insulated from the pressures of neoliberal market discipline. Yet other political economists have rejected the grand theorizing and the typologies characteristic of globalist and state-centric perspectives altogether, while highlighting that there are many varieties of capitalism across the world since market-oriented regulatory restructurings always take on specific characteristics (Brenner, Peck and Nick 2010).

The above-mentioned perspectives span from generalized descriptions of a global order and typological accounts of national regimes to idiographic, non-systemic approaches emphasizing the context-specific characteristics of national or even local political-economic orders. The question posed in this paper concerns if, and if so where, a balance can be reached between the search for generality, that is general patterns, and thickness, meaning detailed, context-specific knowledge within disciplines like international sociology, political economy and comparative politics. The paper is thus concerned with the tension between generality and "thickness" and the limits of generalization, that is, the question of when theoretical simplifications compromise the utility and accuracy of a theory. More specifically, the paper examines the issue of whether, and if so when, it is analytically meaningful to speak of a dominant global order propelling countries towards convergence. At issue, among other things, is whether globalization understood as "expanded interdependencies and rates of transaction around the world " (Meyer 2007, 262) has been the handmaiden of neo-liberal[2]globalization, or not. This paper seeks to contribute to this discussion by examining some central aspects of the Indian agri-food system of the last few decades, in light of three more and less general approaches to agri-food system change. Like the general debate on globalization, agri-food system analyses range from descriptions of general changes in the wake of globalization to

[2] The concept of neoliberalism is here defined as a set of political beliefs centered on free markets which include "the conviction that the only legitimate purpose of the state is to safeguard individual, especially commercial, liberty, as well as strong private property rights", and consequently, "a belief that the state ought to be minimal and that any transgression by the state beyond its sole legitimate purpose is unacceptable" (Thorsen 2009, 14).

detailed, context-specific accounts of changes in particular countries or regions. The paper begins by reviewing two approaches to food system change located at a very high level of generality: the modernization approach and the food regime approach, with specific reference to the works of Philip McMichael, one of its leading proponents. Next, it considers the less generalizing "agrarian question"-theories. Following this, the paper discusses general and particularistic features of the Indian case in light of the above-mentioned theoretical perspectives. Finally it considers their implications for theories relating to global governance and international political economy.

The General and the Particular in processes of Agri-food System Change

The notion of agri-food system encompasses the ways in which food is produced as well as the economic, cultural and political relations characterizing the whole chain from farm to plate (Tansley and Worsley 1995, 1-2). Food systems are tightly linked to the overall economy, and they consequently change along with general economic restructurings following processes of industrialization, urbanization and globalization. At issue here is how they change. What may be called modernization approaches to food system change are located at a very high level of generality since they assume that countries undergoing a process of modernization tend to converge on similar food systems. Modernization in this regard refers to a process of agricultural development, leading to growth in production and farm size and a concomitant transfer of labor power from agriculture to other sectors of the economy, mainly located in urban areas. Simultaneously, the ways in which food is processed marketed and consumed change along with changes in consumer taste and preferences. There is a shift away from traditional small-scale informal food industries to large-scale food industries, and a concurrent shift away from traditional wholesale markets towards specialized wholesalers serving supermarkets. Finally modern supermarkets replace most small corner shops and 'mom and pop' stores. A successful structural transformation of this kind involves the inclusion of the majority of the poor into the rural economy, the inclusion of the rural economy into the national economy, and of the national economy into the global economy. In this perspective, a fundamental difference between past agri-food transformations in the US and Western Europe and current transformations in developing countries is that the latter occur at speeds unseen before. This is primarily because the most recent transformations are driven by a massive wave of foreign direct investments (FDI) following the widespread deregulation of retail sector FDI in the 1990s (Reardon and Hopkins 2006; Timmer 2009). Dominant international development organizations like the World Bank basically share the assumptions of the modernization approach. In the World Development report of 2008, the Bank proposes that the solution to rural poverty in agriculture-based countries lies in an intensified integration of competitive smallholders into global market circuits through an expansion of non-traditional agricultural exports, outmigration from the rural economy and/or improved opportunities for rural wage labor. Thus, the World Bank suggests a relatively standardized set of paths out of rural poverty, mirroring a global vision of the future of food and agriculture (Akram-Lodhi 2008, 1153).

Like the modernization approach, food regime theory is placed at a high level of generality, but unlike the former, it posits the perpetuation of global inequality in the current global agri-food system rather than convergence. It draws on regulation theory, which is based on the idea that capitalism undergoes distinct stages, each of which makes up a distinct "regime of accumulation" with related modes of social and political regulation (Busch and Bain 2004). Food regimes form a branch of the dominant accumulation regime and include constellations of class relations, patterns of geographical specialization, and inter-state powers, making up an international system of food production and consumption based on a specific division of labor. (Friedmann 2009, 336). In the food regime perspective, modern history consists of periods where food regimes and more experimental periods replace each other.

According to McMichael (2004, 2006), the dominant accumulation regime between 1950s and 70s was based on national development, meaning Keynesian demand-management in developed countries and state-led national industrialization as a means to catch up with the West in developed countries. In the 1980s a major shift occurred as the national development doctrine was replaced by the "globalization project", prescribing national economies to finding a niche in the global marketplace rather than learning from, and catching up with the West. While there is disagreement as to whether a new regime was established after 1973 or not, McMichael maintains that the rise of the globalization project was accompanied by a neoliberal food regime. In the wake of this shift, the scale and geography of the agri-food system has shifted from being dominated by local, regional, and national networks towards being increasingly dominated by buyer-driven global commodity chains, that is, commodity chains subjugated to a few retail corporations with the capacity to set the standard for the entire chain (McMichael 2004; McMichael 2006, 412). Similarly, there is a growing concentration of power and ownership in the upstream parts of the value chain in the seed industry, where a few transnational agribusiness companies have become dominant. In other words, there is an increasing concentration of power in the hands of transnational corporations, mainly retail corporations and agrochemical companies. Given this concentration of power, TNCs are able to dictate the standards and terms of trade vis-à-vis small farmers, particularly in developing countries. Many small farmers and processors may not be able to meet the standards and requirements of retailers and therefore risk being marginalized from modern supply chains. The current agri-food system may consequently eliminate huge numbers of non-competitive small producers, informal family-run retail shops and small-scale wholesalers within a few decades. If the labor market cannot absorb the displaced, the structural transformations in the developing world will generate unemployment and urban "slumification rather than widespread inclusion into the formal sector of the economy" (McMichael 2004). In this view, the global neo-liberal regime is pinching states from above by limiting them from regulating their food systems with a view to balancing the interests of different stakeholders, such as farmers, processors, retailers and consumers (Bosia and Ayres 2010).

In contrast to food regime theory, which place emphasis on dominant global regimes, "agrarian question"-theories are less generalizing in their claims. The notion 'agrarian question' was developed by Kautsky who maintained that it concerns "whether, and how, capital is seizing hold of agriculture, revolutionising it making old forms of production and property untenable and creating the necessity" (Kautsky cited in Akram-Lodhi and Kay 2010, 180). The underlying idea is that growth in the agricultural sector is crucial for the accumulation of the human, physical and financial resources required to sustain a structural transformation process (Byres 1986, 18). Researchers of agrarian questions do not presuppose convergence of agri-food systems. Rather, they focus on how rural capitalism evolves and how different kinds of capitalist relationships are established across the world. Initially, scholars distinguished different paths such as the English, French, Japanese, and American paths of agrarian development. Cases such as the American path, dominated by family farms, and the Prussian path, dominated by large landholders have sometimes been related to more recent agrarian transformations in developing countries. Prior to the 1990s, an unresolved agrarian question was seen as one of the main, if not the main problem of underdevelopment (Byres 1986, 6). In the contemporary globalized world the agrarian question has to be reformulated, argues Bernstein, since developing countries are increasingly integrated into global financial circuits and a global agri-food system. For this reason the agricultural question, in the strict sense of removing barriers to capitalist transformation, has been resolved in the globalized world. Thus, in the contemporary world the agrarian question concerns, among other things, how the deregulation of capital, labor and commodity markets and the growing global market integration affect agriculture and related rural and urban transformation processes, as well as politics, across the world (Bernstein 2006, 403-404). In this view, it is problematic to make generalizations regarding the outcomes of "neo-liberal globalization" for agri-food systems in the global South, although certain tendencies can be found. For instance, national development programs have largely been abandoned, leading to the removal or reduction of state investments and direct and indirect subsidies while governments instead tend to promote the production of export crops and high-value commodities. This tendency has primarily affected smaller and poorer farmers in the South, forcing many of them to exit the agricultural sector (Bernstein 2010).

The three perspectives on global agri-food transformations reviewed above are founded on world historical analyses converted into theoretical accounts placed on different levels of the ladder of generality. Food regime theory and the modernization approach, given their high level of generality, inevitably ignore a great deal of "thickness", while agrarian question theory is more open-ended. The latter is founded on concepts that distinguish types of problems, conflicts and conjunctions of events and outcomes that may be found across cases, but not necessarily so. In the following, the paper takes a more detailed look at the general and the particularistic features of the changing agri-food system of India, prior to discussing their theoretical implications.

The National Development Project in India

Prior to and during the green revolution, social scientists in India and elsewhere debated whether there had been a decisive movement in Indian agriculture from a feudal to a capitalist mode of production (Alavi 1975). In retrospect, it can be argued that India's first decades as an independent nation was close to a textbook case of what McMichael calls the National Development Project. In the first decades after independence, the National Congress government had two central goals with regard to agricultural development. The first objective was to ensure a more equal distribution of power in the agri-food system by promoting the interests of small and medium agricultural producers. Consequently, the Government of India (GoI) abolished the special rights of the landlords (*zamindars*) and introduced a ceiling on landholdings, as well as market regulations to protect smaller agricultural producers from the worst forms of exploitation by trader merchants (Frankel 2005). The second pillar of the Indian food policy doctrine aimed at securing national food sovereignty and food security for the population, issues of particular urgency in the wake of events such as the Bengal famine of 1943 and the severe food grains shortages in the 1950s and 60s. In the mid-1960s, a regulatory framework with the aim of optimizing national agricultural production and consumption was in place (Landy 2009, 71). Through massive state investments in agricultural technologies such as irrigation and high yielding varieties of seeds, and by subsidizing credits, chemical fertilizers and pesticides, agricultural output levels tripled between the 1960s and the 1990s, a process popularly called the “green revolution” At the same time, the government intervened in food grains markets for food security and equity reasons by guaranteeing remunerative prices to farmers and stable consumer prices. This framework came to rely on several tools, including minimum support prices, food subsidies for consumers, regulated markets, input subsidies for producers, and a strict foreign trade policy (Gurung and Gilmour 2008). The government established a system for procurement, management, and distribution of food grains called the public food distribution system (PDS). Furthermore, legislation such as the 1955 Essential Commodities Act ensured that trade and private movements in food grains and other commodities deemed essential for national security and wellbeing were restricted (Umali-Deininger and Deininger 2001). Another central piece of legislation, the Agricultural Produce Market Committee (APMC) Act, stipulated that farm produce must be sold exclusively at regulated markets (market yards) through registered intermediaries (Landes 2008, 18). Constraints on finance of trade and priority sector conditions on loans were introduced in conjunction with the nationalization of commercial banks in 1969 (Acharya 2006). Moreover, most shares of the food-processing sector were reserved for small-scale firms with a limit set for fixed capital assets. This held back the establishment of large-scale vertically integrated food processing firms in all sectors reserved for small firms (Landes 2008, 16).

In the post-independence period up until the 1980s, India was one of the most inward-oriented countries in the world outside the communist bloc. Exports of rice, wheat and coarse grains, as well as of agricultural raw materials such as cotton, timber, hide, skins, and leather were controlled so as to keep domestic prices below world prices to protect both consumers and domestic industries. At the same time, imports were restricted to support domestic industries (Athukorala 2005). The Indian national agricultural development project can claim some significant successes. By the 1990s, India had become self-sufficient in rice and people's access to food had increased. The price policy and the input subsidies had benefited many disparate sections of society including farmers, rural landless laborers and urban consumers as well as the industry (Acharya 2006, 3).

However, the agri-food regulations had generated a range of unintended consequences and implementation failures. First, the costs of food and input subsidies increased heavily from the 1980s and onwards, thus straining government budgets. At the same time, input subsidies encouraged excessive use of inputs which gave rise to various environmental problems (Gurung and Gilmour 2008). Moreover, the regulation of food commodity chains contributed to their fragmentation. More than 7500 markets, managed by local marketing committees, were created on the basis of the APMC legislation. Several studies found that traders and market functionaries tended to enter into cartels in the regulated markets, which led to widespread exploitation of farmers (Acharya 2006). Moreover, market regulations were unevenly implemented, if implemented at all, and they were often reinterpreted to benefit bureaucrats and tradesmen. Agri-food trade has consequently been biased towards benefiting intermediaries that reap most of the proceeds in the transaction chain. Another drawback was that the system of Agricultural Produce Marketing Committees did not permit traders to purchase from farmers outside of the specified market yards, which meant that farmers sometimes had to travel far to get to the marketplace. As a result transportation costs and market charges served as disincentives for many marginal Indian farmers with a small market surplus (Harriss-White 1995). Furthermore, laws reserving food processing for small-scale firms contributed to fragmenting the food chain, since the food processing sector came to be dominated by small-scale firms operating informally, that is, beyond legal, tax, and regulatory systems. Informal sector businesses accounted for about two thirds of the food processing output according to a 2007 government report. Informal firms benefit from tax evasion and the avoidance of all kinds of regulations and are therefore often able to compete with larger firms in supplying small volumes of comparatively low-quality food stuffs. Given the informal character of the food chain, companies have underinvested in transport infrastructure and cold storage networks, leading to high levels of wastage (Chakraborty 2009). In addition, the small average farm size contributed to hindering vertical integration and coordination since buyers had to procure from a large number of sources. Consequently, the Indian retail sector came to be dominated by a myriad of small and unorganized, often family-owned kirana shops, hawkers, street corner kiosks and street vendors (Landes 2008, 17; Reddy 2009; Sridhar 2007). According to a 2008 report, about 20-40 percent of perishable food products were wasted in the food chain during transportation and in the transactions among multiple intermediaries, partly because of the absence of suitable cold storage facilities (Fels 2008, 17).

Like other sectors of the Indian economy, the agri-food system was dominated by small-scale, informal firms when a series of market reforms were launched in the wake of a severe fiscal and balance of payments crisis in 1991, leading to the gradual dismantling of the old industrial licensing regime, and the opening up towards foreign direct investment and international trade.

The liberalization period

Given its indebtedness in the beginning of the 1990s, the Government of India had to accept a reform package prescribed by the IMF. In this regard, India conformed to the near global trend of economic liberalization replacing national development models. However, in contrast to countries like China and Brazil, the Indian agri-food system was left relatively unchanged, and subsequent reforms have been gradual. The predominant focus of the first phase of trade reforms was on intermediate and capital goods while trade in agricultural products continued to remain highly protected (Athukorala 2005). As India joined the WTO in 1995, the Government of India took an offensive stance with regard to the liberalization of the service sector, particularly IT- and business services where India has a comparative advantage, but like many other governments it was far more circumspect with regard to the agricultural sector where it has emphasized its right to maintain "policy space" (Kumar and Nair, 2009). Thus, India has kept a range of exceptions to sustain its protectionist agricultural trade regime. This is not surprising since the agricultural sector provides a livelihood to a sizeable proportion of the population, and since any reform of the agri-food system tends to be highly contentious. Around the year 2000, 60 percent of the country's total labor force was estimated to be dependent on the agricultural sector for employment (FAO 2003). The reforms of the agri-food system in the 1990s and onwards have therefore been gradual and somewhat inconsistent due to the difficulty of reaching political consensus on consistent, sector-wide transformations. Foreign-owned operations in retail were permitted in 1993 but restrictions on FDI were re-imposed three years later as the Hindu nationalists gained power in 1998, supported by many small shopkeepers (Fels 2008). In 1997, the Public Distribution System shifted from universal coverage towards a targeted, means tested system directed at families falling below the poverty line. In the same year, rice and wheat milling were removed list of food processing sector reserved for small-scale firms. This was followed by removal of sector after sector from the reservation list in the reform period. At about the same time restrictions on private storage and interstate movement of grain and other essential foods were withdrawn (Gurung and Gilmour 2008). The licensing requirements and stocking limits for wholesale and retail traders were removed, as was the system of Selective Credit Controls, used to regulate institutional credit to traders, while Future markets, banned since 1942 were allowed (FAO 2003). Not long after India had joined the WTO, it became clear that the Government of India had subjected itself to a regime which actually would limit its agricultural "policy space". India had strongly resisted WTOs' requirement of converting quantitative restrictions on trade (QRs) into tariffs but this claim was challenged by the United States. The matter was ultimately settled by a dispute settlement panel (DSM), which ruled in favor of the US. Consequently, by 2002, most quantitative restrictions on agricultural imports had been removed. However, the Government of India shifted to using tariffs as the principal means to protect its domestic industries and agriculture. Moreover, using a loophole in the WTO rules, government-mandated import monopolies or state trading enterprises (STEs) still control imports of rice, wheat and coarse grains, and subsidies on fertilizer, irrigation, electricity and agricultural credit that serve to protect agricultural producers remain in place (Athukorala 2005).

The reforms of the agri-food system continued in the 2000s. On the basis of several government reports that concluded that the existing regulation of markets held back market integration and private investments in infrastructure, the Government of India introduced a new Model Law on Agricultural Marketing in September 2003. The new Model Law encouraged the States and Union Territories to reform their markets to improve the conditions for agribusinesses in India. The Model law saw Contract farming as a way of encouraging investments, and thus, as a way of reviving the agricultural sector. Since the passing of the New Model law, contract farming has been permitted in most Indian states, and the agricultural produce covered by contract farming agreements is thus allowed to be sold outside market yards with no market fees added (Chakraborty 2009). At about the same time, a tax reform was introduced to facilitate market integration across the borders of the Indian States (Kumar, Patwari and Ayush 2008). The government of India also repealed the Urban Land Ceiling Act (ULCA) and raised the limit of FDI in large real estate projects to enable retail companies to buy and hold large tracts of land. In 2006, foreign firms were allowed to set up wholesale operations, cash-and-carry export trading businesses, and to own up to 51 per cent in single-brand retail joint ventures, while the ban on foreign ownership of multiple-brand stores remained (Reddy 2009). As of January 2007, 25 of India's 35 States and Union Territories had entirely or partially adopted the new model Act. State governments in Punjab, Haryana, Chandigarh, and Madhya Pradesh had also permitted the establishment of new terminal markets with majority private-sector ownership (Landes 2008, 18). The government of India has moreover promoted the establishment of Agri-export Processing Zones (AEZs) to advance exports of agricultural products through partnerships among the government, farmers and private sector companies (Thakur 2005). Taken together, these measures have been seen as major steps towards the establishment of entire corporate food grains procurement systems, and thus, towards a massive transformation of the Indian food system (Sridhar 2007)

Reform outcomes

The Indian agricultural sector has grown slowly relative to other sectors in the post-reform period. Large masses of people have left agriculture in the last few decades, and the number of smallholdings of up to 2 hectares has increased, while the amount of holdings above this size has gone down. In other words, farms seem to have become smaller and poorer. More than twice as many, about 3.09 million people, left agriculture between 1994 and 2000, compared to the previous decade (Gupta 2009). This trend has contributed to a growing informalization of labor in post-reform India as informal firms can tap into an increasingly larger pool of cheap labor. Against the background of this stunted structural transformation with limited urban employment growth, the rural non-farm sector has become an increasingly important source of rural and economy-wide employment (Binswanger- Mkhize 2012).

At the same time, there are signs of modernization. Das Gupta et al (Das Gupta et al. 2010) found that the supply chains of rice and potatoes from a commercialized agricultural zone in Uttar Pradesh to Delhi had become shorter and more efficient in that fewer brokers and intermediaries were involved. Simultanously, the milling sector had become increasingly consolidated. Small mills had largely disappeared while semi-automatic and automatic mills had become dominant. Das Gupta el al also found that the farm land rental market had grown significantly. This suggests that land rentals may compensate for the loss of economies of scale from the trend of decreasing farm. In a study of grain markets in West Bengal in the post- reform period, Harriss-White (1995, 2) found that market relationships in the food supply chain had become increasingly unequal and differentiated. These results indicate that consolidated and efficient supply chains have emerged alongside traditional chains, making food supply chain relations increasingly differentiated and asymmetrical.

A similar trend can be found in the retail end of the food supply chain, although small-scale traders still dominate. For global retail companies, the rapidly urbanizing India with its growing economy is the most attractive, untapped market that remains in the world. The Indian retail sector has been growing in the last few years. In 2001, large-sized “hypermarkets” did not exist in India. Five years later, 75 large-sized hypermarkets, with a space amounting to one tenth of the total retail space in the entire country, had been established (Reddy 2009, 126). According to A.T. Kearney's 2007 Global Retail Development Index, the formal retail sector is growing by about 40 per cent a year (Sridhar 2007). The bans and caps on foreign direct investment have not entirely prevented foreign multi-brand retailers from entering the Indian market since they can get in through various alternative routes such as franchise agreements, wholesale trading enterprises, or partnerships with Indian companies running the retail outlets. Wal-mart entered by partnering with the Indian conglomerate Bharti, for instance (Fels 2008, 18). While the entry of Wal-Mart received a lot of attention, domestic retail companies, such as the RPG Group, Pantaloon Retail, the Wadias, the Rahejas, the Aditya Birla Group and the Reliance Group have expanded their retail operations rapidly. Several companies, of which Reliance is the leading, have taken advantage of the amendments to the Agricultural Produce Marketing Committee Act (APMC) in order to bypass intermediaries and establish their own supply chains. For this purpose retailers have invested in centralized warehousing and distribution centers, either directly or through engaging third party logistics companies (Joseph and Soundararajan 2009). There are significant variations as to how retailers are permitted to operate. In the West Bengal, the State government allowed the establishment of Reliance but it demanded that the company would not enter into the foodgrain business. In Maharashtra, large retailers such as Reliance and Metro have applied for licences to bypass the APMCs to be able to source directly from farmers, and are expanding their store and supply chains rapidly (Sridhar 2007)

However, despite signs of food chain consolidation, small-scale, informal retailers, so called kirana shops, still dominate the Indian retail markets. Chain stores account for only 7% of India’s retailing business (Economist 2011). In Delhi, supermarkets only control 6% of the rice market according to a recent survey (Das Gupta et al. 2010b). The impediments to a full-scale retail transformation are many. Poor infrastructure, inadequate cold-storage facilities, high property prices in cities, regulatory barriers and complex licensing processes serve to constrain the establishment of formal retail shops (Joseph and Soundararajan 2009). Furthermore, there is fierce resistance to the spread of supermarkets on the part of organized kirana shop owners Given India's decentralized system of governance, there is plenty of room for maneuver to resist change at various levels. This is particularly the case with regard to the agri-food system, where responsibilities are spread from the center to local levels. The Constitution of India places most of the authority to make and implement regulations and policies concerning the agricultural sector in hands of India's 35 States and Union Territories. Several States have developed their own unique regulations and policies in many areas, not least with regard to food production and marketing. In addition, the existing food chains provide a livelihood to a large number of people, who therefore may have reason to oppose food chain consolidation. Affected stakeholders in the food chain include primary producers (farmers), logistics personnel, processors, wholesalers, commission agents, retailers and consumers. These groups are affected differently by changes in the food chain stemming from the introduction of contract farming and the expansion of supermarkets, some positively and others unfavorably. As new supply chains are established, trader middlemen fear that they will go out of business. State APMC officials are concerned about losing market fees while commission agents are worried that they will be deprived of their incomes once the full impact of the supply chain reforms are felt. Actors like bankers, insurance companies, and others indirectly related to the food supply chain will also feel the impact of the reforms (Reardon and Gulati 2008, 36). Kirana shop owners in particular fear the consequences of a full retail revolution. According to one estimate, around 40 million people live off activities related to retail trade, of which the main portion, 98 per cent, take place in the informal sector, in this case, various smaller operators such as family-owned shops, street vendors and hawkers (Sridhar 2007).

Traders and retailers have resisted a retail transformation in various ways. In August 2008, hundreds of small retailers and farmers took to the streets of major cities like Delhi, Mumbai, Bengaluru and Kolkata to protest against foreign investment fuelled by the signing of the joint venture agreement to open 15 wholesale retail stores together by 2015, between Wal-Mart and Bharti Enterprises (Fels 2008, 15). Conflicts between big and small traders have appeared around regulated markets (*mandis)* and wholesale procurement centres across the country as organized retailers and wholesalers have entered the scene. For instance, the newly established Reliance Fresh outlets that sell fruits and vegetables were attacked by small traders in Madhya Pradesh in Jharkhand and in Delhi, and the West Bengal, traders mobilized to resist companies such as Metro, Cash and Carry Spencers and food bazaar, as they began to procure directly from farmers (Sridhar 2007). After protests by traders against the policy of allowing corporate retailers to source directly from farmers in Uttar Pradesh, the Chief prime minister of the State withdrew the imminent liberalization of the fruit trade sector and ordered Reliance Fresh to close ten supermarkets. Across India powerful networks of small traders have been lobbying to stop big corporations from getting involved in India's retail produce sector, and have to date been quite successful in winning high level political support (Kazmin 2009). Among other things, small retailers call for regulations that would limit the establishment of big retailers to specific areas so as to minimize the degree of competition for local stores (Fels 2008, 16).

The battle for the regulation of Indian agri-food system is basically fought between two forms of capital, big corporate capital on the one hand, and small-scale, largely informal capital on the other. In the first decades of the liberalization period, beginning in 1991, the two forms of capital have co-existed, often synergistically. This is in part because industrial districts are organized and governed in particularistic, caste-based and corporatists ways, which make corporate capital dependent on intermediaries when they subcontract their operations to local small-scale firms (Harriss-White 2003, 232). By contrast, in the food sector, the interests of the two forms of capital is diverging rather than converging. The entry of corporate capital into the food sector poses a direct threat to small-scale capital. Small informal firms and traders stand no chance in the face of the onslaught of corporations capable of complying with technological, sanitary and infrastructural requirements of modern retail and food commodity chains. Corporate capital is likely to outclass small firms in terms of both quality and prices. Therefore, a further retail transformation is likely to be fiercely resisted by small-scale capital that may seek to lobby for regulatory environments favorable to its interests. This means that polices can be distorted beyond recognition at the lower levels of the political system. Consequently, even if polices at the national level will become increasingly favorable to corporate retail and agri-food businesses, the battle between the latter and traders and kirana shop-owners may continue to be waged locally, through local regulations and zoning licenses, or even through sabotage.

Conclusions and implications for theory

Having reviewed some significant trends with regard to India's changing agri-food system, the paper turns to the question of the general and the particularistic features of the Indian case, and their theoretical implications. Cases can be made that India develops along the generalized paths outlined both by the modernization approach as well as that of the food regime approach. Proponents of the modernization approach can point at the fact that there are signs of consolidation of food supply chains while many are leaving the agricultural sector to search for employment in other sectors. The agricultural sector's share of the GDP has decreased considerably since independence in 1947 and it absorbs an increasingly smaller share of the labor force, while the number of landless households appears to be growing. According to official government statistics, the poverty rate decreased during the 1990s from 36 percent of the population in 1993/94 to 26 percent in 1999/2000 (Deaton and Kozel 2005). Such studies indicate that India is undergoing a structural transformation in which labor power is transferred from agriculture to other, more productive sectors of the economy, leading to a reduction of poverty.

However, by selecting and pointing at other data, it is possible to build a case for the food regime approach. The case of India does seem to conform to the general trend of a shift from a state-led national development project towards increasing global market integration. In the liberalization period, larger producers and processors have consolidated their power while smaller producers and processors have been marginalized from the modernizing supply chains. Thus far, proponents of the modernization approach would agree, but food regime theorists would also highlight that rather than widespread inclusion into the formal sector of the economy a huge informal working class is on the rise. While there has been a strong employment growth in the informal sector, estimated at four percent per year since 2000, the growth in formal employment has been sluggish or even declining. According to some estimates, the informal sector represents 59 percent of India's Net Domestic Product (Gupta 2009, 39-43). Moreover, official poverty estimates in India are fiercely debated (Deaton and Kozel 2005). Critical analysts of India's changing agri-food system tend to maintain that the political-economic changes in India of the last few decades have alienated small producers and cultivators, leading to a massive increase in the number of unemployed and landless, and a breakdown of the pre-existing food security system. For instance, Patnaik has challenged official poverty estimates by examining data on calorie intake. On this basis, she concluded that the degree of poverty had actually increased in the 1990s. According to Patnaik's controversial figures, 75 percent of the rural population consumed below the calorie intake norm around the year 2000 (Patnaik 2007, 142).

Modernization theory and the food regime approach describe tendencies, examples of which can be found in India, but India's development path does not fit neatly into either of these categories. India does not appear to be converging on a "modern" food system in a straightforward manner. While modernization accounts see signs of a looming retail transformation, it is yet to occur and there are many impediments in place. Taking historical contingency into account, we must simply conclude that the battle for the regulation of Indian agri-food system is still being waged and that the outcome is not yet clear. The contemporary agrarian question, that is, current rural transformation processes in India, will be determined by struggles between political forces both at the global and local levels. It is still unclear whether India will follow a Western development path towards close to full supermarketization with concomitant supply chains, or whether each Indian State will embark upon particular development paths, each tailored to fit the specific demands of regional interests and tastes.

The notion that the Indian agri-food system has been subjected to a neo-liberal world regime does not hold. The character of the post-reform Indian economy is complex and contradictory. Clearly, the Indian economy has become more deeply integrated with the world economy. Its share of global merchandise trade increased from 0.83 per cent in 2003-04 to 1.45 per cent in 2008-09 and the share of commercial services exports increased from 1.4 per cent to 2.8 per cent in the same period (Kumar and Nair 2009). However, although global trade in agricultural products has increased, it is generally agreed that the agreement on agriculture has not fully liberalized global agricultural trade. Many impediments to a leveled playing field remain such as agricultural subsidies and tariff protection barriers, as well as various non-tariff barriers such as sanitary regulations in Europe and the US (Khan and Bano 2007). Even though national governments have subjected themselves to certain constraints in their agricultural policies, national governments have not ceased control of their agricultural sectors. After entering the WTO, the Government of India shifted towards using tariffs as the principal means to protect its domestic industries and agriculture. Moreover, using a loophole in the WTO rules, government-mandated import monopolies or state trading enterprises (STEs) still control imports of rice, wheat and coarse grains, and subsidies on fertilizer, irrigation, electricity and agricultural credit that serve to protect agricultural producers remain in place (Athukorala 2005). This means that there is no such thing as a neo-liberal food regime, if we by neo-liberalism refers to a set of political beliefs which include "the conviction that the only legitimate purpose of the state is to safeguard individual, especially commercial, liberty, as well as strong private property rights" (Thorsen 2009, 14). To the extent that there is a global agri-food regime, it is heavily regulated in a way that an orthodox neo-liberal would find abhorrent. It can be argued that a selective liberalization has taken place in India in that trading and storage restrictions have been removed to the benefit of local rice capitalists, while their access to credit, new technology and low-risk transactions remain protected by the government (Harriss-White 2009, 8). However, a complete deregulation of the agri-food sector along neo-liberal lines has not taken place.

The agrarian question approach is the most appropriate for analyses of agri-food systems across the world, given its reliance on typologies distinguishing possible conflict dimensions in the agri-food system without making any generalizations. Yet, like the food regime approach it relies on the concept of neo-liberal globalization, that is, an invalid generalization with regard to the global order. Clearly, the notion of world order cannot be taken for granted, but must be clearly defined. A social order refers to a pattern or set of patterns of interaction. The constituent parts of an order are related to one another not in a purely haphazard manner but according to some principle. For instance, social orders may be based on spontaneous self-organization or on submission to an authority. Thus a dominant authority can enforce social orders; social orders may be based on a shared customs or on principle of cooperation. A comprehensive world order consists of several dimensions, such as the military balance of power, international political institutions enabling global governance, value systems on a global scale and the economic realm of production, finance and distribution. A stable, hegemonic world order can be said to require a *fit* between these dimensions (Chaturvedi and Painter 2007). Neo-Marxist scholars like Harvey (Harvey 2005, 181) claims that this has been the case in last few decades in that the US has dominated all the above-mentioned dimensions. However, while the US has been the dominant military power, there is a lack of fit between military balance of power, international political institutions, and global value systems. The WTO has gradually become less dominated by the US-EU duopoly and power has shifted towards the more inclusive G-20 group, which involves the major emerging economies. As the WTO has developed in the direction of a truly multilateral trading regime, negotiations have become more and more complex. Moreover, since the financial and economic crash of 2008, the economic credibility of the US and the EU, as well as their ability to act as global leaders, has been seriously dented (Karmakar 2009). Buzan describes the existing world order as one of decentred globalism. The current world order is unique, according to Buzan, in that it combines a relatively even distribution of power worldwide and a highly integrated and interdependent global system and society. In the current world order, various forms of capitalism is the accepted form of political economy, regional orders are more powerful that the global one, and the international society is pluralist and motivated by coexistence, with significant elements of cooperation around collective problems such as arms control and environmental management as well as around issues like trade (Buzan 2011, 21). Governments of emerging economies have different capacities to make and implement policies relatively independent of international pressures. Governments of major countries like India are far from being subordinated to hegemonic international institutions or regimes, but it is sometimes in their interest to depict themselves as victims of international pressures to justify unpopular policies or reforms vis-à-vis the citizens, thus evading being held accountable. National governments may selectively deploy the rhetoric of sovereignty and powerlessness when it fits them. For instance, they may invoke the principle of sovereignty to prevent international intervention to enforce human rights while they at the same time willingly adopt economic policies prescribed by international institutions (Randeria 2007). Furthermore, the fact that there are different dimensions of world order, and that each of these dimensions may be differently structured, suggests that world regimes must be analyzed sectorally. Each realm, such as those of production, finance and distribution must be broken down into sub-realms, such as oil production, agriculture and so on. There is not one coherent world order but a number of distinct regimes characterized by different types of institutions and power relationships. Moreover, there is not necessarily a straightforward link between global, national and local levels. For instance, in India informal 'liberalised' market practices at the state and local levels preceded the process of formal liberalisation in the 1990s (Harriss-White 2009, 8). Local economies may be governed by informal practices and regulations in such a way that changes in formal laws or the adoption of economic policies prescribed by international institutions have little or no impact on their de facto regulation. Thus, even if full FDI is allowed in a certain sector, it may be informally regulated locally so as to constrain the establishment of foreign companies.

Where, then, can a meaningful line be drawn between the pursuits of general patterns in terms of world order, and detailed, context-specific accounts of social orders ranging from local to global levels? Theory in the sense of generalized reflections on the conditions of modernity or sweeping accounts of world orders, such as the neo-liberal globalization narrative, are placed at a too high level of generality. While such accounts may serve as instruments for political mobilization, or to make the current state of the world seemingly understandable, they are way too simplified to be analytically useful. Thus, theory in the sense of context-independent explanations or widely applicable generalizations should be avoided in comparative political-economic analyses or analyses of global regimes. Theory must be understood in a different sense and placed at a lower level of generality. Social science theory, in my view, is best seen as analytical tools through which the social world can be analyzed. This type of theory is founded on concepts and typologies distinguishing different types of social phenomena on the basis of well-defined differences between the phenomena in question. Through the use of typologies, social phenomena may be broken down into component elements, between which causal relations can be established (Eckstein 2000). A typology can be used to outline effects that mechanisms have in different contexts, and the ways in which they may interact and combine. This type of theorizing is more open-ended than theories based on necessary and sufficient causality in that it is recognized that similar outcomes can emerge through different pathways. Typologies may therefore contribute to the development of generic knowledge without losing sensitivity to context. However, this requires scholars to clearly specify the circumstances to which different concepts and mechanisms apply. Elements of modernization theory and food regime theory can thus be treated as types, examples of which can be found in many part of the world. However, the ways in which these types are combined will be context-specific. It is safe to say that the world is heading towards convergence in some ways, but at the same time a great deal of heterogeneity can be expected at closer inspection. This is, in my view, a reasonable middle point between generic and idiographic accounts in disciplines like international sociology, political economy and comparative politics.

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