CHANGES IN THE FORMS OF RETAIL TRADE AND THE IMPLANTATION OF SUPERMARKETS IN GREAT SÃO PAULO - S.P.- BRAZIL

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There is a close link between the way a capitalist society orientates its production and the way the commercial apparatus structures itself, in the light of the realization of the merchandise, and, consequently, the accumulation of capital.

In Great São Paulo (SP, Brazil) there can be identified different kinds of retail trade stores which concretely represent the economic transformations which have occured in this century . Let's see which they are and when they appeared.

Between 1900 and 1930, the first retail stores appeared , which most of the times, were branch stores of international groups and worked with importation and exportation of merchandises. These stores were organized in departments, despite the fact that they wouldn't use mass-selling techniques like their head offices abroad. Mappin Stores and Casa Alemã(1913), stores which worked with imported goods destined to high income consumers, belong to this period. There were also stores which would sell imported alimentary goods and small stores which would commercialize national products and workmanship. It was during this period, more exactly in 1914, that the commerce was regularized by means of free market (fairs), which in 1915, were seven in the city of São Paulo (Guimarães 1969: 25)

In terms of populational contingent, the city of São Paulo, in 1907, had 286,000 inhabitants; in 1920 the population was of 579,033, that is, twice as big 13 years later.

The fact is that, since the first decade of this century, Brazilian industry concentrated en the State of São Paulo, according to the following census data related to the biggest industrial centers :

TABLE 1 - NUMBER OF INDUSTRIAL FIRMS

	1907	1912
1. Distrito Federal	652	642
2. São Paulo	314	3.321
3. Rio Grande do Sul	314	1.199
4. Rio de Janeiro	126	587
5. Minas Gerais	528	732
6. Other States	1.054	2.994
TOTAL	2.988	9.475

In 1920, the State os São Paulo already had 4.145 industrial firms, which represented 31% of the Brazilian industries by that time (13.336 firms).

So, at the end of the last century and in the beginning of this one, one could see the entrance of foreign capital through the State for the building of the necessary substructure for the production outflow (in the case of coffee) and through the branch stores of foreign financial firms (also for the substructure).

The economic orientation in effect was politically supported by the State, which defended the farmers class. According to Dowbor (1977: 151 and 152),

> "The control of the coffee sector over the State apparatus was favored for besides the sector's own economic importance, for the extreme regional concentration of the culture: almost all the totality of the production could be found in the states of Rio de Janeiro, São Paulo and the south of Minas Gerais. The administrative center of the country still during the "fase mineira" had moved southwards during the XVIII century, the coffee oligarchs geographically occupied the dominant region, from the political view, which certainly contributed for their political presence".

But this coffee cycle would have developed and finished as any other economic cycle in Brazil if it hadn't coincided, as Dowbor (1977:16] reminds us, with the expansion of foreign capital, a characteristic of the imperialist phase of capitalism. This made the investments and technical improvements, national as well as imported, concentrate in the dyhamic sector of economy, which geographically was almost completely in São Paulo.

In the triangle São Paulo, Rio de Janeiro and Minas, but mainly in São Paulo, not only the economic substructure concentration happened, but also the hand-labor (we can not forget the importance o: foreign imigration which was subsidized by the State and destined to the coffee farming) which favored the setting up of an internal consumer market, bringing about, yet in a rudimentary form - given that the level of consumption was limited by the low salaries - the necessity of complementary economic activities directed to the supplying of the internal market. Up to the end of the 1920's, the industry was based on an agriculture complementary activity and had its national and foreign capital; it was basicaly concentrated in the Rio - São Paulo axis, which worked as an intermediator in the commerce of raw material between the rest of Brazil and the foreign countries, in exchange to capital and machinery; it also supplied the interior of Brazil with manufactured products in exchange to raw material for its consumption.

Concerning the food agriculture, it was not enough for the supplying of the internal market till 1930, and Brazil had to import food. On the other hand, according to Linhares and Silva (1979) it was a period of scarcity brought about by inflation, by the disappearance of alimentary goods (during the 1914 War) and by the production monopoly, commercialization of credit by foreign firms and banks, which caused an increase in prices of the alimentary goods and favored the control for supplying monopolies through the stocking of goods (which also increased their prices. According to the above mentioned authors, the State, due to the popular demonstrations which happened in 1917, and even before, which were against theincrease of prices for the first necessity goods, was forced to interpose the supplying system, creating the "Comissariado de Alimentação Pública" (Public Alimentation Comissariat) whose objective was to regularize prices . Such interposing was not aimed at the satisfaction of needs, but at guaranteeing the reproduction of the social relationship of production (Linhares and Silva, 1979: 45)

However, the land owners and the tradesman's reaction, who were afraid of the realization of their profits, was strong short after and, in 1920, "Comissariado" was substituted by the Superintendência de Abastecimento (Supplying Superintendence) whose goals were more to promote the production of alimentary goods than control their supplying (Linhares and Silva, 1979: 52).

With the 1929 crisism which resulted in a recession of export agriculture, many changes in the economic basis of the country took place; one can see that once again the "decision" of modifying the production was imposed from the outside. What really happened was that the coffee exportation was not anymore bringing about enough money for Brazil to buy, overseas, the necessary goods.

The Brazilian industry, which so far had been producing popular consumption goods, sees itself all of a sudden, facing the worldwide crisis of capitalism reorientation, and was forced to turn to the production of goods which required a high organic composition of the capital, and this led to a deepening in the dependence relationship of capital, at international level. At national level, the dependence relationship among the different Brazilian regions are reinforced in the Rio de Janeiro - São Paulo axis, where the profits rate is more and more transferred and where the capital is accumulated.

Concerning the agriculture sector, based on exportation agriculture, it kept on being the source of credits, which allowed the necessary importation to be done.

In the political system there has been a change in the composition of the forces in power, the Revolution of 1930, according to Ianni (1971 : 13 and following),

> "creates conditions for the development of the "Estado Burguês" (Burgeois State) and represents a political, social and cultural rupture with the Oligarchic State."

However, according to the author, in 1937, with the settlemnent of the Vargas' dictatorship (Estado Novo), the oligarchic state rupture effectively took place. From 1930 on, the State starts contributing in a more effective way with the economy, by means of the supplying of the necessary substructure to the industry and to agriculture. The state intervention on the economy leads to the creation of controller institutions.

In what concerns the supplying of alimentary goods, the State had, a priori, an easier control. However, notwithstanding the alimentary crisis (the wheat flour one in 1936) and the answers the State would give to them by means of creation of Institutions (Comissão Reguladora do Tabelamento - dedicated to the supplying) which were able to understand and to answer the problems, efective actions would not take place, because, according to Linhares and Silva (1979: 107),

> "A diagnostic would be done, but care would be taken against the daring actions which could change the balance between agrarians and industries, forged in 1930"

In relation to the Brazilian consumer market, according to Dowbor, one can see that:

> " The extreme wealth concentration gives place to a very important market of quality or luxury goods. On the other hand, this same concentration implies in the fact that the popular market, however gathering a large number of consumers, is fairly deep, which is a decisive limitation to the production of popular consumption goods" (1977: 234)

In the case of São Paulo - SP - the internal consumption market has increased due to the increase of population which has occured in this city, stimulated by the process of industrialization which was about to start. As one can see from the data on table 2, between 1934 and 1950, the urban population has increased more than 100%.

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TABLE 2 - POPULATION OF THE CITY OF SÃO PAULO AND OF GREAT SÃO PAULO - 1920/1950

YEARS	CITY POPULATION	URBAN POPULATION
1920	579.033	.-.
1934	1.060.120	1.046.530
1940	1.337.644	1.313.100
1950	2.198.096	2.116.721

From: "A Cidade de São Paulo", 1958, II

This way, the Brazilian industry was substructured so as to answer the demands of the internal market; part of the national market, and the other part (modern sector), whose capital was both national and from the abroad, was led to the production fo goods whose sophistication implied in greater capital investments, to supply the market composed by the social portions of higher income.

According to Dowbor, the modern sector of industry has adopted a model of accumulation of unquestionable internal coherence. In the financial plans, says the author, this sector "proclaims the reinforcement of the exploration rate and the reproduction of the pre-existing relationship in the agricultural sector, which favors the accumulation and enables the finance and importation of machinery and techniques from the center; in the realization plan it is turned to the production of the rich market, whose power of purchasing is reinforced by the income concentration, while the popular market decreases." On the other hand, the traditional industry, whose main feature is its turning to the popular market, sees itself divided in a contradiction between its needs of finance and importation of production goods which riquere the agriculture orientation reproduction, and its model of realization, which requires the redistribution of profits and the "horizontal" widening of the market (1977: 235).

Well, this traditional industry was able to keep the orientation to the popular market till the period it would guarantee the realization of the goods, and, consequently, of the profit. The purchasing power of the popular market was decreasing in the period, due to the surplus value form of exploration, which was greater and greater. There has been an ever growing surpassing between the Brazilian worker's productivity and his purchasing power. As long as the national and international substructure allowed it, due to the demandigs of the capitalireproduction itself, this market guatanteed the existence of national industry (1913 - 1945). However, with the end of World War II, there was a new structuring of the capitalist economy at international level in order to reinforce the imperialism, which led the national bourgeois to internationalize.

As one could see, there were changes in the economic and political structure of the country from the 1930's on, which also changed the commercial equipment.

In this period, from 1930 to 1945, the popular stores like Lojas Americanas appear in the city of São Paulo. These stores introduce a new selling technique, the self-service.

Also from this period is the popularization of big stores like Mappin and Casa Alemã.

These changes in the retail trade are results of the transformations which were taking place in the production, that is, the industry was then producing goods that so far had been imported, and besides, they were improving and growing.

On the other hand, the expansion of the "paulista" metropolis, till the middle of the 1940's, had not questioned que location of the commerce downtown.

Until 1953, when the first supermarket appears, one does not identify any new kind of store, but one can see an expansion of the commerce, which tries to be located downtown (except for Sears Roebuck that in this period is located 4 kilometers far from downtown) and a stressed departmentalization of the big stores.

This commercial expansion had its roots in the industrial expansion which was seen then. If in 1940 the census indicated that 14.225 industrial firms were present in the State of São Paulo (*), the 1950 census showed the presence of 24.519 such industrial firms.

(*) We have no available data at city level.

During the same 10 years, the number of firms dedicated to retail trade has grown almost 37% in the state (from 36.396 to 49.830 stores). The number of stores expansion has increased the concurrence and implied in higher propaganda of prices; at the same time the credits system grows, making it easier to acquire goods.

By the middle of the 1950's, new transformation in the political scenery took place, that is, the final overthrown of the so called "paternalismo getulista" (Getulio Vargas' paternalism) in 1954 and the ascendance of industrial bourgeois, which associated to the international one, tried to keep itself in the power.

Between 1954 and 1964, State and economy have deepened their relationship, which caused an acceleration in the economic development, particularly the industrialization (Ianni, 1971: 142)

It was a period in which the foreign capital investments have considerably increased in Brazil, as it is shown in Table 3.

TABLE 3 - ENTRANCE OF PRIVATE CAPITAL IN BRAZIL
1947 - 1961

YEARS	MILLIONS OF DOLLARS
1947	47
1948	80
1949	32
1950	28
1951	70
1952	118
1953	85
1954	75
1955	109
1956	248
1957	356
1958	230
1959	248
1960	176
1961	300

FROM : DOWBOR, 1977: 262

Almost 75% of the investments that, it could be observed, have increased from 1955/56 on, were distributed, till the end of the 50's, among the machinery and automobiles (53.90%), metallurgy and steel matallurgy (10.56%) and chemistry and pharmaceutic products sectors (10.49%).

Particularly in the State of São Paulo, the number of industries has increased in 45.14% between 1950 (24.519 firms) and 1959 (35.588 firms).

In the case of São Paulo City, the industries were located mainly near the highways that,(from 1947 when the Anchieta Highway was inaugurated), started contributing to the integration of areas which weren't considered as belonging to the metropolis.

As much as industrialization does, the urbanization process dees also have a stress. Between 1950 and 1960 the city population increased from 2.116.721 inhabitants to 3.709.274 inhabitants, that is, 57 %.

It is in this period that the big stores started opening branches in the commercial subcenters in Great São Paulo. Such subcenters (like Lapa and Pinheiros), whcih gradually were being incorporated to the city in its territorial expansion, came to be rivalries of the downtown commerce; this is the reason for the rush to the opening of branches in districts were the development of the commerce was taking place.

The economic growth allowed the retail trade sector to considerably grow. However, the period from the middle 50's to the mid 60's corresponded to a Brazilian economy reorientation period when the traditional national industry was loosing its space to the new industrial fields, besides the diminution of consumer market purchasing power of this industry, and the increase in the costo of living that, from 1952 on, increases in such rates that it worries not only the consumers, but also the politicians and the administrators who, because of the popular pressure against scarcity created government institutions that, instead of solving problems, were getting more and more unable to do so.

It is in this period also, that the first supermarkets appear. Their first phase of implantation in the city of São Paulo goes from 1953 to 1963, and the firms which started their activities in this period represented 7.85 only of the total number of firms which were implanted untill 1974 (included).

During this first phase of supermarket implantation, one can see that most of the firms are located west from downtown. The general tendency is the location in subdistricts of the more central area of the city of São Paulo, whose families' income were higher, that is, Cerqueira Cesar, Bela Vista, Consolação, Perdizes, Jardim America, Jardim Paulista, Vila Mariana and Pinheiros.

The first supermarket appeared in 1953, its name being Sirva-se (Help yourself) - in the district of Cerqueira Cesar - in the confluence of Avenida Paulista, Rebouças and Dr. Arnaldo, and Rua da Consolação. If on one hand it was a product of an enterprise with a great deal of adventure (according to what one of its owners said - Fernando Pacheco de Castro - who with such a goal went to the U.S.A to closely see the functioning of such selling system), on the other hand the location closer chosen for its implantation at that moment was one of the best; due to the fact that it was a passing by place, easily accessible, but also of easy access to the residential districts consumers like Pacaembu, Sumaré, Perdizes and Hgienópolis (besides Jardim América and Jardim Paulista); in short, exactly where the high income consumers were concentrated, the ones who already had an automobile to transport the purchased merchandise, and the ones who were able to pay cash. In other words, it was a very privileged location.

However, one can neither say that the year of the appearance of the supermarket in great São Paulo is 1953, nor that it was only one supermarket; it has taken longer, till 1960, when the expansion of these firms has happened in an effective way in the city.

This first phase coincides exactly with the moment in which the industry turns itself to the production of goods destined to consumers whose incomes are higher, the so called "middle class", (who are products of the previous industrialization phase), since exploration of those who make their living selling their work increases by the middle of the 50's.

It is the time when the investment of foreign capital increases considerably in Brazil (see table 3) and the level of cost of living starts growing significantly from the middle of the 50's.

Taking into account that the industry tried to reach the middle and high income markets at the time the foreign capitals were directed to this place aimed at increasing their accumulation (which does not happen without the surplus value exploration), the appearance of the supermarkets in the 1950's would be particularly linked to the supplying of the "middle classes", not the labor class. This is due to the fact that these commercial firms by that time, were breaking with the already implanted commerce structure and proposing inovations in the buying habits. With this, the risk of competing with such an enterprise was higher. The location in São Paulo, thus, should be in places of higher purchasing power to guarantee the market. Furthermore, they are commercial firms, like any other in the capitalism system, whose goals are the profits, and the location near the consumer market is of significant importance for this profit to be achieved.

On the other hand, in this first phase of implantation, the sector didn't call the attention of big capitals. The biggest net in the period is the one of Peg - Pag S/A Supermarkets, which in 1963 had nine stores, all of them located in the city of São Paulo in the following subdistricts : Consolação, Jardim Paulista, Santa Cecília, Perdizes (2), Cambuci, Vila Mariana, Ibirapuera and Indianápolis. The owners had no previous link with the sector, and the enterprise initial capital was, in 1954, of Cr$ 8.000,oo (cruzeiros velhos).

The other groups which started their activities in this period had few stores, like, for example, "Pão de Açucar", 1 store, "Sirva-se", 3 stores, and "Gonçalves Sé" with 2 stores.

One should remember that this phase corresponds to the moment the consumer market makes possible the implantation of new industries in Brazil; these, in turn, reinforce the market by presenting a larger number of goods which have to be realized.

This is also the moment of experience of the supermarket which would question the existing commercial apparatus, and which implied in breaking an already implanted commerce structure. It is proper to remember, as examples, that package of the goods had much of a transformation, not only in visual terms (because now the consumer would sell to himself), but also in terms of security against robbery (a samll product gains bigger dimensions with a package, or in the same package are placed several units of the same products).

From 1964 on, a new phase of dependence relationship of the worldwide capitalism starts, when the internationalization of the Brazilian economy, which was already taking place, starts being guaranteed by a military state.

In what concerns the economy, the period has atarted in the middle of a crisis which lasts from 1963 to 1967, expressed by a deceleration of economy, which, according to Reichstul and Goldenstein (1980: 42) must be fundamentally attributed to the industrial investment decrease, which between 1962 and 1967 showed a negative rate of annual growth (- 2,3%), together with an inflation that reached 91,9% in 1964.

As it is known, in the moments of crisis in the process of capital accumulation, the tendency is the enterprises concentration and this is what happened in Brazil during the close-out of many small and medium enterprises which financially had no conditions to afford rivalry; it was also a period of well organized denationalization. The solution adopted then, with the goal of recovering economy, was the public spendings contention, taxes increases, credits ans salary restrictions, reorganizing of the financial system, attempts to attract foreign capital and exportation incentive (Reichstul and Goldenstein, 1980: 42).

In this period, it is inaugurated (1966) the first "Shopping Center" (Mall), in Jardim América subdistrict, and which was intended to supply the mororized consumers, whose income levels were high, and not as a general solution for the commercial outfit of the city of São Paulo. It is also good to remember that the "shopping center" (mall) is a financial enterprise linked to the field of construction and the profits with such enterprises happen not only in the commercial sector, but also in the construction sector.

Concerning the implantation of supermarket in the city of São Paulo, the period from 1964 to 1967 is the one in which one can see the first big impulse towards their expansion in the metropolis and it coincides with the Brazilian Government policy of giving COBAL (Companhia Brasileira de Alimentos, institution created in the 60's) the charge of "finance modernization of the commercialization methods", bacause they would sell cheaper, since they would buy "without intermediators".

So, having the support of the State, the period from 1964 to 1967, which is marked by a crisis in the Brazilian economy, has not only the expansion, but also the centralization of the enterprises. The stores inaugurated during this phase are 148 in São Paulo and 59 in other cities, which gives us a total of 207 new stores which started working between 1953 and 1974. On the other hand, in 1965, the "Pão de Açucar" group buys the Supermarket Net "Sirva-se", a pioneer that in 1964 had inaugurated 4 more stores (in the subdistricts of Consolação, Bela Vista, Lapa and Perdizes) and finishes the year with 9 stores. In 1966 the group inaugurated 3 more stores (1 in March and 2 in November) and in 1967, 5 more stores (1 in May, 1 in July and 3 in December) . At the end of the period 1964 - 1967, the group which had only 1 store in 1963, then had 17.

Between 1968 and 1973, thare has been a recovering of economy which took place in the durable goods sector, mainly through the growing of the automobile industry which was possible due to the consumer credit.

Besides, financial and fiscal reforms in the public sector allowed state investment in the electrical energy and heavy civil engeneering. Completing the board, housing finance possibilities have reactivate civil engeneering.

These facts have also affected the other sector of economy, mainly between 1970 and 1973.

All the economic growth during the period was possible due to the income distribution policy which took place in the country by that time. To the realization of the goods, like the automobile (which by that time was exported only in very small numbers), it was a must the internal market to exist. So, the medium income section of the society was incorporated to the consumer market; they started buying automobiles, which had been a privilege of the highest income section. With the growth of the market, the capital accumulation and exploration of the surplus value also grow, because the goods realization was possible due to the transference of profits from the low income sector to the medium income sector in the Brazilian society.

In the political system, this mechanism has brought about a reinforcement to the industrial bourgeois power, associated to multinationals, which came from the middle class society, who was "called over" to share the consumption (this reinforcement lasts till 1974). The population of São Paulo in 1980 was of 5.924.615 inhabitants.

During this period, one can see the instalation of a greater number of department stores in the districts (a process which had already been going on since 1955) and the wxpansion of the hypermarket. As it was already said before, the middle class society was "called over" to share the consumption, which didn't necessarily imply in an expansion of the retail trade firms number that in Great São Paulo, in 1960, were 22.918, in 1970, 43.397 and in 1975, 43.269.

On the other hand, there has also been a decrease in the number of firms selling food (supermarkets not included), from where one can see that the sector, between 1970 and 1975, was suffering with the concentration process. The supermarkets, between 1968 and 1974, kept on having an expansion.

In this period, 426 commercial firms have started their activities in the city of São Paulo, and 131 commercial firms in the other cities of Great São Paulo, with a total of 557 new stores, that is, 62,51% of the total stores inaugurated during the period 1953/74.

It could be observed that during the 2nd. and 3rd. phases of their implantation, the supermarkets also tried to be located near the higher income consumer market. However, during these phases, it could also be observed the expansion towards other cities and other subdistricts. Mainly the big supermarkets nets expanded towards the cities of the Great São Paulo, the ABC, for example (*), and in such cases, they are already located in the central areas, in the commercial area and/or where the higher purchasing power is.

The 3rd. phase of supermarket implantation corresponds to the period called "milagre"(that means miracle) in the Brazilian economy, which allows the expansion of the consumer market (mainly the higher income parts of society) and a recovering of industrial growth. This, in turn, allows the expansion of supermarkets, as well as the concentration of enterprises. It is also in this moment that "Pão de Açucar" becomes a multinational with stores in with stores Lisbon (which in 1978 were 19) and Angola, and still another one in Spain.

From 1974 on, however, the situation is once more changed with the economic crisis happening not only at national level, but also of capitalism at international level.

It was the economic miracle("milagre econômico") which ended up in an economic crisis in 1974 and it became worse and worse until the first years of the 1980's. This crisis, according to Reichstul and Goldenstein (1980:43) was distinguished by a deceleration in growth, acceleration of inflation and by the critical situation of the balance of payments. According to the authors,

(*) ABC is the name given to the following cities near São Paulo: Santo André, São Bernardo and São Caetano "from 1973 on, the dynamism of the industries of consumption durable goods and non durable goods was inferior than it was necessary to keep the desirable levels of occupation of the growing capacity installed in the very previous period. This led to an accelerated decrease of investment in these sectors, bringing about decelerating effects to the economy set. (1980: 43)

The only reason it hasn't been worse is the high level of investment not only by the enterprises, but also by the government.

In short, on one hand, the capitalism crisis at international level; on the other hand the capitalism crisis at national level, it can not solve the problems of internal market accumulation due to the poverty large sections of the population live, which was a result of the effective wages and employment policy that restrict their participation in the results of production.

With the economic crisis which "started" in 1974, we could think of adding a last period which would come from 1975 till the beginning of the 80's, where one would be able to observe mainly the concentration of commercial firms

, a great number of bankruptcy, among small and medium entrepreneurs, due to the fact that the consumer market - represented by the "medium" incomes of society - lost part of its purchasing power, and to the insolvency situation this market was facing as a whole.

The government, in turn, wants the expansion of the supermarket nets and other systems in the main urban centers, as it is well demonstrated through the I Plano Nacional de Desenvolvimento (Nation Development Plan) (1972 - 1974).

With such a situation, where the Brazilian economy gradually is internationalised, it participated more and more of an international division of work, where the State guaranteed the viability of this economic policy, one could not expect from the State a different performance concerning the alimentary goods, but the one of only interposing in situations where there would be an alimentary crisis which would be a "risk" to the reproduction of working power (not bacause people were hungry, but because the salaries should remain and be kept low so that capital accumulation would be allowed to continue). This way, notwithstanding the fact that the State had apparently created institutions to "solve" the supplying problems during this century, actually they became more and more instruments to guarantee the free enterprise.

4 Once again one can see the process of centralization, which, concerning the supermarkets, is showed, for instance, by the acquisition of the "Eletroradiobraz" net on March, 3rd, 1967; of the Matarazzo group's "Superbom" net (by that time with 22 stores) in April, 1978; and in June, 1978, of the"Peg-Pag" net (by that time with 38 stores in São Paulo and in Rio de Janeiro which belonged to "Souza Cruz" - subsidiary of the British American Tobacco Co.), all of them bought by the "Pão de Açucar" net. In the "Superbom" case, the patrimony built remained with the Matarazzo group and the transactions were transferre to "Pão de Açucar". In the "Peg-Pag" case, the stock control was also sold to "Pão de Açucar". In all these economic transactions, "Pão de Açucar" had the support of the Brazilian State, through the "Banco Nacional de Desenvolvimento Econômico (National Bank of Economic Development). On the other hand, it is the moment that this enterprise opens big stores with the hypermarkets located in Great São Paulo, preferably in districts farther from the city central area and in neighbor cities like Santo André, São Caetano, e Guarulhos. It has to be considered that such stores which commercialize nearly 50.000 different items need some space for their implantation, which leads them to look for lands not in the central area of the city due to the price because of scarcity. Besides, the widespread use of automobiles at this moment brings consumers and salesmen closer together, but it "demands" the existence of parking places which these hypermarkets can offer. In Great São Paulo, the "Pão de Açucar" net had, in 1978, 24 hypermarkets.

The transformations which happen to supermarkets don't deal only with accumulation and centralization of capital in some enterprises, but also with rivalry which took place in the sector with the presence of supermarkets. One can suppose that in the central area of Great São Paulo the highest number of transformation may have happened concerning the food retail trade: the small firms like groceries and greengroceries etc., have either started working as supermarkets, or were sophisticated, or have moved to another place or to another filed of activity.

The greengroceries, for instance, (according to a survey done by Sindicato do Comércio Varejista de Gêneros Alimentícios de São Paulo, published by Folha de São Paulo, on July 3rd, 1977), which in the Capital and in 13 neighbor cities were about 5 or 6 thousand, in 1977 they were only 1.788, representing then 5% of the "hortifruti-granjeiros" (vegetables, fruits and granges) supplying. Still in the same paper, the general secretary of the labor union informed that with the supermarket impact, they only allowed to survive the groceries located in good places or the ones which were well equipped with eye-catching fittings. The secretary has also foreseen that only the ones which became kind of a grocery would be able to survive. When they were interviewed, the grocery owners pointed the problem of the prices they would pay and the prices that the supermarkets would pay. For example, for the same bos of tomatoes, at the same warehouse, the grocery owner pays more; this is due to the fact that buying less he doesn't have the same bargain power the supermarket has, which, when buying much more, allows the producer's capital to return faster, whereas to sell to many a grocery the same quantity, it would take him longer for his capital to return.

On the other hand, thefairs increased in number, despite the fact that the number of salesmen in such fairs decreased. In 1964, the city of São Paulo had 452 fairs a week and there were about 12.600 salesmen. In 1976, there were 563 fairs a week with 10.978 salesmen with a total of tents/week (*) of 59.464.

(*)Data from the Secretaria do Abastecimento e da Federação do Comércio

The survey done by Federação do Comércio do Estado de São Paulo showed that 65% of the tents (of the existing fairs in 1976) were of alimentary goods "in natura", 7% of semi-elaborated alimentary goods, 7% of industrialized alimentary goods and 21% of non-alimentary goods. As one can see, the strong sector of fair commercialization is the one of perishable goods - which have to be sold or commercialized, in most of the cases, on the same day they were bought, due to the fact that they have no conservation equipment, which forces them to sell certain highly perishable goods for cheaper prices, so that they will not lose them because of deterioration. Besides, there is also the possibility that the consumer compares the prices of the same goods among different tents, which leads them to decrease their prices. In this case, the fairs compete with the supermarkets, for more accessible prices attract the consumer; the fairs also have fresh food (and the supermarket has, in this case, to spend money with refrigerative apparatus to keep the food fresh. On the other hand, the survey has also showed that the fairs, in 1976, were located in subdistricts of the city, where the population purchasing power was samller, that is, exactly where the big firms and the supermarkets, at least up to that moment, were not present and the fairs could offer a bigger quantity of products. Besides, the volume of alimentary goods commercialized in the fairs was considerabl as it can be seen in Table 4.

TABLE 4 - FAIR PARTICIPATION IN THE SUPPLYING OF SÃO PAULO = SP

ALIMENTARY GOODS	FAIRS	OTHER EQUIPMENTS
Fruits	80%	20%
Vegetables and greens	80%	20%
Fishery	60%	40%
Visceras and Birds	38%	62%
Basic Cereals	25%	75%
Potato and Onion	50%	50%
Industrialized	10%	90%

From : Secretaria do Abastecimento, 1976

The confirmation of the supermarket concentration (mainly big nets) in places where the purchasing power is higher, as well as the tendency to be located there, is also showed in a survey done by DIEESE (*) (Lalaried family : pattern and cost of living), published in 1974, where one can see that the supermarket is not the place that the workers class go more for alimentary goods. It is the grocery the worker goes to supply his house, mainly concerning the products of higher importance concerning domestic budget (cereals, pasta and flour, grease and condiments, desserts), followed by the fairs where the cheapest products are purchased, products that have a smaller importance in the domestic budget (greens, fruits, fish, birds and eggs). In third place comes the supermarket where the worker goes to supply his house.

However, what the survey data don't show is whether or not the workers class had easy access to supermarket in what concerns their locations and whether he would not supply his house there because it would have to be paid cabh, or because he would have to transport the merchandise up to his house, or any other reason. One can suppose that the "sistema de cadreneta" (payments are weekly or monthly) used by the groceries, for instance, was another element that would lead the worker to go to these places to supply his house, which allows their survival, even having to face rivalry imposed by supermarkets. Unfortunately, we have no data to prove this supposition. What we could observe is that the east portion of the paulista metropolis did not have big supermarket nets till the mid 70's - exactly there, where the mean family income is low. The existing supermarkets were enterprises of only one store and/or nets of two to five stores, located mainly along the important circulation ways (roads).

It is still important to show that, because of the supermarket concentration near the best part of the consumer market, the rivalry, together with a great rotativity of goods for a bigger capital accumulation in each enterprise, the supermarkets prices were cheaper, exactly where the families' incomes were the highest.

The favorable location near the consumer market allows the big supermarket nets to work with higher profits rate, since this is balanced by a higher volume of sales.

We can not forget that the city of São Paulo population was, in 1980, of 8.493.598 inhabitants and the metropolitan region was of 12.719.072 inhabitants.

Finally, it is necessary to remember tnat it is from the mid 70's that the "Shopping Centers" (malls) are more stressed in the city of São Paulo. Up to that time, the city had the Shopping Center Iguatemi, inaugurated in the 60's which supplied only a small portion of the population, mainly the neighborhoods. Today, with the buildings enlarged, in what concerns parking places, there are other supermarkets in the near districts: Shopping Center Ibirapuera, inaugurated in 1976, in the Indianópolis subdistrict; Shopping Center Eldorado, inaugurated in 1981 in Jardim América subdistrict; Shopping Center Morumbi, inaugurated in 1982 in Ibirapuera subdistrict. All of them are located in high purchasing power areas or very close to them and of easy access. Since they are very near expressways (Marginal do Rio Pinheiros). Besides them, in 1978 the Shopping Center Norte was inaugurated, located at the Marginal do Rio Tietê and near the Bus Terminal of São Paulo. Two other smaller Shopping Centers are Lapa and Continental.

We can see then, that from 1965 on, but stressed in 1975, the main feature of the retail trade sector is the territorial, financial and enterprise concentration.

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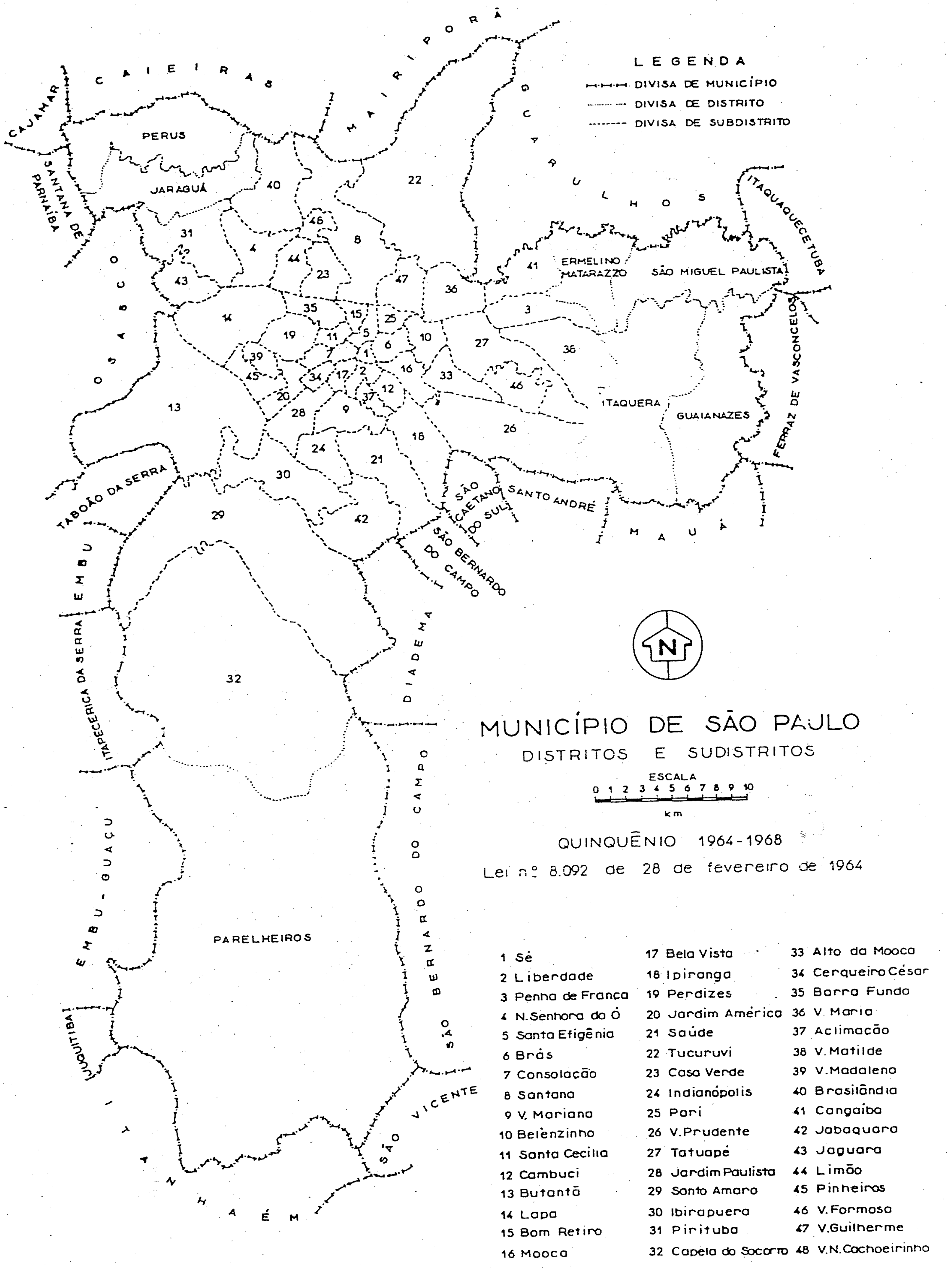
LEGENDA
DIVISA DE MUNICÍPIO
DIVISA DE DISTRITO
DIVISA DE SUBDISTRITO
MUNICÍPIO DE SÃO PAULO
DISTRITOS E SUDISTRITOS
ESCALA
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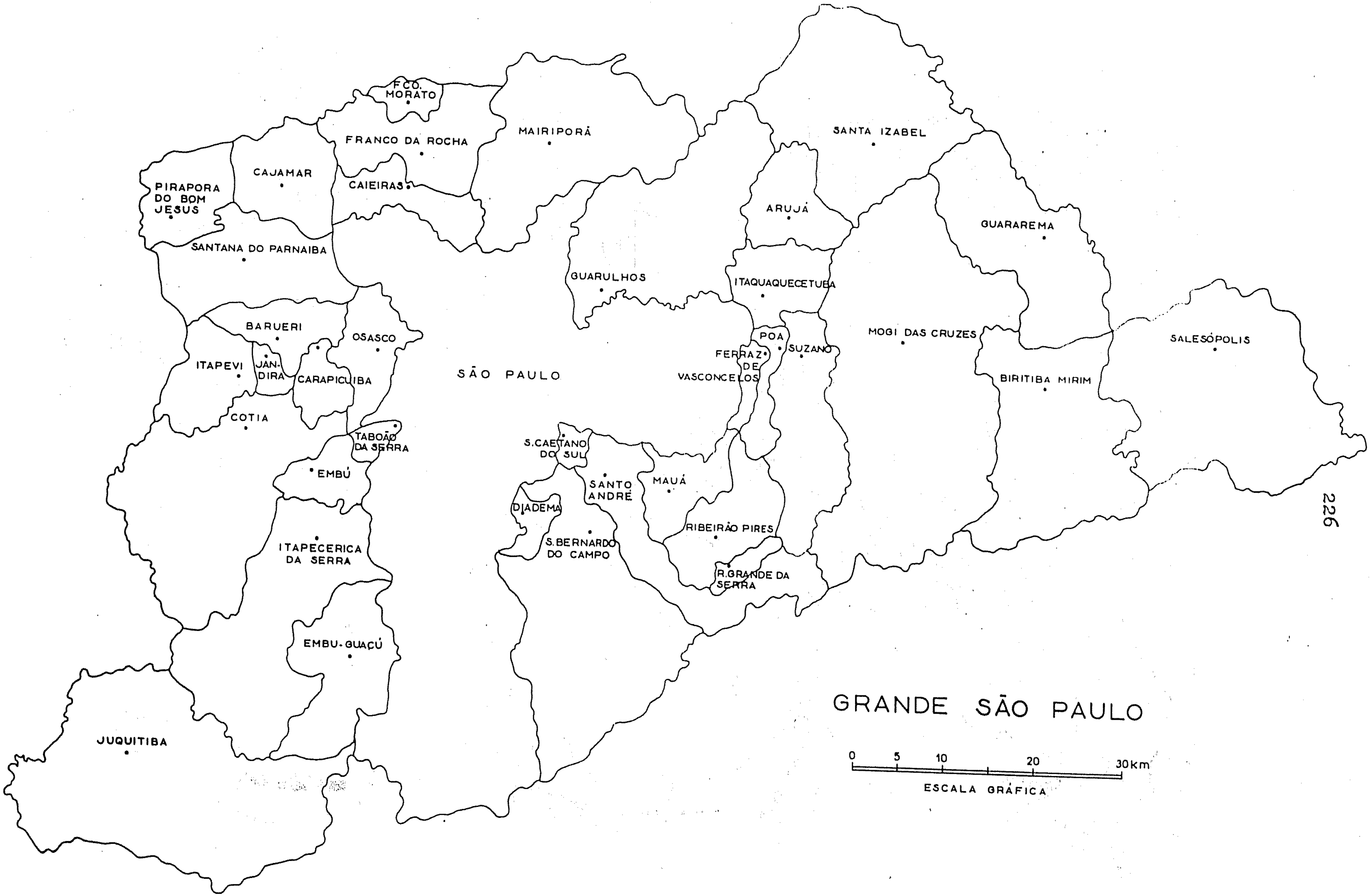
km
QUINQUÊNIO 1964-1968
Lei nº 8.092 de 28 de fevereiro de 1964
CAIEIRAS
MAIRIPORÃ
GUARULHOS
ITAQUAQUECETUBA
FERRAZ DE VASCONCELOS
MAUÁ
SANTO ANDRÉ
SÃO CAETANO DO SUL
SÃO BERNARDO DO CAMPO
DIADEMA
SÃO BERNARDO DO CAMPO
SÃO VICENTE
ITANHAÉM
JUQUITIBA
EMBU-GUAÇU
ITAPECERICA DA SERRA
EMBU
TABOÃO DA SERRA
OSASCO
SANTANA DE PARNAÍBA
CAJAMAR
PERUS
JARAGUÁ
ERMELINO MATARAZZO
SÃO MIGUEL PAULISTA
ITAQUERA
GUAIANAZES
PARELHEIROS
1 Sé
2 Liberdade
3 Penha de França
4 N.Senhora do Ó
5 Santa Efigênia
6 Brás
7 Consolação
8 Santana
9 V. Mariana
10 Belenzinho
11 Santa Cecília
12 Cambuci
13 Butantã
14 Lapa
15 Bom Retiro
16 Mooca
17 Bela Vista
18 Ipiranga
19 Perdizes
20 Jardim América
21 Saúde
22 Tucuruvi
23 Casa Verde
24 Indianópolis
25 Pari
26 V.Prudente
27 Tatuapé
28 Jardim Paulista
29 Santo Amaro
30 Ibirapuera
31 Pirituba
32 Capela do Socorro
33 Alto da Mooca
34 Cerqueiro César
35 Barra Funda
36 V. Maria
37 Aclimação
38 V. Matilde
39 V.Madalena
40 Brasilândia
41 Cangaíba
42 Jabaquara
43 Jaguara
44 Limão
45 Pinheiros
46 V.Formosa
47 V.Guilherme
48 V.N.Cachoeirinha


GRANDE SÃO PAULO
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ESCALA GRÁFICA
PIRAPORA DO BOM JESUS
CAJAMAR
FCO. MORATO
FRANCO DA ROCHA
CAIEIRAS
MAIRIPORÁ
SANTA IZABEL
ARUJÁ
GUARAREMA
SANTANA DO PARNAIBA
GUARULHOS
ITAQUAQUECETUBA
MOGI DAS CRUZES
SALESÓPOLIS
BARUERI
OSASCO
POA
SUZANO
FERRAZ DE VASCONCELOS
BIRITIBA MIRIM
ITAPEVI
JANDIRA
CARAPICUIBA
SÃO PAULO
COTIA
TABOÃO DA SERRA
S.CAETANO DO SUL
SANTO ANDRÉ
MAUÁ
EMBÚ
DIADEMA
RIBEIRÃO PIRES
S.BERNARDO DO CAMPO
ITAPECERICA DA SERRA
R.GRANDE DA SERRA
EMBU-GUAÇÚ
JUQUITIBA