

Book Reviews

Barbara Harriss-White. *The Political Economy of Agricultural Markets in South India: Masters of the Countryside.* New Delhi: Sage Publications, 1996. 425 pages. Hardbound. Indian Rs 395.00.

The primary concern in this book is to enquire into the political economy of the marketing of dryland agricultural products, and the volume presents an analysis and discussion of the fieldwork carried out in Coimbatore district in Tamil Nadu, India, assessing the relevance of theory in the real world. The approach followed is a combination of institutional economics and political economy. The difference between the “new political economy” and the “old political economy” is explained, and the latter has been selected as relevant for the current project. “Old political economy”, basically concerned with power, challenges conventional research on the economics of agricultural markets. It is defined as an interdisciplinary agenda, exerting power for determining economic structure and behaviour. The author states that marketing in agricultural products is not a simple transaction between the producer and the consumer. Rather, it is explained better by the diversity and complexity of the marketing structure, institutions, and behaviour of the marketing system, looked at in a political-economy framework.

Chapter 1, which provides an introduction, develops the theoretical framework. Later, throwing some light on the data and her fieldwork experience, the author moves on to explain the agrarian structure—production and exchange relations—of all the major crops in Coimbatore district. Historical and geographical details are reviewed. Further, marketing systems of five major commodities and their common points as to property rights are discussed. Key institutions featuring these commodity markets, plus the rental markets derived from their technical activities (transport, storage, and processing), are examined in detail.

The multiple market approach is developed here under the assumption that other markets are inclined to affect the behaviour of agricultural markets. The linkages of agricultural markets with money, land, and labour are analysed separately, defining the structure of economic power in them and the way it is institutionalised. It is explained that ‘masters’ of the Coimbatore district are the mercantile class, deriving most of their resources and economic power from marketing rather than through land-ownership (production).

Of particular interest is Chapter 9, which offers an extensive discussion on the accumulation of capital by different means and committing an economic crime. In the struggle for appropriating surplus, the producers, land-owners, labourers, merchants, money-lenders, and state officials (both in their private and public capacity) are equally involved in it. Since independence, a large number of state

interventions in India have taken place, with the aim of reducing the capacity of private merchants to accumulate resources. Based on her fieldwork experience, the author concludes that the state and the market do not exist separately but are harmonised through the institutions in which the state and private trade are blended together.

Elaborating the complexity of market systems and how they are engaged in criminal activities is followed by the discussion of policy reforms relating to regulation, technology, and employment in the final chapter. The role of political economy on various concerns like efficiency and equity is highlighted, and reasons are furthered for not compressing state activities even in case of a failure. Other issues which are covered include the role of markets in the rural economy and the latter's development, internal differentiation within the agrarian structure and its socio-economic consequences, and institutional complexity and autonomy of the marketing structure.

The key conclusion of the book is the assertion that deregulation of the market economies might be dangerous for both efficiency and equity. After examining in detail the technological and logistic systems of agricultural markets, the author concludes that these markets, if deregulated, would not lead to the state of almost perfect competition. She argues that under deregulation, market forces, in the absence of any rival, will be more powerful than state institutions, and therefore they (private traders) would tend to eliminate competition in their favour. It is repeatedly emphasised that, for both market failure and success, there is a need for some kind of state intervention. And in case of state's failure (as happened in India), what is needed besides regulation at the macro level is the modification of firms at the micro level so that they can secure themselves against poor physical security and insecure property rights. She finds "Regulated Market Legislation" to be highly problematic in that it is hardly implemented as laid out; it is reinterpreted through negotiation for the mutual benefits of bureaucrats and traders. This results in rent-seeking, tax evasion, and even criminal activity.

One of the interesting aspects of the book is the comparison of this political economy of exchange and marketing with another, though insufficient, case-study. The diagrams are well laid out and assist the reader well in following the arguments presented.

Barbara Harriss-White has written an interesting book that draws on several years of experience in Indian agrarian economy. It is well-rounded enough to cover almost every conceivable subject concerning agricultural markets, and is supported by an extensive bibliography.

Although one can easily question the data used since it is obsolete (more than a decade old), yet its value lies in realising the objective of applying the theory of political economy to real data. And there it is relevant. In fact, none of the parts lacks depth. The book is an excellent resource for those who have a need to gain some

additional understanding of the political economy of agricultural markets in developing countries.

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