The Three Roles of Agricultural Markets
A Review of Ideas about Agricultural Commodity Markets in India

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This paper is a review of the literature on agricultural commodity markets in India, in relation to the three vital roles these markets are thought to play. It outlines the strengths and limitations of each approach and shows how they contribute to our understanding of the workings of real markets. The paper also suggests a holistic view of markets, built on the basis of the insights of existing literature to enrich our knowledge of the complexity and diversity of real markets and assist realistic policymaking.

Introduction

The need for a special issue dedicated to the study of agricultural commodity markets in India highlights a paradox within the field of development economics: the crucial role played by commodity markets contrasts starkly with a relative dearth of studies of “real markets” in general, and of real agricultural markets in particular (Hewitt de Alcantara 1993). This paradox is due not only to the reified manner in which the “market” is treated in mainstream development literature (whether neoclassical or new institutional) but also to the intellectual privileging of production within political economy, to the neglect of exchange relations.1 While mainstream economists have tended to view markets in terms of their role in driving efficient resource allocation, real agricultural markets function in a far more complex manner and perform a wide range of other tasks critical to the processes of social reproduction and development. Real markets connect producers to consumers, town to countryside and the agrarian to the non-agrarian economy. Operating through a great variety of institutions, they function on limited information and give rise to a wide variety of social classes and power relations (Mackintosh 1990: 47). The behaviour attributed to the abstract market of mainstream economics is far removed from the manner in which “actually existing markets” function (Harriss-White 1999: 1).

Yet considerable progress has been made in advancing our understanding of the diversity and complexity of agricultural markets: indeed, we know much more about their workings today than we did when the first crop marketing reports were published by the colonial government during the inter-war years (for example, GoI 1937). But the pace of progress in understanding has been lethargic, largely owing to the influence of mainstream economic theory and its narrow concern with the efficiency roles of markets, focusing on price performance, which privileges regression and price integration analysis to the neglect of the social institutions of marketing systems.2 Nonetheless, critical scholars have pointed out that if markets are simply stylised as channels of price information our understanding of their roles is incomplete in at least two crucial additional respects. First, through the terms of trade, and the profits and investments made by merchants, agricultural markets are conduits for the extraction of resources from agriculture to industry and vice versa. And second, through the terms of multiple exchanges and the physically productive activities that take place in the process of commercial exchange, they are also arenas for the exploitation of labour and peasants.

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The aim of this essay, then, is to review the literature on agricultural commodity markets in India, looking primarily at the different ways in which their three major roles have been conceptualised. We outline the strengths and limitations of each approach and show how they contribute to our understanding of the workings of real markets. Finally, we will suggest how a holistic view of markets built on the basis of the insights of the existing literature can enrich our knowledge of the complexity and diversity of real markets, and assist realistic policymaking. Before beginning our review of the literature, however, we need to comment on a distinctive new trend that has crept into mainstream studies of agricultural markets and which forms part of the context in which the present paper has been written.

Market Efficiency and the Post-theoretical Turn

The research agenda on agricultural commodity exchange has been moving beyond the restrictive theoretical framework of neoclassical economics into a direction that can best be described as “post-theoretical.” The chief characteristic of this body of work is an empiricist bias towards “issue-driven” inquiries into markets which abandon any engagement with theory. A critique of “empiricism” must not, however, be taken as an indictment of empirical research; in fact, in our opinion, the study of the internal complexities of agricultural commodity markets and their linkages to the production system demands intensive field-based inquiries. Most studies of commodity markets quoted in the review, including those by one of us, are all based on field research. However, field experience has taught many researchers the importance of developing theoretical frameworks with which to make sense of their accumulated data, evidence and observations. Thus, empirical material and theory presuppose one another. In the absence of such theory, as is the case with “empiricist” research, un-theorised generalisations from specific cases have become common, along with contradictory claims, stemming from the same empirical research, which the authors appear to feel no need to resolve (Ganesh-Kumar et al 2010).

Thus, researchers have no reticence in drawing, for example, from a study of cauliflower production for supermarkets (Joseph et al 2008) and from a fine-grained stakeholder project on retail prices in Delhi (Minten et al 2010), the conclusion that exchange with large-scale retail is beneficial to both consumers and cultivators. A case study of public distribution system (PDS) leakages in Rajasthan is seen as a comprehensive study justifying an indictment and “major overhaul” of the system at the all-India level (Khera 2011 cited in Basu 2011: 40). The now urgent practical question of the net labour-displacing effects of capital-biased “modern retail” under scenarios of varying rates of expansion cannot be answered with confidence. To take another example, a set of institutions of speculation that have been found to have exacerbated the price spike of 2007-08 – banks, asset management enterprises, investment funds and institutional investors – are not visible in the set of dynamic, complexifying elements identified as constituting modern agricultural marketing systems in India, ignoring their impact on systemic price stability and rural credit alike. Even the extractive role of marketing credit is ignored in this literature.

New avenues such as commodity futures trading in India (the total value of which – mostly from agricultural products – had increased to Rs 1.30,000 crore by 2003 and on which markets the amount of rice, wheat and maize traded was 309.78 lakh tonnes in 2006-07) have been termed “steps in the right direction” towards price discovery and risk management (Gulati and Fan 2008: 2). This conclusion ignores, first, the geographical concentration of futures exchanges in the metropolitan centres and the linguistic concentration of the computerised trade in English, which excludes the vast majority of farmers, most of whom are smallholding “net buyers of food” with little money to speculate in such markets (Kabra 2007: 1164). Second, and more importantly, it ignores the great disproportion between futures transactions and the actual physical availability of certain commodities (the former far in excess of the latter); this results in wild price fluctuations owing to purely speculative activities and severely qualifies the announced purpose of futures exchanges as enabling efficient price discovery (Ghosh 2010). Moreover, the conflict between local capital and “modern retail” and its associated logistics – which slows the
implementation of reforms – finds no place in “thick descriptions” that reflect the social vision of their authors, rather than Indian realities. While empiricist researchers have constantly emphasised the beneficial impact that the introduction of large-scale retailers into the food market will bring, such as greater integration of markets, lower prices for consumers as well as lower waste within the supply chains (Reardon and Minten 2011b), they have not paid much heed to scholars who have identified malpractices towards producers by supermarkets in “buyer-driven” supply chains. These include delayed payments, reductions in prices at the last minute when suppliers have no alternatives, removal of suppliers from lists for no good reason, high interest rates, and the use of restrictive contracts with tough penalties for any non-compliance (Singh 2011: 14). Likewise, researchers are not shy of identifying general benefits of contract farming for small farmers in terms of greater efficiency, lower risks and higher returns with a single case study of poultry growers in Andhra Pradesh for evidence (Ramawat et al 2006). This practice overlooks the fact that the contractual relationship between producers and large corporations reduces smallholders with lesser bargaining power effectively to wage-labour status with the former deciding everything from the type of crop, choice of inputs, the amount of credit, and timing of sales. In many cases, agri-business may completely dispense with the inconvenience (“transactions costs”) of finding a large number of small farmers and providing them with inputs and credit by preferring to deal with larger farmers, thus creating a bias that has been noted in a number of empirical studies (for example, Kumar 2006; Singh 2002; Swain 2011). Nor do the empiricists recognise that contract farming merely represents an intensification of a much older process of control over rural petty production by capital (for example, Banaji 1977). Though post-theoretical research is useful in describing new institutions and putting questions about agricultural commodity marketing on the policy agenda, its empiricism makes it unable to answer them with even a low level of scientific credibility.

How can one account for this emerging trend in the study of agricultural marketing in India, and for that matter, around the globe? Our conjecture is that it is not (simply) the inexorable pressures of technique or data (so obvious in mainstream development economics), or the diffusion of the seat-of-pants approaches to society and policy manifest in the new “assessments” from the biophysical sciences (for example, Cardinale et al 2012). Rather this new empiricism masks the requirement of political compliance (for example, Acharya 2007). In a reversal of evidence-based norms, results then drive a mode of practice which any recourse to theorisation would betray as unscientific.

However, the long-standing and largely exclusive focus of mainstream theory on market efficiency is clearly also part of the reasons for the post-theoretical turn. Two schools of thought within mainstream economics – neoclassical and new institutional – both emphasise the efficiency role of markets and the function of prices as resource-allocating mechanisms. Post-theoretical empiricism flourishes because there is no (mainstream) theoretical alternative. So we start by interrogating these frameworks.

Mainstream Market Analysis: Efficiency Trumps Complexity

Neoclassical Economics: Integrated Markets, Un-integrated Theory: In this literature, the “market” is understood as an autonomous and flexible mechanism of voluntary exchange based on choice, a mechanism by which prices are formed as a result of supply and demand, and through which scarce resources are valued and allocated (for example, Pandya and Dholakia 1992: 24). In theoretical formulations, efficiency is achieved under perfect competition with perfect availability of information where actors “grind towards preordained equilibrium levels” (Fine 1998: 251). In models of other stylised market structures (for example, oligopoly or monopony), certain criteria are altered, others retained and the consequences for prices and quantities are predicted. The focus of the framework is on prices and quantities, with “allocative efficiency” defined as the point of coincidence between marginal revenue and marginal cost in a deinstitutionalised production function, an ideal type from which all deviations (in oligopolistic and monopolistic models, for example) result in welfare losses (Colman and Young 1997: 50). Furthermore, the actors involved in these stylised markets are “rational individuals” who aim to maximise their utility (proxied by profit, in the case of firms, but following the same logic). Thus, apart from being the most efficient mechanism for resource allocation, the market also becomes the supreme medium for the expression of individual choice (Hodgson 1988: 178).

When markets are stylised like this, the question of whether a given market is efficient reduces – as a corollary of the method – to the question of how competitive that market is – and thus to the degree to which it conforms to the neoclassical ideal of perfect competition (Crow 2001: 83). This is accomplished through tests of market integration using data from sites where prices are assumed to be determined interdependently, – that is, whether the prices of a commodity in spatially separated markets move together and price signals are transmitted smoothly through them (Ghosh 2000: 618). As a result, consumer preferences are transferred without distortion to producers who will use this price information to make allocatively efficient production decisions. In Indian marketing systems, there is a long tradition of studies that have used this approach to ascertain whether different commodity markets are integrated (for example, Basu 2006; Lele 1971; Palaks and Harriss-White 1993, 1996; Sekhar 2012).

Most studies rely on commonly available secondary price data collected by government statistical departments, which gives open market prices per unit of quantity (for example, a quintal) of, say, rice for a given form (for example, paddy), quality (for example, superfine) and variety (for example, Ponni) for a given period (say a week) in a specific location (for example, a notified marketplace). Integration tests are constructed from these. However, such acts of aggregation suffer from a number of defects. First, such data reduces the
entire transactions of a settlement over a period of time to a single price (Harriss-White 1995a: 302). If this is an average, it is usually from an unknown population of transactions. It masks within, period fluctuations in price due to supply and demand, variations in competitive conditions and the bargaining power of the transacting parties, as well as the existence of interlocked contracts between unequal bargaining actors (Crow 1989: 205) at local sites other than the regulated market from which the data are suggested. The data relied upon within these analyses simply do not measure up to the efficiency task they are required to accomplish. Moreover, empirical analysis has shown that prices in two separate markets places may move in the same direction, or even be the same, but the relationship may be one where one marketplace is where prices are formed, while the other is a dependent price-taker (Palaskas and Harriss-White 1996: 113). Furthermore, a theoretical leap of faith arises when the competitiveness of a market is inferred directly from the integration of prices between two spatially segmented markets; as Rudra has shown, two towns dominated by a monopolistic or oligopolistic market structure may nonetheless display uniform prices, “not even reflecting any differences due to transport or storage costs” (Rudra 1992: 43). So, to assume without more information that price movement in the same direction, or even equal prices between two marketplaces, is an indicator of a competitive market structure is quite unwarranted. Prices alone can tell us little about the reasons why a market is integrated or not. For this, data are needed on a number of other variables such as costs, trade and credit flows, alongside an analysis of government policy, marketing infrastructure, dissimilarities in production and supply shocks, all of which require extensive fieldwork to complement secondary data (Goletti and Christina-Tsigas 1995: 327). Given the grave limitations of using price data without costs for analysing efficiency, it is a monument to human daring that they are used at all.

Despite the fact that this framework is only concerned with efficiency, the manner in which efficiency is conceptualised is also narrow and reductive. Two problems can be identified within the theoretical presuppositions of neoclassical analysis of efficiency; first, perfect competition does not exist in actual markets; second, and more importantly, no institutionalised means is posited in the neoclassical model whereby supply is supplied and demand is demanded, and against which actually existing marketing systems can be evaluated. Markets exist within an institutional complex; a theoretical framework that views these institutions as mere deviations from the norm of a perfectly competitive market is unable to grasp the role non-market institutions play in creating and sustaining markets (Ebner 2008: 12). Thus, while it is crucial to move the focus of market research from efficiency to their other functions (like exploitation and extraction, for example), even efficiency is better conceptualised within a dynamic framework which takes the actually existing institutional configuration as centrally important and evaluates it with respect to adaptation to the opportunities the institutional structure creates (North 1990: 80-82). For example, using this more flexible notion of efficiency, Harriss-White showed that the mercantile firms of Coimbatore district, Tamil Nadu, minimise the costly and dependent phase of skill and contact acquisition through the use of relational and repeated transactions together with closed negotiations, leading to lower transaction costs but compromising price integration (Harriss-White 1996: 312).

Markets, therefore, are not reducible to price channels but are also conduits for the intersectoral transfer of resources through the distribution of savings and reinvestment of profits. They are also arenas of the exploitation of labour and of petty producers (for example, Mundle 1985). An offshoot of neoclassical economics, New Institutional (or transaction cost) Economics has recognised some of its limiting assumptions and sought to incorporate ideas of incomplete markets, uncertainty and transaction costs within its theoretical fold in order to bring the analysis closer to the situation of actual commodity markets in developing countries such as India. It is to this literature that we now turn.

New Institutional Economics: Old Wine in New Bottles?
The most important component of New Institutional Economics (henceforth NIE) is the analytical incorporation of institutions: market institutions are conceptualised as rational responses to the problems of organising information, transactions and property rights, under conditions of environmental and biological lags and uncertainty, opportunistic behaviour and bounded rationality (Brousseau and Glachant 2008).

Under certain conditions — either of specialisation in production and marketing, and informational opacity, or of lack of specialisation and underdevelopment of the information infrastructure — information may be costly to obtain, control and transfer. It may also be insufficient to enable calculations of the results of alternative actions. Information asymmetry and “impacted-ness” are said to lead to “opportunistic behaviour” and to high monitoring and enforcement costs. These costs are components of the broader set of transaction costs necessary to the making and protection of contracts. They include the costs of search and screening, of negotiation and transfer of property rights, of coordination and of safeguarding (Aleem 1990; Jaffee 1994). Microeconomic institutions will reflect these costs, uncertainties and economic relations, and have been theorised as being the means of minimising them (Bardhan 1989b; Williamson 1993).

In Indian agricultural markets, NIE has been used to explain the widely observed phenomenon of “interlocked factor markets”, a situation where two markets (for example, money and produce) are locked together in an inter-temporal contract through the tying together of two distinct transactions in one deal or “contract” (Olsen 1996: 25). For example, a trader (or an agri-business) may tie a farmer through advancing credit in the form of money on condition that he sells his produce to him immediately after harvest at a pre-decided price; in this way, the contract for one exchange (of produce at a pre-ordained price) is established as the condition for another exchange (of money). Though the initial formulations within this framework in the Indian context were in agricultural
production relations, especially sharecropping contracts (for example, Eswaran and Kotwal 1985; Singh 1989), they were soon extended to relations between traders and moneylenders in order to explain a range of contracts that these actors make with farmers and with labour, giving rise to a whole branch of NIE studies known as the interlocking markets literature (Olsen 1991, Chapter 1).

While the NIE rationale for the existence of interlinked contracts is that they are a means of reducing uncertainties and minimising transaction costs, interlinked markets have been theorised in several different ways within NIE; some theorists have conceptualised interlinkage within principal-agent models, where interlinking is an outcome of the principal’s need to monitor the agent’s activities and the high monitoring costs incurred in the process (for example, Bose 1993; Mitra 1983). When lenders cannot observe or monitor the behaviour of borrowers, which invites moral hazard and adverse selection, the problem may be overcome by making contracts that interlink markets (Braverman and Stiglitz 1982). Other explanations see interlinkage as a response to the risks inherent in agrarian production and the market behaviour of borrowers in the context of incomplete markets (Gangopadhyay 1997); in other words, mutually beneficial contracts are responses to market imperfections, risks and high transaction costs. To illustrate, one may look at the phenomenon of labour-tying: both labourers and employers face risks; labourers risk subsistence crises in lean seasons and employers face potential labour shortages in peak seasons. Risk-sharing arrangements based on “labour-tying” emerge out of mutual interest: employers pay advances to labourers in the lean season and labourers guarantee to supply labour in the peak (Bardhan 1983).

In a review of the literature on interlinked markets, Bardhan explains how interlinkage helps to reduce transaction costs and makes contract enforcement easier by making dishonesty on the part of an agent too costly (for example, traders may refuse to lend to a farmer who tried to cheat one of them in a previous transaction, thus threatening the farmer’s subsistence). Contractual interlinkages also allow agents to overcome problems of uncertainty in the context of incomplete or non-existent markets (Bardhan 1989a: 239).

While the NIE framework is a definite improvement over the assumptions of neoclassical economics, it nonetheless suffers from a series of theoretical and empirical limitations. First, it shares with neoclassical economics a commitment to “methodological individualism” and an assumption that individuals are instrumentally rational actors who seek to maximise their utility, subject to specific constraints (Rogaly 1997: 210). The break with the limiting assumptions of neoclassical economics is thus seriously incomplete; in place of a singular explanation in terms of perfect competition, a similarly reductive emphasis on information asymmetries and uncertainties is employed to explain market transactions, resulting in a functionalist tautology whereby institutions develop to minimise transaction costs because their role is to minimise them (Harriss-White 1995b: 99). Furthermore, due to the acceptance of individual rationality and the almost universal absence from NIE of social relations such as caste, class and gender, the “institutions” that NIE includes lack any structural or historical dimension. As with “markets” in neoclassical economics, “institutions” in NIE are wrenched away from their organic links to agrarian and non-agrarian property distributions, surplus extraction and power (Rao 1995: 13). Even when caste and gender are included, NIE never treats them as being of interest in and of themselves but are considered only to the extent that they reduce transaction costs. So the focus of the framework once again remains narrowly on efficient or optimal outcomes, only this time in relation to uncertainty and transaction costs.

NIE, while an improvement over the neoclassical framework, is nonetheless inadequate for the purpose of explaining the multiple roles that markets play, especially those of exploitation, extraction and, ironically, self-regulation. However, Indian research grounded in classical political economy has made notable contributions to the understanding of the instituted nature of exchange and the relations between production and markets. The next section reviews this literature.

### Broadening the Canvas: The Political Economy of Extraction and Exploitation

### ‘Markets’ as Mechanisms for Resource Extraction

In India, real marketing systems have also been studied by scholars of classical political economy with its commitment to an interdisciplinary agenda and a focus on the social relations of production and exchange. They have drawn attention to roles besides the securing of efficiency that agricultural commodity markets must and do play, most notably the extraction of the agrarian surplus and the exploitation of labour and petty commodity producers (Mishra 2008). Against the neoclassical conceptualisation of markets as autonomous entities, these researchers find that commodity flows and prices, the volume and seasonality of supplies and the location and number of intermediaries is not entirely independent of other parts of the economy, especially the agrarian structure (Harriss-White 1996: 32).

Markets are extractive mechanisms whereby resources are mobilised and transferred across sectors of the economy. Food, the basic wage good, is transferred to sectors of society that do not own food or control access to it. Raw materials are supplied to domestic industry (Harriss-White 1985: 280). Mundle suggests that there are at least three different ways in which one can comprehend the manner in which resources are extracted from the countryside; first, there is simply the total amount of trade that takes place between agriculture and industry, which he calls the trade surplus; second, the net flow of funds out of agriculture in the form of private savings transfers, or the excess of government revenues collected from agriculture over and above public expenditure in agriculture. This he terms the savings surplus. Finally, there are the terms of trade, which refers to the relative prices at which agricultural products are exchanged with industrial goods (Mundle 1985: 50-51). It is in relation to this third manner of resource extraction, via the manipulation of terms of trade,
that the major debates on the extractive role of markets have taken place in the Indian context.

Study of Marketable Surplus

The intellectual antecedent of the terms of trade literature in India is the study of the marketable surplus; this literature examined the ways in which supply responds to price among agricultural producers. The classic study was that of Narain, who argued that marketable surplus decreased as holding size rose towards 15 acres, after which it increased, a relation termed the U-shaped supply response (Narain 1961). Moreover, he found that the bulk of the marketable surplus was provided by smaller farmers and that larger farmers tended to retain more of their produce. This “perverse” supply response was reanalysed by Patnaik, with the same data sources but using different size classifications, leading her to conclude that the marketed surplus increased steadily from 20% for the lowest size class of one hectare, to 63% for the highest category of 20 acres and above (Patnaik 1972). This also meant that it was larger farmers and not smaller ones, as Narain had contended, who supplied most marketable produce. Rastyanikov (1975) was also supportive of Patnaik’s claim that the amount of marketed produce increased with the size of holding, and that larger farmers were mainly responsible for the marketed surplus. In an extensive review of the literature, Nadkarni (1999) showed how the participants in these debates often operated at a highly aggregate level, without deconstructing the concept of marketable surplus into gross and net elements. And also how they ignored the important question of where and how the returns from the marketable surplus are invested after being extracted. Field research has demonstrated that resources extracted from agriculture in the form of a marketable surplus may be ploughed back into agriculture, or invested in industry and commerce, or spent on education or conspicuous consumption, or on the maintenance of an army and bureaucracy – each of which has distinctive implications for capital accumulation and class formation (Byres 1977; Nadkarni 1980; Raj 1979). One of the key mechanisms of resource extraction, apart from the direct taxation of agriculture, is the manipulation of the intersectoral terms of trade (TOT).

The pioneering study in this regard was that of Thamarajakshi (1969), who systematically estimated the TOT for the aggregate agricultural sector in India by identifying commodities that were actually traded by the sector, and using their shares as weights to define the composite price index of prices received and prices paid by agriculture. Subsequently, Kahlon and Tyagi (1980), Tyagi (1987), Mungekar (1993) and Palanivel (1997) (among others) provided estimates of agricultural TOT using alternative price data and different trading baskets.8 Thamarajakshi (1969, 1977), using a wholesale price index (WPI), argued that while the prices of both agricultural and industrial goods were rising in aggregate terms during the period 1951-52 to 1965-66, those received by agriculture rose faster than those paid by it, the movement of net barter TOT had registered a positive increase in favour of agriculture, while the income terms of trade had actually witnessed an even greater increase (Thamarajakshi 1969: 96-100). But Kahlon and Tyagi (1980) highlighted several methodological and empirical problems with Thamarajakshi’s analysis. Most significantly they argued that her use of official WPI suffers from the intractable limitations that they do not reflect the prices actually received by farmers: calculations based on farm gate prices would provide a more accurate picture of the movement in TOT. Furthermore, the list of manufactured goods quoted in WPI include many commodities that are not traded with agriculture, many “non-food” items that, according to Kahlon and Tyagi, had witnessed a significant increase in price were omitted, thus biasing the calculation against the non-agricultural sector. They argued further that Thamarajakshi’s coverage of items was inadequate and her method of attaching equal weight to all reporting centres from where official price quotations are obtained is faulty, given that these centres trade in differing volumes of grain. This was extremely significant given the regionally concentrated nature of high value food grains, especially wheat; in fact, it was argued that the real increase in prices was due to the disparity between deficit and surplus regions, rather than prices received by farmers. Lipton’s pronouncement that India’s “price twists” resulted in an “urban bias” clearly supported Kahlon and Tyagi’s position (Lipton 1977).

Yet others supported Thamarajakshi’s idea that the TOT had shifted in favour of agriculture. Byres strongly rejected the claim that there was an urban bias against agriculture; indeed, he argued the opposite case, maintaining that the political power of rich peasants and medium landlords had forced the state to alter the terms in favour of agriculture, resulting in a “rural bias” (Byres 1974: 251). The classic statement in favour of this view was by Mitra (1977), who was of the view that from the mid-1960s to the mid-1970s successful lobbying by rich peasants resulted in the government setting a high price for foodgrains, especially in the wheat centres of north India (notably Punjab), leading to lower wages for industrial workers, as well as a profit squeeze within industry, while enriching the surplus-producing farmers. Other technical issues were raised on both sides of the debate, ranging from the choice of base lines, the weights attached to the two elements of the ratio, the choice of goods comprising the agricultural and non-agricultural sectors, and the source of price data (Vittal 1986: 146-47). Nonetheless, the debate highlighted the crucial role that markets play in extracting resources from and between sectors. The extractive activity of agricultural markets leads to the development of a home market, involving demand for agricultural commodities by the non-agricultural sector and vice versa; the extractive role of markets, especially through the terms of trade, continues to be of prime importance for development economics and policy (Bhaduri 2003: 223).

But the computation of market prices in the form of large geographical averages hid the regionally differentiated impact of the terms of trade, since in reality different regions faced different prices (Harris 1984). More importantly, using aggregate data also masked the class-stratified nature of the rural social formation – different classes faced different TOT (Olson 1996: 10). This brings us to the third crucial social role that
agricultural commodity markets play besides efficient resource allocation and extraction of marketable surplus for reinvestment: the exploitation of labour and petty producers in agriculture and the non-farm economy and the process of class formation through exchange relations. There is a small but significant literature on this which we can now examine.

**Exploitation and Exchange Relations in India:** Despite the overwhelming importance of agricultural commodity markets in the rural and urban landscape of India, they have received little attention from scholars working in political economy. This is primarily due to the currency (especially among Marxian economists) of the refined concept of “merchant’s capital” that was used to cover the role of agricultural trade and the muted development of agrarian capitalism in India and other developing countries (Kay 1975). The agrarian mercantile class is seen here as exerting a stranglehold on commodity and money markets, appropriating and perpetuating monopoly profits to be reinvested either “unproductively” in conspicuous consumption or in land and property in order to extract rent and protect its monopoly position (Chattopadhyay 1969; Prasad 1974). According to this school of thought, the mercantile class accumulates through commodity exchange, peasants are expropriated and non-agricultural, non-commercial consumers are pauperised. Rural demand for non-agricultural commodities stagnates, while the accumulating class is too small to create sufficient effective demand for domestic industry and so relies on foreign imports. Thus, merchant’s capital acts as a powerful lever of stagnation and underdevelopment in Indian agriculture.

Although appeals are made to Marx’s authority, his own concept of “merchant’s capital” was more refined: he saw its role as contradictory. As well as battening on existing production relations, merchant’s capital facilitates capitalist development by increasing commodity production, by monetising the economy and integrating regions (Marx 1991: 445). Furthermore, trade ensures that a “smaller amount of society’s labour power and labour time is tied up in this unproductive function” – that is, for Marx, trade was “necessary but unproductive” since “the process of social reproduction itself includes unproductive functions as necessary interruptions to production” (ibid: 254). However, Marx’s concept of merchant’s capital is restricted to buying and selling. Real traders, by contrast, are hardly ever restricted to trade alone: they engage in processing and transporting commodities which are productive of use value, as well as in storage which preserves use value by preventing perishable commodities from deteriorating (Harriss 1979: 45-46). Marx’s view on the role of trade and traders is more nuanced than the problematic caricature that traders are unnecessary agents of stagnation.

As Banaji argues, the roots of the view of traders as agents of stagnation lie in the “absolutised” and “imaginary antithesis” between production and exchange in which traders are seen as “external to production” (Banaji 2011a: 253). Since surplus value is only created in the process of production, these scholars wrongly conclude that exchange is external to the production process and therefore surplus can be extracted but not created through exchange relations. The market, therefore, remains completely un-theorised within this framework, seen only as a fetter on “real” productive activity. However, not only are circulation and exchange organic parts of the process of capital accumulation according to Marx (1973: 88), but as scholars working on agricultural markets in India have demonstrated, “indirect” or “secondary” exploitation through exchange relations is an essential complement to the primary exploitation that takes place through production relations (Olsen 1996: 7). Markets are therefore complicit in the process of exploitation of rural labour and petty rural producers.

An early exponent of this view was Bhaduri (1973, 1983) who constructed a formalised model of commercial exploitation under production relations of landlord-trader-cum-moneylenders and sharecroppers, which he termed semi-feudal. In this model, small tenants (kisans) are too poor to meet their household consumption needs through the sale of their own produce and are forced to take a loan from the dominant landlord/trader/moneylender class, which embroils them in an involuntary process of unequal exchange (“forced commerce”) resulting in permanent indebtedness. This state of dependence and backwardness is perpetuated, moreover, by the reluctance of the dominant class to undertake technological improvements out of fear that higher productivity may break the poor peasants’ cycle of debt and reduce their dependence on the landlord/moneylenders. Thus, these “backward exchange relations are efficient from the point of view of the dominant class, even if they are inefficient for the economy as a whole” (Bhaduri 1986: 268).

This argument was criticised on a number of accounts. Banaji argued that “semi-feudalism” itself was a meaningless concept and that the relations of production within Indian agriculture could be better described as a form of capitalism that relies on the “formal subsumption” of labour to capital – that is, the peasants are producing surplus value for capitalists, but the pre-capitalist production process remains unchanged (Banaji 1977: 1375). Others contested Bhaduri’s assertion that landlords would discourage the uptake of new technology, on both theoretical and empirical grounds, especially after the widespread diffusing of new seed varieties in the “Green revolution” (Chakrabarti and Cullenberg 2003: 76; Griffin 1974). Bardhan and Rudra (1978) questioned the correspondence of Bhaduri’s model to reality through an extensive field survey of 109 villages in West Bengal, during which not a single tenant reported moneylending as his landlord’s main activity. Finally, it was demonstrated that Bhaduri’s scenario of “distress commerce” would not cover the two-crop situation of Andhra Pradesh, where food commodification was resisted due to government’s policy of providing cheap grain, while the cash crop (groundnut) was marketed under a wide range of different exchange relations (Olsen 1996). However, despite its shortcomings, the model had the great merit of recognising that exchange relations could in some circumstances cause “backward” production structures to solidify.

The other pioneering model of exchange relations within India was that of Bharadwaj (1985), who took the position that the manner in which different sections of the peasantry were
integrated into the network of exchange relations was shaped by the underlying production structure. In his view, rich peasants are price-makers who dominate the marketed surplus and set the terms and conditions of exchange for other classes. Middle peasants are responsive to the prices created by the large cultivators, while poor farmers only sell in years of good harvests. Finally, marginal farmers produce insufficient grain to cover the subsistence of their households and compensate for this deficit by the sale of their labour for wages. This leads to their involuntary integration within markets, variously called “compulsory involvement” (Adnan 1985) or “forced commerce”. Sarkar took this model forward by theorising price formation in a situation of multi-stratum competition between Bharadwaj’s three main agrarian classes – small distress sellers with negative net marketed surplus, middle peasants responsive to price changes but with fixed cash goals, and rich farmers speculating to maximise profits under uncertain price conditions (Sarkar 1989). Poor cultivators do not have a price schedule but can depress post-harvest prices through their weight in the rural structure, middle peasants have a positive price response after a critical inflexion point, while the third group only enters after post-harvest prices exceed a certain high value.

Janakarajan (1993, 2004) theorised exchange relations in the context of a dynamic agricultural regime where traditional irrigation has given way to modern technology: he termed these relations “triadic”, whereby traders give pre-harvest credit to water sellers in order to secure paddy at below market prices through a high implicit interest rate. The water sellers in turn lend water to the direct producers on condition that the entire marketed surplus is sold to the water seller, who in turn sells it back to the original lender. In this situation, control over water has much more strategic importance in determining class status than does landownership. As in the case of water, there are other markets which only come into existence as a result of the primary commodity markets and are therefore “internal” to them. Harriss-White gives the example of transport and by-products which are often reduced (especially transport) to co-efficients explaining price differences within standard price regression models. In actual fact, these are internal markets with their own sets of power relations and institutional idiosyncrasies that affect the behaviour of the associated primary commodity markets (Harriss-White 1996: 37-38).

Credit relations within agricultural commodity markets have also received considerable attention, going back to the anxieties of British colonial authorities about the increasing indebtedness of rural cultivators in the late 19th and early 20th centuries (for example, Darling 1928; Thorburn 1983).

Empirical research has also revealed a range of different sources, of contract types and motives for borrowing and lending: it is not only commercial farmers who demand credit for production, but poor cultivators and labourers who need it for consumption and for medical and educational expenses (Sarap 1987: 89). Money is found not to be completely fungible but “earmarked”, with different sources serving different purposes in which notions of honour, status and group identity (reflected in, for example, expenditure on social ceremonies) may play a crucial role (Guerin et al 2012: 124). Moreover, credit advances may not reflect high rates of “usurious” interest but may serve as a means to procure the produce of farmers at low prices in a context of rising crop values (Bhattacharya 1985; Olsen 1996).

Finally, credit may not only be used to procure agricultural output but also to tie labour in the context of labour shortages, resulting in forms of “neo-bondage” (for example, Breman 1993; Lerche 2007). When to this are added the relations of exploitation and credit ties between employers and wage labour at every stage of the multi-transaction marketing system, and in every derived and every rental market, the role of markets as arenas for the exploitation of labour and petty producers is obvious.

Yet the literature on the exploitative role of exchange relations is striking for the way the market is reduced to exchange relations between traders/moneylenders and peasants/labour, without any attempt to theorise the internal structure of markets. In Bhaduri’s model, it is simply a strategic alliance between landlords, moneylenders and traders; in Bharadwaj’s formulation the market is a residual derived from prior relations of production while the rest of the literature on interlocking markets also views “traders” as an homogeneous mass.

In reality, however, the marketing system is heterogeneous and internally differentiated. It ranges from, on the one hand, national agri-business, big retailers and local, highly concentrated and capitalised agro-processors, traders and their agents, to small, unlicensed and informal petty commodity producers and traders on the other, with the two often being structurally tied to one another. And, not only do agro-processors and large traders extract produce from rural producers, but they also exploit the labour that they directly employ. So there may be more than two sites of appropriation of surplus inside a complex agro-industrial marketing system (Harriss-White 2008: 21).

Firms are rarely confined to trading alone but also employ various methods of extracting surplus including land rents, cultivation, productive (as well as unproductive) forms of storage, transportation and direct processing resulting in a complex “conglomerate” portfolio of activities (Chattopadhyay 1981). They also evolve their own methods of regulating markets alongside and in response to state regulation (for example, through their associative bodies), and use institutions such as caste, kinship and religion to their advantage. So, a theoretical frame for the internal structure of agricultural commodity markets and their links to production and distribution is required.

In the next section, therefore, we briefly outline one such framework developed through a critical engagement with the evolving literature and four decades of intermittent but repeated fieldwork in the towns and villages of four states of India. The aim was to capture the complexity of the marketing system and its organic connection to agricultural production (Harriss-White 2008, Chapter 10).

**Markets as Complex Systems:**

**Efficiency, Extraction and Exploitation**

The discussion so far has pointed to the need for a theoretical framework for markets as complex systems performing three major roles: efficiency, extraction and exploitation. In order to
grasp agricultural markets as an inherent part of the agrarian structure, a further three aspects of their functioning need to be understood:

1. How the system works in itself, through its elements (firms, their social organisation, technologies and sites); through its relations (flows of commodities and money), and through its regulative practices (state and non-state), and shock absorbing practices.

2. How it works in relation to agricultural production including the control of the labour process, the flows of commodities and money.

3. How the structure and relations of marketing change over time.

These are fundamental questions requiring primary research which is unavailable and urgently needed. The previous field research over decades in small regions scattered about India is not more than suggestive.

**How a Marketing System Works**

To see agricultural marketing in “systems” terms requires identifying its structure (and elements) and its relations (and flows). From the moment when industrial organisation theory was borrowed for applications to agricultural markets these have all been the object of debate. Elements without which the system cannot function are firms, with their (often highly polarised) distribution of capital assets, combinations of capital and labour, and permutations of physical activity. Technology (widely regarded as a structural element) is both determined by and constitutive of the structure of assets across firms. Empirical research teaches us that, rather than moving towards convergence in type, agricultural market systems contain a vast range of types of firm which coexist and persist. Further, the activity profiles of firms (their permutations and combinations of economic activities) do not map conveniently onto transactions and their markets. Relations and flows between the elements are mediated by commodities (transported, stored, processed — with by-products and by-by-products subject to the same logistics, and also by money, information, especially about prices and energy — human, animal, renewable, and fossil). Harriss-White’s field research found a total of 51 different activity combinations among 149 “marketing” firms (including buying, selling, brokering, storage, transport, processing, and even production) in the region of Coimbatore, Tamil Nadu, in the early 1980s that belie images of specialised firms assumed in labels such as “wholesaler”, “retailer” and “processors” (Harriss-White 1996: 330)

Order inside the system is established through institutionalised behaviour, essential to which are contracts. Contracts may be, but are not always, the sites of class conflict and power. Capillary power pervades the non-economy as well as the system of markets. If the system is conceived as having boundaries then power in markets flows not just through socially engineered organisations, noted among which are business associations and lobbies, but also through social/“cultural” institutions such as the caste structure, patriarchy, ethnic solidarity, religious authority and the multifarious practices of locality. The state supplies order directly but also indirectly via effects on the informal non-state-regulated economy. For some analysts the state is a structural element endogenous to the system, for others it is both endogenous and exogenous. The state may regulate the supplies of raw material and other means of production to the system of markets; it may impose order on the behaviour of private firms, or directly engage in distributive activity (or the productive activity inside systems of markets). Despite the institutional segmentation of markets, their social and state regulation and their social and economic entry barriers, a system of agricultural markets is open; treating it as a closed system for the purpose of analysis is arbitrary. Energy, capital, labour, and social relations are not caged within markets. Although identifying “shocks” from “outside” the system is therefore fraught with difficulty, empirical work has found that market systems can indeed be stressed by environmental shocks (disease, extreme physical events), economic shocks (the process of commodification, financial crises, new technology) and political shocks (shifts in party-political power and public obligations). But the functional intricacy of Indian agricultural markets endows them with the kind of plasticity that minimises the effects of these disruptions.

**The Relation of Market Systems to Agricultural Production**

The question of the extent to which production and distribution are institutionally autonomous from each other requires setting the “terms of trade” in realities on the ground. Firms active in the market system may also own land on which they produce directly. If not, they may still not be independent of the production structure since control over land and water has been found to determine the quantities, timing and price responsiveness of the marketed surplus. The agrarian structure affects the deployment of technology which determines the release of labour, just as technology in marketing affects the capacity of the local economy to absorb it. The terms on which the surplus remains in the agricultural sector are determined through the exchange relations between producers and traders. And through exchange relations within the system of markets, the minority of firms which can accumulate control the terms on which most firms can only expand by multiplying into more small firms. In the long term, land may provide resources for investment in trade. The complex social and economic meanings of land (status signifier, productive resource, rental resource, risk reducing mechanism, etc) make it also a destination for accumulated capital. Yet wherever accumulation has been studied, land is found to be decreasingly important as either the origin or the destination of the capital that is amassed in agricultural markets.

**Dynamics: Change over Time**

Theories of change often see change as driven by exogenous forces. In a systems approach, however, what counts as exogenous is the result of the scale of a given system and its more or less artificial closure. In the case of agricultural markets, technology and (relative) prices are commonly invoked as exogenous motors of change. But this is not the whole story. On the
one hand, endogenous change results from competition, and from efforts to avoid competition, which leads to the concentration of capital (though not necessarily to its centralisation in any one place). On the other, it results from contradictions between capital and labour – from labourers and of petty producers and self-employed workers pitted against employers and mercantile patrons. Another set of internal dynamics leads to petty production being prevented from expanding by any means other than multiplication. To this stew of economic forces for change we must add changes in the non-economic social institutions which play economic regulative roles, institutions which are subject to social forces capable simultaneously of dissolving institutions no longer useful to agricultural marketing (local weights and measures), creating new ones (branding, supermarkets), reworking others (caste, ethnicity, etc) and finding use in the fairly untrammeled persistence of yet others (such as patriarchy). The state may itself be an independent motor of change, reflective of party political powers; re-regulating the parameters of informality; with enforcement capacities restructured through the commodification of the state’s own core functions. And that the state is also shaped by wider social forces is an empirical question, requiring good evidence if it is to be denied.

Once the true complexity of the internal and external relations involved in agricultural commodity markets is recognised, questions about their efficiency and their role in exploitation and surplus extraction can begin to be posed in a more realistic way.

Efficiency: While attempts to analyse efficiency on the basis of price relations mean reducing market systems into a handful of points and sites, for a systems analysis the question is how efficient are the various elements of the system. For this there is no alternative to the relationships between costs (capital, fixed and variable) and profit. When the relation between capital, fixed and variable costs is fuzzy (as when a piece of machinery can be maintained indefinitely) and profit is itself a residual claim in a family firm (where labour is also un-costed), accounting data for the rates of return need careful interpretation before they can be compared.

Extraction: The terms of trade debate involves the same kind of reductionism as does price analysis. When the market is studied as a system pervaded by social institutions, nuanced with class relations and spiked with seasonality, understanding the extractive role of markets requires identifying the many points at which power relations permit surplus to be extracted. A systematic approach will focus on the distribution of assets and on money: on the terms and conditions of credit in interlinked contracts throughout the entire set of post-harvest transactions, and on the asymmetries in payments through which the working capital needed to go on making transactions is accumulated and kept available. The way investment portfolios are developed throughout the structure of firms needs to be identified, along with the extent of economic and social barriers to cross-sectoral investment. Unlike the earlier waves of agri-business capital, today’s agri-businesses bind agricultural marketing firms to portfolios in unrelated sectors of the economy (Reardon and Minton 2011a and 2011b).

Exploitation: Finally, a system of commodity markets is also a system of labour exploitation. In a labour-hiring family firm, the existence of three major types of work relationship – family labour, regular/permanent/“salaried” workers (with or without labour and social security rights) and right-less casual labour, all differentiated by gender and much by caste as well – plays havoc with the concept of “the labour market”. Exploitation requires the same empirical disaggregation as the other two roles played by markets. The concept of the “distributive share” – the ratio of the total wage bill to total profits – is another reductive concept which masks the detail of exploitation, but it has the advantage of being appropriate at the level of an individual firm. Few studies of the distributive share exist, however. One, for a rice market system in northern Tamil Nadu, shows the distributive share – labour:profit – reversing from 75:25 in 1973 to 15:85 as little as 20 years later (Harriss-White 2010).

State and Market Regulation: So What for Policy?

As shown in earlier sections, markets reflect wider class and institutional contexts which they also help actively to generate and transform. The complexity and diversity of real markets is revealed by all empirical research, their contradictory aspects and multiple functions need theoretical frames which preserve them rather than wishing them away. The new wave of post-theoretical writing cited at the start of this paper, with its basis in policy-driven evidence, will, paradoxically enough, end up resulting in bad policy.11

The literature on market regulation as well as actual regulatory policies reflects two conceptions of agricultural markets among policymakers in India. One sees them as so flawed that they need state intervention to stabilise prices and decentralise supplies; the other sees them as so competitive that all they need are sites and a set of rules for open auction. Not only are these two approaches to regulation in constant tension, one may be subordinated to the other, and both to yet other interventions (see Harriss 1984). With the onset of liberalisation, the latter conception has become increasingly ascendant, with market intervention now seen as the main impediment to development, shifting the terms of the debate from the older question about the type of intervention to be adopted to one about a simple binary of “more” vs “less” intervention, with the latter as the ultimate goal (Bernstein 2010, Chapter 5).

As much as the mainstream discourse may deinstitutionalise the market, for real markets to function a whole set of rights and guarantees is required, ranging from definitions of “legitimate tender” to rules regarding price information, conventions and penalties – all of which demand a bundle of regulatory institutions (Harriss 1993; Harriss-White 1995b; Schaffer and Clay 1984). Thus, the real theoretical loophole of the neo-liberal agenda is its ideological belief that markets can somehow function best without regulation, whereas what capitalists actually aim to achieve through the neo-liberal doctrine is the removal of legislation benefiting labour and petty producers so that the objective of regulative policy becomes the benefit to capital. Thus the term “deregulation” is misleading, since what
capital (in this case commercial capital) actually requires is a re-regulation explicitly in its favour (Byres 1997; Harvey 2005).

In India, the top policy concerns have been price regulation through the Essential Commodities Act and the Public Distribution System (PDS), and parametric regulation through the Regulation of Markets-Agricultural Produce Market Committees (APMC) Acts (Swaminathan 2000). Here a distinction needs to be made between the regulative mechanisms as laid down in official state proclamations, and the way in which agricultural commodity markets are actually regulated. Based on meticulous fieldwork in Karnataka, Bihar and Kerala, Mooij highlights this gap in the case of the PDS: the state procures a set fraction of the output of licensed grain mills at prices below the current post-harvest levels. This leads to a hike in commodity prices in the residual open market by traders who hide most of their produce from the government and sell it in the open market, in order to offset the losses they incur from the lower procurement prices. Thus an attempt by the government to lower prices ends up increasing them for the vast majority of people (since PDS coverage is much more limited than that of open markets) (Mooij 1999, 2001). This hiking of open market prices in response to price fixing by the government has also been noticed in other cases (Jha 1980; Harriss 1977; Harriss-White 2008). Moreover, government policy ostensibly aimed at removing the “middle-man” between producer and state procurement may actually benefit from the creation of an oligopolistic market structure in a staple crop, as Harriss-White demonstrates in the case of the heavily state-patronised rice mill oligopoly in West Bengal (ibid).12

But these contradictory effects of intervention in real markets must not be taken as justifying a call for the removal of state intervention in markets, as the “deregulation” agenda proclaims. As critics of neo-liberal policy prescriptions have demonstrated, these are primarily geared towards removing all traces of interventions (with all their flaws) that aim to bring at least some benefit from the otherwise oppressive capitalist regime to labour, petty producers and consumers – while retaining and even strengthening those aspects of state intervention that explicitly benefit capital (Ghosh 2012; Patnaik 1996). The fact that it can have contradictory effects does not mean that none of its intended beneficial effects are realised.

The impact on markets of new trading and production technologies and institutions, such as the introduction of foreign direct investment in retail, is fast becoming an important issue around which analysis, policy and politics will play out for some time to come. Here, too, the insights of the framework outlined above with its emphasis on the internal diversity of markets, competition between capitals and the role of labour control and exploitation may be of use; the struggle in retail may be viewed as one between two forms of capital, large-scale corporate capital on the one hand and smaller scale, local (informal) capital on the other (Frodin 2012: 20). In the case of Indian industry, these two forms have often found ways of working synergistically: industrial districts are mostly regulated as corporatist, caste-based combines where corporate capital relies on informal capital either as intermediaries or as sub-contractors (Chari 2004; Harriss-White 2003: 232). But in the case of retail trade, material interests have so far diverged; informal capital sees the entry of corporate capital in retail as an existential threat. With the large-scale exodus from agriculture and the tardy pace of job creation in industry, petty trade has become one of the major sources of livelihoods for a vast array of India’s poor. According to one estimate, around 40 million people live off activities related to the retail sector, 98% of which are within the local informal sector (Sridhar 2007). Though many of these petty traders are linked in exploitative relationships to more concentrated local capital such as larger traders and millers, the current configuration does manage to provide seasonal livelihoods for many of India’s poorest owing to high retail margins, low entry barriers and set-up costs, access to informal credit systems as well as technological segmentation due to which petty trade can persist (Harriss-White 2010). The introduction of corporate retail within the marketing system needs assessing according to the impact it will have on the livelihoods of millions of petty traders. In the struggle between two forms of capital, one dominant and the other gaining ascendance, the need to put issues of labour and decent livelihoods on the table are more crucial than ever. An early precedent from both West Bengal and Bangladesh is before us, where millions of poor rural women operating the dheki (foot-operated rice pounder) lost their livelihoods without compensation with the introduction of mechanised husking technology (Harriss-White 2008: 340).

Finally, regulation in agricultural markets is also enforced through a strategic reworking of so-called “primordial” identities such as caste, gender and religion in order to reinforce the control of higher over lower caste (Basile and Harriss-White 1998), men over women (Agarwal 1994), the religious and ethnic majorities over minorities and the family over the individual (Harriss-White 2003, Chapter 9). These identities are not mere hangovers from the past but the very essence of how capitalist modernity is experienced in contemporary India. For regulative policy – including so-called “deregulation” – to achieve its intended results, then, it needs to engage seriously and honestly with this multilayered reality.

Conclusions

Of late, agricultural markets have become a prime case of what the anthropologist Clifford Geertz called “theoretical diffusion” (Geertz 1973). They have been conceptualised as vital components of the rural non-farm economy (Chadha 2007: 361-62), as “services”, as “infrastructure”, as “the unorganised sector” (Joseph et al 2008), as “agri-food systems” (Frodin 2012), as “business catalysts” (Reardon and Minton 2011a), as modern terminals (Frodin 2010) and as modern retail (Reardon and Minten 2011b). They are also seen as vertically forged into food supply or value chains (Narrod et al 2009) and as public-private, rural business hubs (Fan 2010), agro-logistical networks (Goswami 2010) and growth poles (nceuS 2009). To probe the theoretical basis (or lack of it) of each of these conceptualisations and their implications is beyond the scope of this essay.
Our aim has been more modest: to provide overviews of the literature on agricultural commodity markets in India in relation to the three vital roles we think they play; and of the implications of these for the analysis of market-related policy. In an era when policy-driven writing is increasingly detached from theoretically grounded fieldwork, we hope that a new generation of researchers interested in the fascinating world of agricultural commodity markets may find such a retrospective review a valuable and even perhaps necessary starting point.

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The Adivasi Question
Edited By

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Depletion and destruction of forests have eroded the already fragile survival base of adivasis across the country, displacing an alarmingly large number of adivasis to make way for development projects. Many have been forced to migrate to other rural areas or cities in search of work, leading to systematic alienation.

This volume situates the issues concerning the adivasis in a historical context while discussing the challenges they face today.

The introduction examines how the loss of land and livelihood began under the British administration, making the adivasis dependent on the landlord-moneylender-trader nexus for their survival.

The articles, drawn from writings of almost four decades in EPW, discuss questions of community rights and ownership, management of forests, the state’s rehabilitation policies, and the Forest Rights Act and its implications. It presents diverse perspectives in the form of case studies specific to different regions and provides valuable analytical insights.

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