

Agrarian Transformations: Local Processes and the State in Southeast Asia. Edited by Gillian Hart, Andrew Turton, and Benjamin White, with Brian Fegan and Lim Teck Ghee. Berkeley and Los Angeles: University of California Press, 1989. Pp. xv, 341. 4 maps, 41 tables.

The studies gathered in this volume attempt to elucidate the “agrarian question” in rice-growing regions of four Southeast Asian countries (Thailand, the Philippines, Indonesia, and peninsular Malaysia) — that is, the emergent patterns of social and economic structure in evolving rural societies which are subject to increasing penetration by exogenous forces of the wider economy, society, and polity. The edited volume is an outcome of a research programme on agrarian change in Southeast Asia initiated and funded by the Social Science Research Council and the American Council of Learned Societies. It is divided into five parts, covering a total of fourteen chapters (excluding the editors’ Introduction). The first two essays, which discuss a range of theoretical and methodological questions raised by studies of agrarian change both generally and with reference to the case-study material contained in the rest of the book, constitute Part I. In the remaining four parts, each set of case-studies drawn from village-level data (two for each of the four Southeast Asian countries) is preceded by country introductions which survey the distinctive features of the national economies and political structures with a focus on state intervention in the rural rice-economies of the region.

White (Chapter 1) focuses on theoretical issues faced in the empirical analysis of agrarian change. Noting the “rigidity” that characterizes much of the (neo-Marxist) literature on the “agrarian question” with often mechanical applications of the classical models of Lenin, Chayanov, and the like, White argues in favour of “flexibility and openness in investigations of concrete situations, in contrast with the abstract rigour of theoretical formulations” (p. 18). Hart (Chapter 2), in stressing the need to explicitly account for “state imperatives” and the exercise of political power at different levels of society, attempts a comparative

analysis of state patronage of rural power brokers in the four Southeast Asian countries. According to Hart, the case-studies in the volume illustrate how state patronage influences processes of surplus extraction and accumulation, processes which in turn yield “contradictory and unintended consequences” (p. 47).

Turton’s piece on Thailand (Chapter 4) also places primary emphasis on the state — “a hybrid and heterogeneous power bloc” — and the exercise of political power at different levels of society. Complementing Turton’s essay, Anan Ganjanapan (Chapter 5) investigates changing labour relations and mechanisms of access to resources. Noting the emergence of a variety of “tied-labor” and sharecropping arrangements following the rapid introduction of intensive technological change under the Green Revolution, he asserts that these constitute a means by which landowners captured a greater proportion of labour surplus of tenants and acquired greater control over agricultural decision-making.

In the Philippine case-study set in Central Luzon (Chapter 7), Banzon-Bautista finds that accumulation of capital goods for a large number of the sample households was made possible by external funds derived from employment in the Middle East. Agrarian change in this case was therefore a function only partly of agricultural commercialization and much more of factors external to the village economy. Fegan’s study of villages in the same region (Chapter 8) finds that mobile capital sought opportunities outside direct investment in padi production. Given the inherent natural risks associated with rice farming as well as adverse shifts in the terms of trade against the sector, those most successful in the village economy traded across linked markets, lending money, hiring out farm machinery, and diversifying sources of income in other ways (non-farm small businesses, educating children for urban employment, and so forth).

Both the Malaysian case-studies examine the impacts of intensive technological change associated with the massive Muda irrigation scheme in the state of Kedah. Lim (Chapter 10) finds that although many tenants were displaced as rice farmers became recipients of heavy state subsidies and landowners found it more profitable to work the land themselves or

with kin labour, these displaced tenants did not emerge as full-time farmworkers. Permanent migration or the sale of labour to a variety of places including the rice sector during peak labour demand periods were the more likely responses. Small farms operated by owner-cultivators not only survived but proliferated, largely due to generous fertilizer subsidies. These and other subsidies, however, benefited larger farms disproportionately, and in the process, income distribution in the Muda region worsened. Said (Chapter 11) studies the behaviour of the small group of relatively large farmers, and describes the great influence they exercised over the lesser peasantry. This dominant group engaged in “strategies” of diversifying investments into farm machinery and the granting of credit.

In their study of nine villages in Java (Chapter 13), White and Wiradi draw a picture of increasing landlessness, growth in average farm sizes despite population growth, and a shift in the division of incremental agricultural incomes in favour of farmers compared with hired labour. Nevertheless, the authors point out, it is not possible to characterize emergent class relations on the basis of these observations since non-farm incomes represented almost two-thirds of total income by 1981. Hüsken’s study of a village in Central Java (Chapter 14) shows how increasing commercialization and the Green Revolution have been accompanied by a relative dominance of share tenancy and new forms of sharecropping over wage labour. These forms of “exclusionary labour arrangements” allowed rural élites a larger claim on agricultural output.

Besides the common concern over the “agrarian question” in Southeast Asia, the studies gathered together in the volume diverge considerably in content and approach. Some are theoretical and interpretive (White, Hart, and Turton), some are primarily quantitative and descriptive (Lim, White, and Wiradi), while others fall somewhere in between. The case-studies do not conform to a common research design. Indeed, as pointed out in the Preface to the volume, they consist of independent work that happened to be already completed or was under way at the time the research programme was conceived (in 1981). As a result, not only is much of the

data dated (not extending beyond 1983–84), but the editors' attempt to provide coherence to the collection is also severely constrained. It is impossible to do justice to each of the studies within the confines of a brief review. I will thus limit my remarks to critical observations that apply to several themes that cut across the contributions gathered in the volume.

It is clear that the causes and consequences of agrarian change are complex and multi-faceted. Indeed, one of the primary contributions of the volume under review is precisely in bringing to the reader's attention the nature and extent of this complexity. Yet the social scientist faces a familiar dilemma here: an increase in the number of explanatory variables makes it easier to explain real-world phenomena, but at the same time it loses its analytical value. By adding enough arguments, almost all behaviour can be "explained" in some fashion. In contrast, the restriction to a relatively small number of explanatory variables restores some discipline to theory and yields potentially useful propositions. There is thus a real trade-off between "flexibility and openness" (as White puts it) on the one hand and disciplined theory and analytical rigour on the other. While the appropriate balance cannot be determined a priori, the volume under review may seem to tend too far in favour of the former for some readers (as to this reviewer).

In their Introduction to the book, the editors point out the "shaky empirical foundations" and the "functionalism and teleology" associated with much of the work in the Marxian tradition (p. 2). On the other hand, it is also asserted that the "neo-classicists" (presumably mainstream economists) are necessarily limited in their ability to explain agrarian change, viewing the process primarily in terms of technology and market relations (*ibid.*). While there is some justification in such criticism, they have become less tenable in recent years with what has been widely noted as a "convergence" between the two schools (see, for instance, Bardhan 1988), so that the differences between the more rigorous contribution of the alternative approaches are narrower than generally perceived.

On the neo-classical front, it is now well recognized that market failures

due to transaction costs, incomplete markets, asymmetric information, and principal-agent problems of malfeasance falsify the conventional presumptions of efficient markets and that resource allocation may crucially depend on property relations and the distribution of productive assets. The “rational-choice” Marxist approach, on the other hand, provides an analytical framework to derive Marxian results with rigorous “neo-classical” tools. It is along these lines that Roemer (1982), for example, provides for an endogenous determination of class differentiation on the basis of differential access to the means of production. Without belittling the differences between the contending schools of thought, the current literature offers much scope for deriving valuable insights from both for the analysis of agrarian change and economic development.

The authors in the volume (as among some others adopting Marxian approaches generally) tend to associate usury, sharecropping, speculative trading, labour-tying, and other observed agrarian practices as “pre-” or “non-capitalist” institutions which persist as a response to certain postulated needs of capitalism. Thus, Hüsken’s study of commercialization and accumulation in a Javanese village characterizes the institutions of sharecropping and debt labour as “non-capitalist relations of production” perpetuated and reinforced by rural capitalism. In his study of a Thai village, Anan Ganjanapan argues that the prevalent forms of sharecropping constituted a means by which landlords captured more of the surplus labour of tenants and acquired greater control over agricultural decision-making. Fegan’s study of capital accumulation in a village in Central Luzon and Said’s survey of large farmers in the Muda area of the state of Kedah observe the operation of interlinked transactions across markets for labour, credit, and the leasing of farm machinery as strategies adopted by dominant landlords. Another example relates to labour-tying arrangements as a means of increasing the rate of exploitation as asserted by several of the authors in the volume.

There is extensive literature explaining phenomena commonly observed in the agricultural sector of developing countries (sharecropping, the interlinkage of rural credit, labour, and land markets) as a function of

fundamental microeconomic attributes such as imperfect information, incomplete markets for management and supervision inputs, costly monitoring of work effort, and the imperfect market for risk (for instance, Eswaran and Kotwal 1985; Newbery and Stiglitz 1979). Cases of serf-bondage where the employer's authority is sanctioned by extra-economic, that is, legal and social, rules (as in classical feudalism) should be distinguished from those where labour enters into long-duration contracts without such sanctions. The latter have been analysed extensively for their rationale in terms of labour-hoarding for periods of peak demand, risk-sharing, and the incentive effects of continued and selective relationships (for instance, Bardhan 1983).

In this context, references to the exercise of "power" by dominating classes — which crop up throughout the text — as the rationale for institutional arrangements are inadequate and come too close to playing the role of *deus ex machina*. To the extent that explanations rely on the notion of "power" — a notoriously slippery concept to operationalize (which, of course, is not to argue that it is not real) — one can always account for differences in agricultural institutions in different regions or over time in terms of differences in the exercise of power. Although it may be convincingly argued that retained "non-capitalist" institutions may have served to subsidize capitalist accumulation in specific cases (for instance, Wolpe 1972), there seems to be no a priori reason why such institutions are necessary to the reproduction of capitalism in developing countries in general (Kahn 1980; Doshi 1988).

This review has concentrated on a critical appraisal, largely from the perspective of developments over the last decade or so in microeconomics and the "rational-choice" Marxist approaches, of some related themes that emerge out of the diverse contributions of the book. In particular, the argument is made for the necessity of laying the "micro" foundations of class analysis in postulates of individual behaviour (for instance, North 1981). Nevertheless, with respect to the book's intended purpose of "better understanding [of] local-level processes of agrarian transformation and differentiation in relation to wider political-economic systems" (p. 1),

this book is judged a positive contribution to the (neo-Marxist) literature. It presents a useful selection of historical material and detailed field research at the village level related to rural change in Southeast Asia's rice-producing regions. The case-studies suggest how detailed village-level data can contribute towards an appreciation of the complex causes and consequences of agrarian change. The central theme of the connections between agrarian institutions and the wider political economy, although developed in widely divergent directions among its authors, certainly deserves the emphasis it receives in the book. This reviewer commends the book for those with an interest in neo-Marxist approaches to the subject.

REFERENCES

- Bardhan, P. "Labour Tying in a Poor Agrarian Economy: A Theoretical and Empirical Analysis". *Quarterly Journal of Economics* 98, no. 3 (August 1983).
- _____. "Alternative Approaches to Development Economics". In *Handbook of Development Economics*, vol. 1, edited by H. Chenery and T. Srinivasan. New York: Elsevier Science Publishers, 1988.
- Doshi, T. "Peasants, the State and Policy Constraints: The Political Economy of Rural Development in Peninsular Malaysia (1957-69)". *Journal of Peasant Studies* 15, no. 4 (1988).
- Eswaran, M. and A. Kotwal. "A Theory of Contractual Structure in Agriculture". *American Economic Review* 75, no. 3 (1985).
- Kahn, J. *Minangkabau Social Formations*. Cambridge: Cambridge University Press, 1980.
- Newbery D. and J. Stiglitz. "Sharecropping, Risk-Sharing and the Importance of Imperfect Information". In *Risk, Uncertainty and Agricultural Development*, edited by J. Roumasset et al. New York: Southeast Asian Regional Center for Graduate Study and Research in Agriculture, Agricultural Development Council, 1979.

North, D. *Structure and Change in Economic History*. New York: Norton, 1981.

Roemer, J. *A General Theory of Exploitation and Class*. Cambridge, MA: Harvard University Press, 1982.

Wolpe, H. "Capitalism and Cheap Labour Power in South Africa: From Segregation to Apartheid". *Economy and Society* 1, no. 4 (1972).

TILAK DOSHI

TILAK DOSHI is a Research Associate at the Institute of Southeast Asian Studies, Singapore.