

Chapter 1: Exploring Markets and Class

Markets establish a range of ways of exchanging goods and services through the medium of money. The ubiquity of markets in most parts of the world, and the frequency of our participation in them, encourage the impression that markets and the buying and selling of goods involve simple processes. This appearance of simplicity may be reinforced by our ignorance of market histories and a powerful ideological trend in capitalism which suggests that markets are natural phenomena.

In reality, market exchange is neither a simple process nor a natural one. The exchange of commodities interacts in numerous ways with the construction of our material lives and with our understanding of them. Markets have histories. A common elision of market pasts and a conflation of market with nature obscure the social origins of market relations. This is a book about commodity exchange, and how that form of exchange is constructed and reproduced in an agrarian society. The book seeks to shed light on the questions of how markets are made by societies and how societies are made by markets. In an age when markets are often portrayed as globally triumphant, and prescribed as the panacea for a range of ills, an understanding of these questions is of deep social significance.

The book argues that the success of orthodox economics in understanding some important but limited features of abstract or stylized markets has overshadowed the failure of other academic disciplines to explore the empirical diversity of how markets operate and what markets do. The book seeks to build upon and extend recent work which is beginning to make good this deficiency. The approach of the book is to disaggregate markets and commodity exchange by:

- examining the access and experience of different social groups,
- situating market exchange in the circuits linking production and consumption
- locating buyers, sellers and traders in the material constraints and opportunities of social class
- exploring ways in which power may be reflected in real markets.

This is a book about the interaction of markets and social class in rural South Asia. It focuses primarily on the countryside of Bangladesh. Some of the empirical conditions it describes are specific to rural Bangladesh but much is characteristic of rural South Asia, and the book seeks to draw more general lessons about the making of markets. The book argues that exchange in

agrarian societies offers opportunities and constraints which differ according to social class and change over time as the structure of society changes.

In the case of Bangladesh, the book explores the changing character of grain and finance markets as new production relations emerge unevenly in the paddy fields, homesteads and villages of a society which has been called variously a 'test case of development' (Faaland and Parkinson) and a 'basket case' (meaning beggar) of the global order (attributed to Henry Kissinger).

Three main conclusions emerge from my study which improve our understanding of how the 'test' is proceeding and why Bangladesh might be called a 'basket case'. The first is that the structure of grain and finance markets assists accumulation by the rich and the dispossession of the poor. Rich peasants and poor peasants face contrasting market conditions which contribute to the process of class formation.

A second conclusion is that the character and structure of markets varies over time and space. Different classes of peasant buy and sell in each season, and the number and character of merchants also changes in a seasonal pattern. These seasonal patterns of market character and class participation help explain how market processes may facilitate accumulation by rich peasants as well as the decline of poor peasants.

In addition to seasonal change in markets, I describe the regional contrast between markets in a Green Revolution region, where rich peasants seem to dominate the market, and an area of more sluggish agriculture, where powerful landlords and merchant-financiers have influence over peasant producers. These regional contrasts reflect contrasting processes of accumulation and exchange situated in distinct regional and local histories.

These conclusions about the diversity of exchange conditions and exchange relations lead to a third, more general, understanding, that the characteristic markets of capitalist society emerge in symbiotic relationship with the emergence of the main social classes of capitalism. This is the process Marx described as primitive accumulation. In industrial, capitalist societies, this process formed the two pivotal classes, one of entrepreneurs with investible resources, and one of workers, with no productive assets, and formed the markets for labor-power and commodities connecting these two classes. In the agrarian societies of contemporary South Asia there are struggles over the sphere of exchange. These many social conflicts, occurring at local and regional levels, in interaction with national and global forces, are struggles for power and wealth, livelihood and survival.

Many different academic traditions have investigated economic life. At the end of the twentieth century mainstream economic theory, dominated by neoclassical economics, is the most prominent of these traditions. There are

nevertheless many others, within and without the discipline of economics, with considerable explanatory power. The research reported here emerges from a process of empirically based hypothesis formation, informed primarily by political economy but drawing also upon economic sociology, transaction cost economics, and the historical study of merchants. The argument I develop relates, on the one hand, to the understanding of social change in agrarian societies, and on the other hand, to a wider concern to develop a framework illuminating the operation of real markets.

In section 1 of this chapter, I discuss the relevance of village grain markets for an understanding of capitalism. Section 2 provides an overview of the analytical contribution of this book in a field profusely studied by many academic disciplines. In section 3, some characteristic features of my approach to the study are noted. Section 4 describes the methods used in the empirical study on which the book draws. Finally, section 5 of this chapter provides an overview of the book.

1 How mud-floored, grain markets illuminate 'the market'

This book tells a story about rural grain markets and those whose lives are influenced by them. There is no obvious glamour to these markets. They are not the stock or futures markets of New York, London or Tokyo, milling with brash brokers whose moods, predictions and purchases are broadcast around the world.

These markets have mud floors, grass- and tin-roofed stores and a few, somewhat sleepy brokers. On many days, little happens. Laborers shift sacks of grain in a store. Small traders come by to examine grain samples, borrow money and talk. A tea stall opens mid-morning. For a few days or weeks in the year, these markets are more lively. Peasants arrive carrying two sacks of grain balanced either side of one shoulder on a bamboo 'bar', bicycles bring three sacks, rickshaws and rickshaw-flatbeds bring five or six, bullock carts arrive laden with two dozen sacks, and tractors hauling trailers bring forty and a few passengers. The markets then come to life as traders and their agents, millers, laborers and peasants weigh grain, discuss its qualities, bargain about its value and exchange it for money.

These village and small-town markets are no less pivotal to livelihoods and the growth of capitalism than the famous stock markets of the industrial world. At least a quarter of the world's population live in rural areas dominated by peasant agriculture. For all of these people, village and township markets provide their material connection to national and global capitalism, and embody many of the hopes and constraints of their lives.

This study followed the fortunes over several years, most intensively in the late 1980s, of twelve market places, 100 traders working in and around these

markets, and roughly 200 rural households in eight villages whose lives are affected by them. These people and places are all connected. First we selected rural market places. Then, second, we chose villages using those market places. Third, we selected households in the villages and traders in the markets.

Of the village and township market places, four are in an area of fast-growing agriculture, between the rivers Ganges and Brahmaputra, in the North, and five in two areas growing more slowly in the coastal region of the South. Three markets are located in the capital city, Dhaka.

[MAP LOCATING STUDY REGIONS HERE].

Why are these markets important? Clearly they matter to those whose fortunes they affect. But to South Asia, to the rest of the world? An argument can be made that the long term rise and fall of the principal global stock markets is connected to global cycles of expansion and austerity, and that this warrants their prominent place in global news. But what of twelve markets in Bangladesh? How do they relate to the fortunes of the world?

These markets illuminate the formation of market society. In agrarian societies across the world, commercialization has been proceeding rapidly since World War II. This expansion of commerce is not a simple spread of predetermined and homogenous market relations. Diverse forms of transaction, market circuits and regional modes of exchange are generated. This diversity needs exploration and explanation.

Exploration of markets in Bangladesh shows how markets are formed in two ways. The diversity of exchange relationships arising in Bangladesh can help us understand market processes. For example, a rich array of forms of transaction coexist. Locating these transactions in their social and historical context sheds light on what markets do and how markets are made. Moreover, the struggles surrounding exchange help illuminate the origins of different forms of capitalism.

2 From market thinking to market making: the contribution of this book

This book is grappling with two issues. The first is the question of how markets are related to society and the second is the role that exchange plays in agrarian change. Much is at stake in these questions. At the turn of the Millennium, an idealized view of the virtues of markets pervades political debate and the policies of government in virtually all countries of the world. During the Cold War, ideological views for and against market processes were central to the division between East and West. When the Eastern European experiment collapsed in 1989, many politicians and commentators

in the West attributed this to the success of markets. In the post-1989 global order, market forms of organization provide the central motif of policy in East, West and South. What we can call market thinking, an idealized view of markets, has become a ruling global idea. Finding secure ground from which to challenge market thinking should be a high priority for activists and academics.

Three contemporary academic literatures focus upon markets. One is large and imposing, a second is smaller but rapidly gaining influence, and a third barely gains foothold in leading academic publications. The first, mainstream or neoclassical economics, is supportive of market thinking and treats markets as a homogeneous entity separate from society. This approach draws upon a reading of Adam Smith's idea of markets as an invisible hand regulating human behavior and attributes essential properties to markets, notably the equalizing of supply and demand.

The essentialist and homogenizing aspects of this approach make it an unpromising starting point for the understanding of how markets are socially and politically constituted. Are Wall Street brokers, betting on the expected value of corporate shares in global stock markets, engaged in the same activities as peasants and traders buying and selling rice in a village market? The assertion that these are both markets, with the same essential properties, seems to imply that it is unnecessary to investigate the history, social location and politics of what is going on. Lie specifies some obvious omissions which follow from an essentialist view:

'...the neoclassical market is shorn of social relations, institutions, or technology and is devoid of elementary sociological concerns such as power, norms and networks.'

Lie 1997: 342.

A second academic literature focusing on markets is New Institutional Economics. These ideas focus on the costs and risks of transactions and the distribution of information between the parties to a transaction (Bardhan 1989; Nabli and Nugent 1989). This is an advance upon neoclassical ideas because it recognizes some diversity in markets, but it examines primarily the circumstances of transactions, largely to the exclusion of connections between such transactions and the rest of society (Lie 1992: 510). This circumscribed focus seems to arise from a commitment, shared with neoclassical economics, to methodological individualism, the idea that individuals are the only agents in society. Hodgson comments

'...the key element in the classic statements of methodological individualism is a refusal to examine the institutional or other forces which are involved in the molding of individual preferences and

purpose. We are thus confronted with a remarkable optimism about the possibility of explanation of social phenomena in terms of individuals, but an extreme reluctance to give even partial explanations of individual behaviour in social or even psychological terms.'

Hodgson 1988: Ch 3

Contemporary economic sociology (Granovetter and Swedberg 1992) and economic anthropology (Plattner 1989) often draws upon the New Institutional Economics and sometimes suffers from a similarly limited focus on transactions and an essentialist view of markets. Dilley (1992: 13) notes that economic anthropology grew as an offshoot of economics and even Polanyi's pioneering work on the rise of market society often takes the self-regulating market at face value (Polanyi 1994: ch 4). Dilley (1992: 13-14) notes that Polanyi 'conceded an area of analysis exclusively to economics', a concession which generally remains in force:

That economic anthropology has resisted a redefinition of its method bears witness to the force of our naturalistic assumptions which define "economy" as an object which can be apprehended only in terms of objective science.

Dilley 1992: 15.

A third literature (De Alcantara 1993; Harriss-White 1990; Leplaideur 1990; Bharadwaj 1985) recognizes that *real markets* (see below) are diverse, and that transaction patterns and circuits reflect and contribute to wider social and political processes. Mackintosh summarized the necessary breadth of this approach to real markets in the following sentence:

Real markets...have widely varying institutions and economic contexts, they operate on limited information, they involve and help to create a variety of social classes, power relations, and complex patterns of needs and responses.

(Mackintosh 1990: 47)

This third literature on the empirical analysis of real markets is closely associated with analysis of agrarian change in the Marxist tradition (Bernstein and Brass 1996). This is a large and potent literature. As Harriss (1990) notes, however, it is one in which the role of merchants and markets is frequently overlooked.

This book makes a series of analytical contributions to the interdisciplinary approach to the exploration of real markets. First, the exploration of market and class, outlined in this book, provides one way of *locating transactions in their social context*. The location of transactions in the context of the material

constraints and opportunities denoted by class provides a simple, but important advance on the transactional focus of the New Institutional Economics. With this advance, we can see that conditions of access to, and participation in, markets are patterned by social class, and some of the roles played by markets in the creation of classes can be glimpsed. This contextualization of exchange also enables the connections between barter and commodity transactions to be situated as strategies of class-domination.

Second, through the examination of the different exchange systems of two regions in Bangladesh, it is possible to get beyond the essentialism of neoclassical economics and market thinking. In these two regions, one growing and prosperous, the other stagnant, we can see some of the history and politics which creates contemporary *modes of exchange* (Lie 1992) and, most crucially, that markets have different social consequences in the two regions. These two regional exchange systems reflect the particular history, class dominance of politics and environmental conditions of the two regions. Getting beyond essentialism, then, involves a recognition that human agency is reflected in different modes of exchange, and that modes of exchange interact with particular histories of agrarian transition.

Third, the analysis of real markets contained in this book shows one important *connection between global market thinking and local market making*. Global ideas about the virtues of markets and the vices of government trickle down through the advice of local outposts of global agencies, and other channels, to changes in government interactions with traders. These changes in policy have unexpected outcomes. In the case described here a new market for bureaucratic office emerged and a regionally important class of millers was undermined.

Fourth, the socially located analysis of markets, provides a basis for an understanding how *commercialization may shift the bases of power* and authority in society. Wood suggests that commercialization and the rise of new technologies in the countryside of Bangladesh is shifting power from landowners and family farms to transactional relations and merchants (Wood 1995). This study presents a regionally differentiated picture of that process.

Finally, what this analysis suggests is that a much more spirited sociology of markets is required, one which transgresses the disciplinary boundaries of social science, focuses on market making, and recognizes the influence of market thinking.

3 Analyzing real markets

In this section, I explain my general approach to the exploration of markets (see also Harriss-White ed. 1998). First, I describe a way of disaggregating the range of meanings encompassed by the term market. Second, I explain why

the use of class and gender perspectives provides a fruitful framework for the exploration of markets. Third, I describe the need to recognize regional differences in the architecture of production and exchange.

Disaggregating real markets

The term market is used in a wide range of ways. Mackintosh (1990) distinguishes three uses of the term. Firstly, political discourse may refer to 'the market' as an ideological token of capitalism. Secondly, there are abstract analytical models of markets. Thirdly, there are real markets, procedures and places that allow people to buy and sell a range of goods and services.

Within the category of real markets there is considerable diversity. I have found that this diversity can best be understood in three ways. First, there is a question of spatial scale or level of analysis. Transactions, marketplaces, and local, regional or national aggregations of market activities all need to be distinguished. These different levels of analysis are frequently conflated, with the market denoting a national level of supply or demand just as readily as a marketplace. As Appadurai (1988), Dillely (1992) and others have noted, the status of commodity relates to only one moment in the life of a good or service. For this reason, the idea of market circuits, also termed *filieres* (Leplaideur 1992; Bernstein 1992) and commodity chains (Gereffi 1994), is often a useful analytical foil to the levels of the market. A market circuit focuses on the complete set of transactions and transformations which link the producer of a good or service to the consumer.

Second, the relation of markets to production needs to be examined. Here it is useful to follow Marx's (1867: Ch VII, S1) distinction between the elements of production: i) work, ii) the subject of that work, nature and raw materials, iii) instruments of work, tools, animals and machines. Straightforward examples of these three elements in an agrarian context are: i) the work of cultivation, ii) land which is cultivated and water used for irrigation, and iii) draft power for ploughing land and pumps for lifting water. The organization of work, nature and tools has implications for the form of goods markets, amongst which food markets, the subject of this study, are a leading example.

In addition, the three elements of production appear as commodities in capitalist societies and the forms of those markets have implications for goods markets. Following Polanyi's (1944) argument about fictitious commodities, we should expect that the markets for work, nature, tools and goods should have distinct characteristics. As Bharadwaj (1985) documents in the case of India, agricultural output markets develop more rapidly than the markets for land and labor-power. This would be true of many economies in the South. The characteristic class configuration of these distinct types of market in the context of capitalism in West and South will be discussed in Chapter 9.

Third, there is the historical dimension of markets. Transaction forms, marketplaces and practices of buying and selling may be integral parts of particular paths of social change influenced by local, regional and global dynamics. Here the literature on the agrarian question (Bernstein 1994) provides ways of situating rural markets, and Lie's (1992) concept of mode of exchange (see below) provides a range of historical comparators.

These three ways of disaggregating real markets, by level, by relation to production, and in the context of historical change, provide conceptual starting points for this study. Getting beyond market essentialism to the study of markets in their social context also requires that buyers, sellers and traders be located according to the relations of class and gender.

Why analysis of class and gender relations assists the analysis of markets

The simplest reason for using class in the analysis of transactions and systems of exchange is that the class location of an individual or household, where they are situated in hierarchies of power and production, summarizes their material conditions. These conditions, which Lie (1992: 510) terms the opportunity structure of exchange relations, are central to the location of transactions.

Commodity transactions are constrained by the livelihoods and material circumstances of each buyer and seller, that is by class. What buyer and seller bring to the market, in terms of goods and money as well as their needs and social influence, also depends upon their social class. Unequal power relations construct the kinds of choice that market actors have. Thus, Bharadwaj writes about South Asia:

'...exchange processes are neither uniform nor equal for all participants. ...The nature of exchange involvement as well as the terms and conditions depend largely upon the position of the participating household within...resource status categories [that is, class - BC]...

Bharadwaj 1985: 11.

As we shall see in Chapters Four and Five, seasonal variations in the income of the poor influence when, and under what conditions, they buy and sell. More affluent households, by contrast, have a wider set of opportunities. The material conditions of social class, in other words, provide an important way of situating transactions and social agency in the material constraints established by livelihoods.

There is also a more general reason why class relations provide a sensible starting point for locating markets in their social context. Put simply, this is

that relations between classes increasingly take the form of markets as market society or capitalism develops. Marx's analysis of primitive accumulation in Europe established the idea that the prehistory of capitalism or market society involves the loss of means of livelihood for the majority of the population and the concentration of productive assets in the hands of a few. Then, he noted that goods (or commodities) markets were polarized by this process, as well as the market for labor power:

'...two very different kinds of commodity possessors must come face to face [to transform money into capital]...on the one hand the owners of money...who are eager to increase the sum of values they possess, by buying other people's labor-power; on the other hand, free laborers, the sellers of their own labor power...With this polarization of the market for commodities the fundamental conditions of capitalist production are given'.

(Marx 1867: 432)

This analysis provides strong theoretical reasons for expecting real markets to be structured by class.

For a number of reasons, one of which I note in section 4, this book does not grapple as fully as I would have liked with the question of gender relations in markets. Clearly market participation is deeply structured by relations between men and women. This is particularly so in Bangladesh where *pardah*, the seclusion of women, sets restrictive conditions of dress and action on women's access to public spaces. Gender relations and class relations interact in a number of complex ways with market participation. There is, however, a simple point to be made. The exclusion of women from public spaces has the effect of denying their access to markets. There are virtually no women traders, and grain markets, with notable regional variations, are populated overwhelmingly by men. In a society where market forms of exchange are growing, this exclusion reinforces a growing marginalization of women in economic activity.

Regional modes of exchange

Different regions in agrarian societies have characteristic systems of exchange. Lie (1992) described four *modes of exchange* arising in the development of capitalism in England and Japan, distinguished by the breadth of participation in trade and the relative importance of trade within and between regions.

In this study of rural markets in Bangladesh, two distinct, regional modes of exchange are identified (see Table 1.1 and Chapter Two). In Bogra, in the North of the country, the exchange of output, land, labor and inputs is predominantly through markets. This mode of exchange is associated with

high levels of investment in green revolution agriculture, new technologies and rapid growth of agricultural output. In Noakhali, in the South, land, labor and output are not predominantly organized through market mechanisms, but through sharecropping and output-tying loans. This second mode of exchange is associated with low agricultural investment, low growth of agricultural output. These two modes of exchange have striking parallels, which I describe in Chapter Two, with two of the modes Lie identifies.

Table 1.1 Contrasts in mode of exchange

	Dominant form of exchange	
	Bogra	Noakhali
Land	owned, cash rent	sharecropping and usufruct mortgage
Credit	friends and banks	output-tying loan
Labor	wage	sharecropping, plus wage
Grain	spot sales	sharecropping and price-fixing loan

In the literature on economic change in rural South Asia, there is debate (Bhaduri 1973, 1980, 1983; Rao 1980; Harriss-White 1995; Olsen 1993) about the dynamics of exchange in what Bhaduri terms 'backward agriculture' of which the exchange conditions described in Noakhali would be characteristic. My approach seeks to distinguish the specificities of modes of exchange and to investigate their relation to particular local histories of agrarian transition. I think this promises a way forward in the debate.

4 Method

I started this study with the sense that the social sciences gave inadequate recognition to the empirical diversity of commodity exchange and a realization that a great transformation taking place in South Asia, from subsistence production to a market economy, would exhibit revealing processes of exchange with life and death consequences.

The initial idea that foodgrain markets in South Asia would be a fertile subject for study led to an ongoing dialogue with many people across the world. In the preface and acknowledgements I noted some of my debts in this dialogue. Here I want to situate the dialogue, and the methods of study to which it has contributed.

The study started with a number of visits to several marketplaces in different areas of Bangladesh, guided by Bengali friends and acquaintances with contacts in and experience of those markets. These visits, described in Crow 1989, provided a foundation for the drafting of a research proposal to the British government's fund for research on development. At this stage, a collaboration with the Bangladesh Institute of Development Studies and Dr K. A. S. Murshid began.

With funding, Dr Murshid and I hired a team of researchers. We sought graduates with some knowledge of social science, the capacity to work in rural areas, and curiosity about the workings of rural society. We wanted both women and men because we recognized that the access of women and men to rural households would differ. Through our networks and newspaper advertisements we assembled a pool of potential research assistants. Interviews and wage-negotiations enabled us to choose an initial group. Difficulties facing women working in rural areas, and the high premium on educated women researchers, resulted in an initially, all-male research team. In later stages, we were able to draw upon the assistance of women researchers, but for most of the study our eyes and ears permanently-stationed in the rural areas were male.

After a period of training, pilot studies and site selection, two researchers were established in each of two rural areas, in Bogra and Noakhali, and one in the markets of Dhaka. In three large marketplaces in Dhaka, and nine smaller markets in the rural areas, a total of 100 traders were selected, representing all of the trader types found in each marketplace.

Eight villages were selected at varying distances from the 9 rural marketplaces. A census of the whole population was carried out, by house to house survey, in each of the villages. The census provided information on landholding (including tenanted land of different types), and the occupation of members of each household. From this census data, a stratified sample of 200 households was chosen. Landholding, tenancy and occupational categories were constructed which established likely boundaries between landless labor households, poor peasant, middle peasant and rich peasant. Households were divided into two categories, those giving their primary livelihood as agriculture and those having some non-agricultural source as primary livelihood. Then, keeping the proportions of non-agricultural and agricultural households within the sample the same as the proportion in the village, we chose randomly from each stratified sample seeking roughly 6 households in each of the four classes. In many villages this meant that we sampled all of the households which appeared to fall in the rich peasant category and took only a small proportion of landless and poor peasants

Research assistants resident in each area then interviewed rural households once a month and traders once a week for roughly eighteen months. At least

as important as these structured interviews were their observations and casual conversations. They were briefed to observe what was going on in marketplaces, to listen, to talk in teashops, to watch traders at work and transactions taking place. Then, over the next 18 months, with frequent visits from Murshid and myself, this team built rapport and gathered various kinds of data: numeric data about transactions, prices and contracts; descriptive data about trading roles, transactions and institutions; and stories about market histories, contemporary change and conflicts. From these data, and other sources, more detailed interviews were undertaken, mostly by myself accompanied by research assistants, with traders and households willing to talk and with interesting knowledge and views. Further, small-scale studies were also initiated, looking into particular aspects of exchange relations (see also Crow 1998).

The dialogue and data emerging out of this research arrangement and out of my other networks facilitated an interaction between ideas about social theory and about the specifics of the rural areas we investigated. I sought to generate hypotheses, that is, investigable explanations of interesting market characteristics, during the course of the study, from the engagement of myself and the research team with empirical conditions: discussions with traders and households and exploration of the qualitative and quantitative data collected.

Hypothesis generation has continued in parallel with each phase of research: initial investigation, sustained data collection, and analysis of data. Many notions about the practical operation of grain markets emerged during the initial investigations. Some of these ideas were revised and reformulated during the second phase, of sustained fieldwork, and the process of hypothesis searching continued as the data were explored and analyzed, and as field sites were revisited.

This empirically grounded approach is expressed partly in two elements of methodological originality. The first is that data were collected from related samples of *both* traders and peasant households. Only rarely do studies attempt to follow the networks of exchange which connect village production to the national economy (exceptions include: Harriss B 1977 and Harriss J 1977; Rudra and Bardhan 1983). We sought to observe all the main types of institution and transaction constituting the circuits of exchange connecting producers to consumers.

The simultaneous study of producers and traders provided a much richer data set for analysis than could have been obtained from either category of participant on its own. The prices (or exchange rates) and conditions of transactions could be corroborated through the comparison of data from both sides of a transaction type. Comparing socially sensitive and illegal transactions, we could see how such transactions operate - how returns and risks are distributed. The comparison also sometimes provided leads about

which side of the transaction could be expected to provide reliable information.

The second element of methodological originality is a commitment to integrate the insights of qualitative and quantitative methods. The operation of markets is infrequently subjected to sociological or anthropological investigation, and even more rarely is that qualitative approach combined with analysis of time series data. When the proposal for this study was drafted, the inadequacy of prior market analysis using quantitative methods led to an emphasis on qualitative methods, including the careful observation of small samples of traders and peasants, building relations of trust with interviewees, and the use of repeated, in-depth interviews to elicit the knowledge, insights and skills of peasants and traders. In practice, we found we were able to undertake, in addition, the collection of more comprehensive quantitative data than had originally been envisaged.

The integration of quantitative and qualitative data took place at different points in the four phases of the study:

I A series of **initial investigations**, comparable to rapid rural appraisal, to explore the types of institution and transaction in a range of markets (leading to a detailed research funding proposal).

II An 18-month period of **field research**.

III **Analysis** of the results.

IV **Visits, resurvey**.

At the end of phase I, qualitative descriptions of the operation of the market obtained from discussion with traders and producers helped in the formulation of questions for phase II. Then, the understanding of market processes coming from discussion and observation formed during Phase II, enabled micro-surveys to be designed to fill in additional information on particular forms of transaction or trading enterprise. During the analysis and presentation of data, detailed, qualitative accounts from interviews have provided depth and illumination to the quantitative data. Return visits to households and traders, and a partial resurvey 9 years after the original field research have enabled further integration of qualitative and quantitative data.

5 Overview of the book

Chapter Two 'Class and change in the South Asian countryside' describes contrasts of prosperity and exchange conditions in the two rural areas which are the main focus of the book, identifies classes in rural Bangladesh and compares them with class characteristics and some dynamics of social change in other parts of South Asia.

Chapter 3 'The diversity of exchange' describes the extravagant display of commercial diversity in the rural markets of South Asia and, through descriptions of transactions, traders and modes of exchange in Bangladesh, attempts to find out why such diversity persists. This chapter shows how interlinked transactions can transfer risks to the more vulnerable party in the transaction, and how non-monetized forms of exchange, such as sharecropping and kind payments, may give landlords and rich peasants the benefits of market integration.

Chapter 4 'Advantage rich, disadvantage poor' is about the seasonal pattern and significance of grain outflows from rural households, and asks what makes sense of the class and seasonal differences in grain outflows? The poor sell their grain at low price periods, soon after each harvest. The rich sell their grain at high price periods just before each harvest. As a result, there is a statistically significant relation between class and grain saleprice. The rich get the best returns and the poor get the worst.

Chapter 5 'Why do the rich rarely buy rice' explores the systematic seasonal patterns of dependence on grain purchases of different categories of peasant. This shows how the food consumption of rich and medium peasant households is mostly independent of markets; why poor peasants pay the highest mean prices for the grain they purchase; and highlights the importance for poor and laboring households of the relationships among household grain stocks, day labor opportunities and grain markets.

The scale of operation and histories of different types of trading enterprise are investigated in Chapter 6 'Why are big traders big and small traders small?'. The thesis of this chapter is that grain-trading enterprises are formed by two polarized processes. On the one hand, there are entrepreneurs who become grain traders and financiers because they possess the assets and skills which make trading a potentially remunerative form of livelihood. On the other, there are dispossessed households, who enter into trade as a last resort. The chapter uses data on prices, working capital, and case studies of the relations between traders to show how the size of available capital and the scope of social networks enable accumulation by large traders and constrain the small.

Chapter 7 'Why agrarian growth is uneven' examines the distribution of the grain surplus by class. The chapter shows that an investible surplus of grain is available primarily to rich peasants in the more advanced region of the study. The rapid growth of one region studied, and the sluggish growth of the other, can at least partly be explained by this finding. The high investment levels of Green Revolution agriculture can be sustained by surplus grain production. In the backward area of Noakhali, the grain surplus is accumulated by merchants and landlords, is not available to the peasants, and is not reinvested in agriculture.

Chapter 8 'Local consequences of global policy' examines how state actions informed by global ideas about the operation of markets and the proper roles of government influenced processes of exchange and social change in the areas studied. In one area, these policies led to the fall of a group of large mill-owners and the rise of a new set of footloose traders, renting mills and hiring temporary workforces. In another area, new forms of government procurement give high returns to the biggest millers and these returns are shared with government officials and, in turn, sustain a secret, nation-wide market for the key public office of District Commissioner (Food).

Chapter 9 'Interactions between market and class' explores the implications of this study for theory and public action. It argues that there is a symbiotic relationship between market expansion and class formation and suggests a framework for analyzing real markets and their relation to social class. One key idea in this framework is the idea that markets for labor-power, for commodities and for productive assets may have a particular *class configuration*, some being class-polarized, connecting one class with another, others being class-segregated (and gender-segregated), with transactions effectively confined to only one class (and gender). Another concept is that *political control of the sphere of exchange* may differ from one region to another and, more generally, that markets are a focus of class and other social struggles. Chapter 9 uses this framework to suggest new ways in which public action might address the complex intertwined realities of market growth and class formation.

Chapter 9 suggests that markets should not be the sole preserve of economists. These central institutions of society and discourse in all parts of the world demand the analysis and theorization of a broad coalition of social scientists from all disciplines.