

Contracting Out: Plantations, Smallholders and Transnational Enterprise

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Introduction

There is a certain historical irony in the current trend towards the production of 'plantation crops' such as tea, sugar and tobacco off the plantation on smallholdings rather than on large estates. The trend is vividly illustrated in Kenya where the area under smallholder tea increased by about 250 per cent during the 1970s, while the area under tea on the estates showed only a slight increase [Swainson 1985]. Even in countries where plantations have a longer history, such as India and Sri Lanka, smallholder production is expanding.

The irony lies in the fact that, until recently, plantation agriculture was taken to be 'progressive' and 'scientific', geared dynamically to world commerce, while the supposedly 'backward' cultivation of the parochial, subsistence-oriented, smallholding peasant was taken to be its antithesis. Theories of 'dual economy', holding that the estate and smallholding sectors were quite separate and distinct, supported such notions [Boeke 1946]. Generally speaking, the way forward was seen to lead through the plantation.

Yet, in recent years, plantation agriculture has faced increasing difficulties. Not only economic problems, but also political, technical and organisational limitations have emerged. Furthermore, plantations have been heavily criticised for being themselves agents of stagnation and underdevelopment rather than progress [Beckford 1972; de Silva 1982], although plantation agriculture still has its advocates [Graham and Floering 1984].

Meanwhile, smallholders are producing an increasing volume of plantation crops, competitive in quality and cost with estate produce: indeed, smallholder tea in Kenya is of better quality than estate tea. Increasingly, it is to the smallholder that the transnational companies (TNCs) who dominate the production, processing, trade and distribution of plantation products have been turning in recent years. The link often takes the form of contract farming arrangements, by which small farmers are contracted to supply produce to a central processing and marketing agency.

This article is concerned with such arrangements and the implications for basic needs provision where they are introduced. Following this introduction, the

pressures for change on plantations are outlined, particularly as they affect land and labour. Next, the adoption of contract farming is considered as a logical response to these pressures. The case of contract farming of Virginia tobacco in Sri Lanka is then presented, highlighting some of the complexities contract farming schemes entail. The final section takes up some of these complexities in relation to meeting basic needs, raising issues regarding the adequacy and equity of producer entitlement and participation in such schemes and their role in achieving balanced development.

Plantations and Change

The establishment of plantations in the tropics and subtropics was closely linked to colonialism. Successive colonial governments provided the political support which sustained the plantation economies to the benefit of metropolitan interests until, with the demise of colonialism, these props were removed. In Africa, Asia and Latin America, emerging economic and especially political forces have effected changes in the ownership and control of land and rendered labour not only increasingly costly, but also more difficult to recruit and control. These changes bear directly upon plantations, for land and labour are essential factors in plantation agriculture.

Plantations are conventionally identified as large-scale agricultural undertakings making extensive use of land to cultivate certain kinds of crop. Changes in the availability of land therefore affect plantation agriculture directly. On plantations, investment in technology is typically minimal. Production is carried on by a large body of hired labour, commonly employed at low rates of pay and regimented by authoritarian methods of management. Low pay and poor living and working conditions are especially likely where labour is geographically isolated, as on most plantations, or when it is socially and culturally isolated, as among migrant and immigrant plantation workers. Plantations will therefore be threatened not only by changes in the availability of land but also by changes affecting the labour force. Such changes have in fact been taking place.

Land has become a sensitive issue in many less developed countries, particularly as population

growth puts greater pressure on available land and as populist governments look to rural areas for support. Foreign ownership of large tracts of land is perceived to be incompatible with national sovereignty and demands for agrarian reform. Ownership has tended to pass either into local hands or, under programmes of nationalisation, to the State itself. Agrarian reforms have checked the expansion of plantations, and existing plantations have in many places been reduced in size or broken up and redistributed to smallholders. Sometimes pushed out, sometimes withdrawing voluntarily, metropolitan-based TNCs have frequently been obliged to relinquish outright ownership of plantations.

Labour has also been slipping from the control of the TNCs. Particularly where the labour force is permanently settled, unionisation has in many cases given labour a powerful voice in negotiating higher wages, better conditions of work and improved living conditions. Enlightened labour legislation, in the countries where it has been enforced, has further strengthened the hand of plantation workers against management.

In some areas, the isolation of plantations and the workforce has been breached by better communications providing access to alternative employment and better health and educational facilities. Diversification in the local economy, too, has afforded plantation workers alternative sources of employment and so reduced their dependence on the plantation. More generally, changing attitudes and increasing awareness, locally and internationally, make it more difficult for managements and governments to resist calls to improve conditions on plantations.

In sum, plantation agriculture is faced by increasing political and economic pressures for change. In the post-colonial period, the removal of the political shield afforded by the colonial authorities has led to changes in the ownership and control of land. Unionisation of the labour force, improved communications and economic diversification have led to rising labour costs and difficulties in the recruitment and control of labour. These trends have seriously undermined the political and economic viability of production on plantations.

Two kinds of response to these pressures can be identified. The first is that of nationalised plantation industries seeking to sustain employment and foreign exchange earnings through the production of export crops. Inheriting old and sometimes run-down estates, they are saddled with costly recurring bills for maintenance and replanting. Further burdened with a costly labour force, they face competition from smallholders and from plantations opened up in new areas in other countries. Given a limited range of options, national plantation industries often find

difficulty in responding effectively to pressures for change.

The second, more radical response is that of TNCs who are able to follow a more flexible strategy. Abandoning the risky and politically sensitive investment in land, they have withdrawn from plantation ownership, concentrating instead on providing the technical, managerial and marketing skills required to process and sell plantation products. Although this means that they have lost much of their control over primary production, the TNCs have been able to compensate by consolidating their control over the commodity markets. They have created vertical links integrating the initial purchase and processing of the product with its packaging, distribution and final retail. They have also diversified into other industries and across a wider range of countries, creating a network of horizontal linkages. Consequently, vast transnational corporations have emerged which now dominate the markets for plantation products.

Such a global strategy makes sound business sense. While vertical integration ensures that TNCs benefit from low commodity prices, horizontal linkages afford such companies the power and flexibility of being able to switch from crop to crop and from country to country in search of higher returns. Minimising investment and risk by opting out of production and consolidating control of the market, TNCs are clearly in a much better position than nationalised plantation industries to meet political and economic pressures and adapt to changing circumstances.

Contract Farming

Confronted by difficulties over the ownership of land and problems of recruiting and controlling an increasingly costly labour force, TNCs have in many areas withdrawn from direct production. Nevertheless, TNCs still require for their operations sufficient crop supplies of adequate quality and therefore need to exert some influence over production. In this situation, one practical strategy is to contract production out to smallholders: and 'contract farming' is indeed proving to be an attractive alternative to plantation agriculture. It is an option increasingly taken up by TNCs dealing with a wide variety of crops in many parts of the world.

Contract farming is a way of organising agricultural production whereby small farmers or 'outgrowers' are contracted by a central agency to supply produce in accordance with conditions specified in a contract or agreement. The agency purchasing the produce may supply technical advice, credit and other inputs, and undertakes processing and marketing. This system has also been designated the 'core-satellite' model, with the central 'core' unit purchasing the produce of

contracted 'satellite' outgrowers. In a particular variant fostered by the Commonwealth Development Corporation (CDC), the 'core' is generally constituted by a 'nucleus estate', a small estate and central processing unit to which a number of smallholders are contracted to supply produce.

Contract farming is now widely favoured by large TNCs such as Del Monte and Booker McConnell, who often operate through local or national subsidiaries. As an alternative to production on plantations, if not its logical successor, contract farming reduces the costs and risk of investment in several ways.

First, the contracting agency can withdraw or abstain from actual ownership of land while nonetheless retaining considerable control over agricultural production by less direct means. This limits capital investment in land and the attendant risks of expropriation. It also largely obviates the need for land management. Difficult confrontations with squatters, for example, are unlikely to arise. Indeed, because outgrowers can be readily selected from farmers already settled in populated areas, expansion of production into such areas often becomes a viable and attractive option.

Second, contract farming provides a means of bypassing labour problems. Plantation agriculture is labour intensive and depends above all on cheap labour. However, rising wage rates and increasing levels of union organisation and State regulation make it more difficult to secure sufficient labour at cheap rates. In contrast, under contract farming arrangements, the farmer is not directly employed. He contracts to sell his *crop*, not his labour. As a result, by reducing its need for labour, the contracting agency can cut back expenditure on labour management and supervision and avoid potentially damaging labour disputes.

Third, although largely withdrawing from direct production, contracting agencies can nonetheless exercise considerable control over the activities of outgrowers. This is achieved partly by controlling the supply of credit, fertiliser and other inputs and partly by retaining a firm grip on secondary processing and marketing, particularly where this amounts to monopoly. Usually, although grades and prices are specified in the contract, the acceptance and grading of the produce is at the discretion of the purchasing agency. Nor do small producers find it easy to organise collectively to negotiate the terms offered by the agency and press, say, for higher prices. Given their geographical dispersion and local conflicts of interests, smallholders are notorious for their inability to organise sustained collective action.

Fourth, by operating through smallholders, contracting agencies acquire a progressive and positive image, in contrast to the negative associations

frequently evoked by plantations. By appearing to foster smallholder agriculture and also, very often, local business interests (for example through subsidiary companies), they are seen to be attuned to national aspirations and interests. Their public relations literature often propagates such representations. However, this is not simply good PR, it is also good politics, for a positive public image helps to secure government support and public acceptance and so reduces resistance to their operations.

Fifth, TNCs proposing to set up contract farming schemes are often able to share investment costs and risks with development agencies and financial institutions such as the World Bank and the CDC, who also view contract farming in a positive light. This is demonstrated by the funding such institutions have provided for outgrower schemes: the Mumias Sugar Company in Kenya, for instance, was established by Booker McConnell with financial support from the CDC, the Overseas Development Administration and the East African Development Bank. Similarly, support for contract farming schemes from local governments usually means that lower investment need be made and with less risk. State banks may provide credit, for example, and local legal and police apparatus may help enforce compliance with contracts.

It is important to add that contract farming is also attractive to governments in many less developed countries. Such schemes not only attract foreign finance and expertise and provide an income from export earnings but serve as a means of incorporating small farmers into the national economy. One of the best known and most successful contract farming organisations, the Kenya Tea Development Authority (KTDA), is a parastatal institution.

Tobacco in Sri Lanka

Tobacco is widely grown in contract farming schemes throughout the world, although it is also grown on estates and large commercial farms. It has a high value to weight ratio and demands considerable application of labour and is therefore well suited to contract farming. The processing and manufacture of tobacco for cigarettes has become a sophisticated industry, held largely in the hands of TNCs. Some 80 per cent of tobacco manufacturing in capitalist economies is carried out by only a half a dozen transnational giants, controlling not only the required technology but also the international market for tobacco and cigarettes.

In Sri Lanka, contract farming of Virginia tobacco is well established.¹ At present, two companies purchase Virginia tobacco from contracted outgrowers. One, Intabex Lanka Limited, has been operating only since 1983 and remains fairly limited in scope. The other, the Ceylon Tobacco Company (CTC) has a much

longer history in the island and today dominates the production of Virginia tobacco. Mention should also be made of the State-owned Sri Lanka Tobacco Industries Corporation, which, until its demise in 1985, rather fitfully promoted the contract farming of tobacco for making the cheap local smokes known as 'beedies'. However, the following account deals only with the CTC.

The Ceylon Tobacco Company

The CTC developed from a business established in Colombo by British American Tobacco (BAT) in 1906 to import cigarettes. In 1927, it began to manufacture cigarettes locally, opening a large cigarette factory in Colombo in 1940. Since 1955, CTC has faced no competition in the manufacture and distribution of cigarettes in Sri Lanka and has become a powerful and respected company in the island. It remains a subsidiary of British American Tobacco (BAT), which is one of the world's biggest tobacco multinationals, operating throughout Africa, Asia and Latin America. Although BAT has now diversified widely, much of its profits still come from tobacco, amounting to some £469 mn in 1981 [Taylor 1985:27].

BAT has long been keen on purchasing tobacco locally from small farmers. As the company's promotional literature points out:

the overriding principle [was] that BAT should not become a landowner or a farmer in its own right. The 'estate' concept was rejected from the start and BAT never occupied or possessed tobacco bearing land except on the smallest scale necessary for experimental purposes. Far better that the land, and its fruits, should belong to the people of the country rather than to foreigners [Ceylon Tobacco Company 1975; reproduced from British American Tobacco ?1974].

Sri Lanka is only one of many less developed countries in which BAT and other tobacco TNCs promote contract farming through subsidiary companies in order to secure the tobacco needed for manufacturing. In Sri Lanka, the CTC began to use local tobacco in its cigarettes in the 1930s, but it was the government, through trials conducted by the Department of Agriculture, which bore the initial risk and cost of pioneering the introduction of Virginia tobacco. Only in the 1940s, when cultivation had been shown to be feasible, did the CTC itself actively begin to promote local production. The officially recorded acreage

under Virginia tobacco rose from 10,000 acres in 1960 to 15,000 acres in 1970 and 20,000 acres in 1984 (although, for 1984, 30,000 acres is likely to be a closer estimate). Production is mostly for domestic consumption and rose from 6 mn pounds in 1970 to 5 mn kilogrammes in 1984.

Tobacco is profitable. According to CTC's published accounts for 1983, shareholders received Rs. 41 mn, tobacco growers Rs. 121 mn, and the State some Rs. 2,885 mn, the latter constituting 85 per cent of the company's declared turnover [BAT 1983]. In 1983, tobacco revenues accounted for over 11 per cent of total government revenue [Central Bank of Ceylon 1984], which provides an indication of the high degree of symbiosis existing between the CTC and the government.

From the beginning, the CTC contracted small producers to supply tobacco. Initially, the company operated a 'green leaf' scheme whereby small producers, under contract, were supplied with seedlings and fertiliser, the cost of which was deducted from the sum they received on selling their green leaf at a fixed price to the company. The company then cured the leaf in its own barns. Later, 'substantial cultivators' — the more creditworthy local farmers and entrepreneurs — were encouraged to build their own barns under the supervision of company staff. Materials and cash were provided on credit by the company and barn owners were trained to lay out their own nurseries and to supply small farmers with seedlings, fertiliser and other inputs as the company had been doing. In this way, a new crop and unfamiliar cultivation regime were successfully introduced and, as barn owners took over cultivation and curing, the company steadily reduced its commitment to direct production.

These arrangements prevail today. The company supplies the barn owner with seed, nursery materials, fertiliser, agrochemicals and extension advice, and arranges credit through the banks. In return, the barn owner supplies his cured leaf to the company and the cost of materials and credit is deducted from the payments due to the barn owner on the delivery of the cured leaf. These arrangements are specified in the contract between the company and the barn owner. This stipulates the price to be paid for each of the various grades of cured leaf and lists a series of conditions regarding 'proper' cultivation and curing practices to which the barn owner is supposed to adhere. In effect, the terms of the contract give control to the company. Similarly, prices which are in principle fixed by an agreement between the company and representatives of the Barn Owners' Association are in practice dictated by the company. This was demonstrated in 1985 when negotiations failed and the Association attempted to organise a boycott of tobacco cultivation.

¹ This account is partly based on fieldwork carried out in central Sri Lanka in 1984-85, as part of an anthropological study of tobacco cashcropping in that region. I am presently writing up the study in a DPhil thesis to be submitted to the University of Sussex. The research is funded by a studentship from the ESRC, which I gratefully acknowledge. The account offered here also draws on a paper by Abeysekera [1985] and owes much to the conversation and constructive editing of Charles Kemp; errors, of course, are my responsibility.

Barn owners, subgrowers and labourers

Some barn owners cultivate their own tobacco but most engage several small producers, known as subgrowers. The barn owner supplied seedlings, fertiliser, agrochemicals and cash on credit and deducts the cost of the inputs from the payment he makes to the subgrower for the green leaf the latter produces.

Hired labourers are employed at almost every point in the progress to supplement household labour in cultivating and harvesting the crop and in curing and grading it. The post-harvest stages especially draw upon the labour of women and children.

Relations of inequality therefore characterise the system, descending from the company at the apex, through barn owners in the middle to subgrowers at the base. This tidy hierarchical structure reserves no formal place for hired labourers, but their casual employment is required at times of peak labour demand. It also takes on political significance in so far as it builds a buffer between the interests of the company at one extreme and those of landless labourers at the other, thereby softening the opposition between capital and labour. Thus while barn owners can and do organise against the company to demand higher prices, they have vested interests in maintaining the overall structure. They do so by exerting local command over subgrowers and labourers in ways beyond the means of the company itself. For their part, subgrowers and labourers tend to direct their complaints to the barn owners rather than the company.

The structure meshes closely with local concentrations of wealth and power. The company has always tended to recruit its barn owners from what might be termed the local rural *élite*, whose wealth and influence have thereby been consolidated. In contrast, subgrowers and labourers receive much less income from tobacco and it is debatable how far, if at all, it has improved their position.²

Government

This complex system of relations is complicated further by the attentions of the government, operating through the Tobacco Division of the Department of Agriculture. The Tobacco Officer, who heads the Tobacco Division, has the important responsibility of setting the green leaf price each season: that is, the fixed price at which subgrowers sell their uncured leaf to barn owners. Insofar as this price is respected and

fair, the interests of subgrowers selling green leaf to the barn owners will be protected. The Tobacco Officer does not, however, set the price for cured leaf.

The government monitors the production of Virginia tobacco through a registration system administered by the Tobacco Division. On paper, this system provides an official record for the protection of the various parties. It also lends government, through the agency of the Tobacco Division, some legal and institutional tools with which to regulate tobacco production and arbitrate in disputes.

In practice, however, the Tobacco Officer lacks sufficient staff to pursue grievances and check abuses. Consequently, some barns remain unregistered and many barn owners cultivate considerably more than the 10 acres currently permitted for each standard sized barn. Subgrowers often go unregistered or do not receive their registration cards. Lacking documentation, they have no recourse to the Department of Agriculture to resolve grievances.

Paradoxically, then, the paperwork which is supposed to protect vulnerable parties tends to underwrite the contractual bonds imposed by the company.

A 'partnership'?

In sum, what we see is not a simple, uncomplicated 'partnership' between TNC and smallholder, but an intricately interlocked structure with ramifications far beyond the narrow ties specified in the contract. Company, State, barn owner, farmer and labourer are bound together in a complex web of formal transactions and obligations in which the firmest hold of the drawstrings remains in company hands.

Indeed, one of the striking features of contract farming schemes generally is the very diversity of interests they bring together. A complex division of funding, control and risk often prevails and as Glover points out, 'this mixture makes it difficult even to conveniently label these schemes (public, private, hybrid?) or to know at a distance which partner/s are in effective control of the scheme and how major decisions are made' [1984:1,152].

This institutional complexity raises important questions regarding the provision of basic needs. On whom does this responsibility fall? What is the size and composition of the constituency whose needs are to be met? How is this to be achieved?

Contract Farming and Basic Needs

The shift from plantations to contract farming carries significant implications for the provision of basic needs. Plantation managers have long accepted the obligation to provide 'basic' facilities for their workers. Especially where plantations are remote and isolated, providing basic services is not only a moral

² Tobacco cashcropping in central Sri Lanka has developed in the context of considerable socioeconomic activity, including the extensive cashcropping of chillies, vegetables and other crops, considerable immigration into the region, the expansion of mercantile and service activities linked to nearby resettlement schemes, incipient urbanisation and shifting patterns of ethnic interaction. These developments will be dealt with in my forthcoming thesis.

responsibility but practically necessary to sustain the labour force. However, such facilities are seldom adequate, although their range and standard varies greatly.

In contract farming, the necessity to provide workers' basic requirements is much less compelling. Out-growers are seen by management as independent producers whose needs for services and facilities are best met by the State and other agencies. Management obligations to outgrowers can be restricted to those defined by contract and do not generally include provision of basic services. Having withdrawn from production, management also opts out of the responsibility to meet basic needs.

The advantages to management of such a position are clear. Where production is contracted out to small farmers, the core labour force is small. Not only are wage bills considerably reduced, but expenditure on housing, sanitation, hospitals and schools can be minimised too. This economically attractive option can, moreover, be positively represented as 'progressive' or 'enlightened' in its abandonment of an outmoded 'paternalism' characterised by control over almost all aspects of the lives of the workforce.

The supposed 'independence' of outgrowers is, however, questionable. Firstly, in a legal sense, outgrowers are not 'free': they are bound by contract to the contracting agency. Secondly, and more materially, they are dependent upon the contracting agency for credit and other inputs. Thirdly, where the market is dominated or monopolised by the agency, it can be considered 'free' in name alone. Under such conditions, the producers' 'independence' is illusory.

The moral issue therefore remains: should management in contract farming schemes carry responsibility for meeting the basic needs of outgrowers whose produce they contract to purchase? And if so, by what means?

'Enlightened management' rightly avoids interfering in workers' homes and private lives but it should not duck the responsibility of paying a fair price for the outgrowers' crop. Independent or not, the outgrower can only meet his basic needs if his income is sufficient; and adequate income depends upon fair prices. At issue, then, is less a matter of 'independence' than fair exchange; less a matter of 'enlightenment' than entitlement, where entitlement refers to the producer's capacity to share in the wealth he creates.

In practice, the establishment of fair prices is likely to require the breaking of monopolies, State regulation of prices, effective growers' organisations and the negotiation of prices. None of these measures is likely to meet ready acceptance from TNC management.

This returns us to the issue of 'partnership'. In the case of the CTC, the failure of negotiations between the company and the Barn Owners' Association in 1985

suggests that these 'partners' had become somewhat disenchanted with each other. Yet grower participation has been cited as a factor contributing to the success of the KTDA [Swainson 1985]. This suggests that where authoritarian management styles are replaced by more participatory schemes, contract farming may operate more productively.

It also leads on to related questions regarding the value of labour. Outgrowers typically rely on household labour to produce the crops, usually requiring much attention, contracted to the purchasing agency. Often comprising the labour of women and children, household labour is commonly 'hidden labour' effectively remunerated below prevailing wage rates. Such 'auto-exploitation' enables domestic producers to compete effectively with larger enterprises employing hired workers. Related questions of gender also arise, for example where men are contracted to supply crops produced by women. In the Mumias scheme, women whose husbands will not pay for their labour often prefer to sell their labour to other men rather than grow sugarcane, unremunerated, for their husbands.

Although on the whole management does not accept the responsibility of providing basic services, it is often argued that smallholders benefit substantially under contract farming schemes. Sometimes introducing a new and profitable crop, the contracting agency may supply technical training, extension advice and material inputs as well as improved access to credit and marketing facilities. Greater employment and the 'trickle down' effect from the increased incomes of outgrowers is said to benefit the region as a whole.

Can such claims for contract farming be substantiated? Existing research is equivocal. There are a number of well-documented cases where outgrowers appear to have benefited, including the KTDA schemes and the Mumias project. But even here we might ask whether or not this has taken place at the expense of the rural poor or underprivileged in such areas. In Sri Lanka, contract farming of tobacco has been inserted into a context already marked by social and economic inequalities, and serves to reproduce and further institutionalise relations of inequality. Of itself, inequality does not create poverty. But where poverty exists it may be exacerbated by inequality. A string of questions arises. Has contract farming placed additional burdens on women? Does it threaten the food security of poorer groups? Do outgrowers benefit at the expense of labourers and non-farmers?

At present, as Glover [1984] points out, we lack studies of sufficiently wide social and historical scope and comparability to determine this with any clarity, and much more research needs to be done.³ Given the complexity of the issues and the diversity of such schemes, it seems likely that few general conclusions will emerge and that assessment will require to be

made case by case.

Nevertheless, certain key issues can be identified. First, *entitlement*: how far can producers share in the wealth they create? For the outgrower, this depends above all upon obtaining fair prices for produce.

Second, *participation*: protecting entitlement and establishing fair prices will require the effective participation of outgrowers in decision-making.

Third, *uneven development*: TNCs are generally unwilling to contribute substantially to the development of rural infrastructure and services unless these are necessary for production under their contract farming schemes (as are roads, for example). Consequently, public benefits may be few. Further, the focus on a particular cash crop is likely to affect local markets for land, labour and produce, perhaps threatening the food security of poorer people. 'Development', then, may be unevenly spread.

Fourth, *equality*: while outgrowers may prosper, the benefits to other rural people are less clear. Contract farming may offer little, beyond casual employment, to the rural poorest. Where basic needs are at present inadequately met, their provision will demand a more equitable distribution of income. Sooner or later, meeting basic needs on plantations will mean entitling people to fairer shares of the wealth they produce. Similarly, contract farming can only satisfactorily contribute to rural welfare if the incomes and employment it generates can be distributed with a measure of equality. This is more likely if outgrowers, backed by the State, have an effective voice in the running of such schemes.

Contract farming, I have argued, is heir to the plantation legacy. In conclusion, therefore, we should ask whether the same regularities of dependence and poverty which so widely characterise plantations and plantations economies will follow from the introduction of contract farming arrangements in less developed countries. Or will more positive patterns of development, entitlement and participation emerge? The TNCs introducing contract farming appear

³ A useful, but rather untheorised research agenda is proposed by Glover himself. Alternatively, the analysis of contract farming in Kenya by Buch-Hansen and Marcussen [1982] raises the key issues in relation to a much more explicit and critical discussion of the relevant political and economic forces at work.

unwilling to contribute directly to meeting basic needs in their schemes. Whether their intervention will do so by less direct channels remains an open question.

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