**Kanakalatha Mukund and B. Syama Sundari.** *Traditional Industry in the New Market Economy: The Cotton Handlooms of Andhra Pradesh*. New Delhi: Sage Publications, 2001. 169 Pages. Hardback. Rs 395.00.

The authors set out to examine the competitiveness of the handloom weaving industry in modern India from the market point of view. The three themes, which the authors themselves point out in the introduction, deal with cotton handlooms in the general context of traditional industry, present a detailed description of the situation in Andhra Pradesh and evaluate the effectiveness of government policy.

An the heart of the argument is the need for policy-makers to make their decisions on the basis of "empirical data rather than received wisdom" (p. 19). The fact is that in spite of being regarded as a "...residual subsistence activity" (p. 16) handloom weaving has maintained its share of output through the decades, competition from power-looms notwithstanding.

The government would like to argue, however, that traditional industries like handloom weaving are useful only because they absorb surplus labour. Thus traditional industries are protected by the state through organisations/institutions, modernisation programmes, subsides, and welfare schemes. The government and its relevant committees are convinced that without protection weaving is a "...doomed activity" (p. 32). The irony of the situation is that many in the government readily admit that its protection measures are failures. What the detailed descriptions of handloom weaving in Andhra Pradesh explore are the reasons behind the successes and failure of cotton handlooms.

Diversity is perhaps the most apparent feature of South Asia in general and Andhra Pradesh in particular. The province has three distinct geo-economic zones. Coastal Andrah Pradesh is the most fertile and, having access to the sea, is more export-oriented. Rayaleema is rich in minerals while Telangana, formerly ruled by the Nizam of Hyderabad, has low rainfall and has suffered greatly due to its feudal legacy.

There also exist three distinct markets, export, luxury, and mass/local, in which handloom products compete against power-loom products and one another. De-industrialisation in Andhra Pradesh primarily affected the export side of the cotton handloom sector, unlike Bengal or the Gangetic plain where all markets were damaged or destroyed. Today Andhra Pradesh has five hundred and twenty-nine thousand handlooms, more than any other Indian province, which provide full-time and part-time employment to about four hundred and fifty thousand people. Conditions for the workers however, are quite miserable, with seventy-one percent of weaver households having a monthly income in the range of two hundred to five hundred rupees (five to twelve dollars).

The descriptive survey of ten districts in Andhra Pradesh sheds light on the causes of such poor conditions. These include competition from power-looms politicisation, corruption, lack of demand, poor market knowledge, and a closed social structure. Particular attention is paid to the operation of cooperatives (once thought of as the ideal solution) and the role of master weavers (the widely perceived exploiters).

Both institutions contribute to the manner in which the cotton handloom sector is organised and functions—by imposing certain limits on weavers while also providing them some opportunities. Often the two institutions exist in a symbiotic relationship with master weavers employing workers form cooperatives part-time so that everyone can make a bit of extra money.

Though hampered by bureaucratic inefficiency, management-labour conflict, and politicisation, cooperatives liberate weavers from worrying about credit and inputs and have helped reduce "...the crushing burden of un-payable debts and poverty" (p. 115). Master weavers also serve a very useful purpose by playing the role of entrepreneurs, providing loans and securing greater market access. They also help ensure that "...there is a clear positive association between skill and wages" (p. 96), which also helps preserve the indigenous knowledge base. That said, "...rich master weavers are able to gain control over the societies and then deliberately mismanage the society since they are able to misappropriate and misuse the funds and assets of the cooperative society" (p. 120).

APCO, the government agency responsible for handloom weaving, does not help matters much either. Cooperatives can only sell to it on credit and, in the typically arbitrary manner of the South Asian state, "for varieties which enjoy a good market demand....APCO forcibly takes stocks from the societies" (p. 126).

Perhaps the most interesting aspect of the analyses presented by Mukund and Sundari is the inability of central planning to successfully pursue macro-level development policies. Often a central government scheme aimed at employment generation, such as the Janata Cloth Scheme, will fail to meet its targets and damage the weavers by reducing their skill level. Another major problem is that "...allocation across districts is highly skewed and does not reflect either the share of the district in handloom output or loomage in the total figures for the state" (p. 132). What these allocation do reflect, however, is the pulling power of politicians at the centre. Not surprisingly, they serve to reinforce the well-established South Asian pattern of patronage politics.

The final recommendations of the book under review are sound. There is clearly an advantage in focusing on fewer but better planned uplift schemes. It would also be a great boost if APCO could get its act together and policy-makers at the centre could rise beyond their deductive view of reality based as it is on: "glib generalisations" (p. 141). Co-operatives should remain at the heart of the reorganisation effort and be made more market-oriented.

Like most sector- or industry-specific studies, *Traditional Industry in the New Market Economy* is somewhat hamstrung by its subject. Indeed, for the nonspecialist there is precious little of value as most the weaknesses of over-centralisation, internal mismanagement, and a flawed incentive structure have been known and written about in the media for years—if not decades. That said, it is a concisely written book that provides an interesting context for the study of market economics. After all, as the authors note in conclusion, "If there is genuinely no market demand for handloom products, no amount of government initiatives and spending can keep the sector going" (p. 142).

**Ilhan Niaz**

Quaid-i-Azam University,
Islamabad.