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Corporative Capitalism: Civil Society and the Politics of Accumulation in Small Town India

Elisabetta Basile and Barbara Harriss-White*

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Using the analytical framework of social structures of accumulation, the economic politics of local urban civil-social organisations and their impact on capital, class and the business economy is examined. Although such organisations are structured through many dimensions, notably occupation, commodity, party politics, religion, gender and locality, the most prominent single category comprises caste - and closely-related, finely-defined occupational- associations. In the town's societal corporatist form of accumulation, the political, cultural and ideological hegemony of a single social group - the capitalist class - imposes itself, supported by a strong ideology based on transformations to the institution of caste. Due to the reinforcement of caste, patriarchy and the rhetoric of town unity, economic interests and ideological factors overlap in exactly the manner Gramsci thought to be the essence of civil society. Furthermore, through the caste system and through patriarchy, ideology comes to form a significant component in the local social structures of accumulation.

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* Dept of Public Economics, La Sapienza, Rome and Queen Elizabeth House, Oxford

1. THE SOCIAL MATRIX OF ACCUMULATION

The expansion of markets and the transformation of surplus into surplus value and then into capital takes place 'neither in a vacuum nor in chaos'¹. A plethora of social and political institutions mob the economy and fill the space between the state on the one hand and society's basic building blocks on the other. Here, we want to explore the indispensibility of this social and political space to the character of economic development and capitalist accumulation in a town in South India. But before we can embark, it is necessary to justify our conceptual framework and the main questions raised by our analysis. This is the objective of the introductory section.

The exploration of the impact of social institutions on accumulation requires a theoretical framework that takes into account the economic, cultural and political dimensions of change. The 'social structure of accumulation' school has set itself the task of tackling this issue and provides the conceptual framework upon which we draw.

The social matrix in which accumulation is embedded is conventionally recognised as that of civil society - 'a sphere of free social interaction and organisation which is separate and independent of the State' (White, Howell and Shang, 1996, p1) though, since the definition of the term is, as these authors proceed to show, contested if not confused, it is necessary to clarify both its meaning for our context and its significance for the analysis of economic development. This is something of a tall order for its ramifications are both theoretical and empirical. The substance of the economic processes inferred from those social institutions which are theoretically privileged hangs on the definition of civil society adopted. As also will those specific features picked out for empirical enquiry.

The project requires a concept of civil society that encompasses and integrates a wide range of social forms, consistent with the rapidly changing and complex character of the Indian economy.

1.1. SOCIETY, ECONOMY AND CHANGE

The framework for our analysis of the interplay between economy and society during a period of growth has emerged from economic research into long waves, business cycles, instabilities, crises, uneven macro-economic development and capitalist trajectories in the developed world². Yet its central ideas are also highly relevant to a study of accumulation which is not burdened with the objective of cyclical periodisation; relevant to conditions of underdevelopment and to the question of backward capitalist trajectories in which capitalism has developed but without mass consumption (at least as understood in the west). While orthodox economics externalises the regulative environment, the

¹ Kotz, McDonough and Reich p13.

² Gordon, Edwards and Reich, (1982) and Kotz, McDonough and Reich (1994).

school of 'social structures of accumulation' challenges the conventional double reductionism of capitalism to markets and of markets to the economic domain, and seeks to examine the complex of social institutions in which accumulation is embedded. These institutions enable the collection of factors of production, the transformation of money into the means of production, the organisation of production and the reconversion of the product into money, through the selling of products and by-products.

While accumulation regimes are associated with institutional stability, institutions ('social structures') and their interrelationships evolve as a period of accumulation comes into being and is sustained. But the development of this institutional matrix has the capacity eventually to undermine the system it has created; hence long waves and periodic crises³. There is no privileged hypothesis about the relative importance of elements of the structural matrix, no privileged list of relevant institutions, though those commonly needed to explain the driving forces of accumulation include: those structuring labour and management – regulating competition and class conflict in production – and those managing demand and consumption; the character of industrial organisation; the institutions of finance, necessary at every step; the role of the state (in regulation of capital and labour, in social transfers, in shaping political space and in ideological reinforcements) and of political parties, social institutions of race and gender and the dominant culture or ideology (which legitimates the division of labour, the distributive share etc). At the core of this ambitious intellectual agenda is a question about how this slowly and continually changing set of structures ensures or undermines stability, by reducing class conflict, conflict within capital and conflict between concentrations of, or sectors of, capital. The collective action of capital is argued to be a function of class conflict. It is also in contradiction with the logic of competition. It co-exists with, and competes against the collective action of other social groups.

In this paper, using a micro level snapshot - at most a set of comparative statics, leavened by individual oral histories - we will use the framework of 'social structures of accumulation' to contribute to a mapping of the social structures relevant for accumulation by asking the question: *within* the set of institutions underpinning capitalist accumulation, what is the role played by civil social organisations? Given that this process is transforming a local economy, in which, as in so much of India's territory, capitalism has developed without mass consumption, how has civil society sustained or sabotaged this dynamic process and if sabotaged, then how have such institutions been transformed, how recently and why?

³ In this it differs from regulation analysis which posits crisis as being the result of the internal dynamic of accumulation itself, at its loosest, that the mode of regulation is no longer adequate to the accumulation process. The social structures school would argue that there is far less determinacy in such a process. A great range of mechanisms relating accumulation and its institutional matrix may play a role, including the collapse of social institutions (Kotz, 1994) (also Polanyi's 'destructive markets'). Crises will be resolved not (as in regulation theory) by capital's finding new ways of organising labour but instead through political innovations as a result of struggles between and within capital and labour and between capital-and-labour combined and other social groups.

1.2. CIVIL SOCIETY AND THE STATE

In the introductory overview of the intellectual landscape, White, Howell and Shang in their 'search of civil society in China' (1996) argue that one of the reasons for the lack of consensus over the definition of 'civil society' is that it is a notion vulnerable to political manipulation. While ('third way') promoters see it as a realm of social virtue, freedom, participation, pluralism, spontaneity and purity, detractors see the same space as one of coercion, hierarchy, conformity, manipulation, unaccountability and corruption (p. 2). They also draw the important distinction between a sociological understanding of civil society as an intermediate realm between the state and its small scale components (the space occupied by church groups, womens' institutes, sports clubs, community associations etc) and a political conception (in serious debt to liberal democratic politics) of the institutions through which citizenship, civil rights, representation and the rule of law are construed and contested. On the one hand civil social institutions of both types emerge out of the state and in resistance to state control. On the other they emerge out of markets and the material empowerment of new social spheres counterbalancing the state.

White, Howell and Shang clarify the key issue in the century-old debate on civil society: the antithesis between civil society and the state. The lack of consensus over the definition of civil society depends on the multiple ways in which the dialectical relation between state and civil society is seen, while the relevance of the whole concept depends on the terms of the juxtaposition itself (Keane, 1988).

We therefore need to rehearse the well-known debate between Hegel and Marx which nurtured Gramsci's conception of civil society which we will use here ⁴. Hegel was the first to recognise an antithesis between civil society (which covers the sphere of economic relations) and state society (which covers the sphere of political institutions). For him, civil society was a set of pre-political social forms that define the 'material conditions of life', including economic relations, class formation, the laws and all related structures. By way of contrast, Marx identified civil society (the sphere of economic relations) as an intermediate sphere between the family (the 'sphere of natural liberty', including pre-state relations and institutions) and state (the sphere of law). The state defined the super-structure, while civil society defined the structure. Gramsci drew from Hegel the idea that it is civil society rather than the state that is the prime mover of development, but contra Marx he argued that civil society is contained within the super-structure, and not within the structure. It does not comprise economic relations, rather its realm is culture and ideology. Moreover, for Gramsci structure is subordinate to super-structure (turning Marx on his head). And *within* the super-structure Gramsci saw an additional antithesis between the civil society and the state. For Gramsci, civil society consists of the political, cultural and ideological hegemony which a social group exercises over society and by means of which the economy is regulated. These institutions represent the 'solution' to social contradictions and conflicts, and range

⁴ See the important essay by Norberto Bobbio (1968). See also Quarderni Del Carcere, 1970.

from the family itself to all social institutions that organise and regulate the bigger and unruly family of economic interests. They constitute the 'ethical roots' of the state⁵.

A Gramscian concept of civil society combines two spheres of human life: economic interests and ideology. The institutions which result are the outcome of social contradictions and conflicts on the one hand, and of the ideological factors by which consent is gained and personal interests are imposed, on the other. Ideology becomes a major component of the institution-building process.

This vision of civil society is consistent with the 'social structure of accumulation' approach in which institutions are a major tool by means of which conflicts within the capitalist system are regulated to a level compatible with the needs of accumulation and which therefore ensure growth and stability. In creating forces countering the tendency towards crises, social structures are underpinned by ideology and culture. These contribute to the evolution of an environment supportive to accumulation. In this paper we will use a Gramscian concept of civil society with two aims: i) to characterise social institutions and then to infer the social relations regulating the business economy; and ii) to examine the role of ideological and cultural factors in civil society as a significant feature of the social structure of accumulation and one hardly recognised in the literature.

1.3. CIVIL SOCIETY, CASTE AND CORPORATISM

The conceptual framework that we have described (and that appears internally consistent) places centre-stage the interaction between cultural, political and ideological factors on one side, and institutional organisations on the other. This interplay is a major determinant of economic development. While the *conceptual* relevance of this interplay, via accumulation, is clear, we now need to relate it to our practical question: the development of an Indian urban economy. To anticipate, two aspects of Indian development (rapid social and economic change and an increasing social complexity) reinforce the relevance of a Gramscian approach. *Caste* is central to both aspects.

Caste is 'a specifically Indian form of civil society'⁶ which has been characterised by *both* 'continuity and change' (Fuller, 1996b). Since the principles of caste are contested (along with the notion that there

⁵ Gramsci's framework overcomes the Hegelian antithesis between state and civil society to propose instead a twofold antithesis: necessity/freedom (which derives directly from the supremacy of the superstructure over the structure) and force/consent (which derives from the supremacy of the ideology over the institutions); the first identifies the essential factors of the historical process, and the second distinguishes the phases in the historical process (regressive from progressive historical power alliances).

⁶ Dirks (1992) quoted by Fuller (1996b).

might be principles at all) and since there exists a plurality of mutually exclusive 'models' of caste (critically reviewed by Armstrong, 1997) we will not spend time here assessing it as a *system*. The impact of caste on Indian economic performance has, however, long been debated. Concepts such as the "Hindu rate of growth" (Raj Krishna) and the "Hindu equilibrium" (Deepak Lal) have been needed so as to emphasise the constraining role played by caste. Recently M.N. Panini (1996) has run with these ideas to argue that in the long term, economic liberalisation will end up dissolving caste-based distinctions and destroy the 'true life of the caste system'. That economic liberalisation, and modernity more generally will dissolve the caste system is a common insight (Mendelsohn, 1933; Jayaram, 1996), seeding hypotheses about determinants and consequences. A summary of this literature will help complete the framework for our original interpretation of the dynamics of civil society as they pertain to accumulation in a South Indian town.

Caste, legitimated directly from, and 'inextricably intertwined with', Hindu religion, has been an organising principle of Indian society. Hinduism is not simply a religion but also the source of a particular social structure, providing a code for the identification of individuals and interests any time a personal reference is necessary. As Jayaram (1996) points out, castes define the structural basis of Indian civil society, yet at the same time, each individual caste is a 'dynamic force in interest articulation'. Historically this second aspect has been considered of minor importance in the organisation of Indian civil society. As B eteille (1996) suggests, Gandhi's support to the caste system was motivated by its religious roots, and in particular by the importance of the community over the individual, of co-operation over conflict, of duties over rights. A major consequence of the link with Hinduism is that the caste has organised Indian society hierarchically, where law, religion and morality become above all the means whereby the individual is subordinated to the collectivity (B eteille, 1996). While '*modernisation*' has undermined or transformed the organisation of caste, it has revealed its 'tremendous flexibility' (Jayaram, 1996) such that caste still persists as a fundamental principle of social organisation ⁷ even if under different guises. The processes which substantiate this transformation are rooted on one side in the ongoing religious change *per se* and on the other in the change in the relation between Hinduism and the caste system. Caste groups have shifted ritual position, due to the increasing contact of lower castes with the great Hindu tradition (Jayaram, 1996; Karanth, 1996). This is consistent with '*Sanskritisation*', a process identified by M.N. Srinivas by which 'a low caste takes over the customs, ritual, belief, ideology and style of life of a high caste' with the objective of improving 'the economic and political position of the group' (1989, p. 56). In turn, the gyrations of caste groups is combined with 'modernisation' by which is meant - *inter alia*- an increasing dissociation of castes from their hereditary occupations.

The combined effect of 'modernisation' and of the contested implementation of positive discrimination via the Reservations policy of the Indian Government (accelerated with the publication of the Mandal

⁷ Along with patriarchy, which we do not have the space to consider (see Harriss-White, 1999).

Report (Radhakrishnan, 1996)) has been the emergence of a 'dual culture' (Karanth, 1996), according to which a caste attempts to claim a low or backward status in relation to the state, while claiming and protecting a high status in relation to society ⁸.

The *secularisation* of caste in India then means a separation between the Hindu religious sphere and the social sphere. As Béteille suggests (1996, p158), the caste system has been 'truncated' and its 'future is not with religion but with politics'. If modernisation has reworked caste, the question then is what kind of political society is being currently shaped by this truncated caste system. Again, the recent literature shows how castes play a major 'continuity role' as the economy diversifies. It is still possible to observe a caste clustering in the contemporary distribution of occupations. This clustering, however, can be explained using a radically different analytical tool kit. Explanations are sought in the distribution of skills and resources and in the imperfections of the labour markets, rather than in the caste hierarchy, in the control of individuals over information on economic opportunities and in a logic of human and material support (Panini, 1996). In addition, the society structured by 'new caste' allows upward mobility and is entirely consistent with a heterogeneous middle or intermediate class buttressed by the backward caste movement and by policy on Reservations. Lastly, the liberalisation of Indian society and economy has revealed a deeply segmented social structure where the caste system is connected with network of other forms of civil social organisation that regulate all aspects of economic and human life (Uphadya, 1997; Rutten, 1996; Reiniche, 1996).

Distinctions of status, even if they might still be expressed in the idiom of caste, are rooted neither in a caste *system* nor a caste *hierarchy*, whose legitimacy (if it ever existed) has been eroded, but rather, as Fuller (1996b) argues, in social groups that are legitimated in economic terms. Thus in Indian society, as in all modern societies, status distinctions are class-based, even when they are constructed in a discourse of caste that still provides the cultural referent. If so, paraphrasing Béteille, we may say that the future of the caste system is not in religion, but in political economy.

We can now move to our hypothesis: *that the socio-economic structure emerging from the secularisation and transformation of Indian society is corporatist*. As the term is not in common currency we need to finish this long initial discussion by outlining the social equilibria that characterise the corporative social order. To this end we will explore the socio-economic structure of the Italian Fascist regime which supplied the ideal-type.

Fascism is widely understood to involve authoritarianism, nationalism, social pacification and the domination of the state. But these are only one, albeit an important, aspect of fascism. Another crucial component was a marriage between a particular socio-economic structure and an authoritarian political

⁸ Reservations are applied to the state, the public sector and higher education. Their direct impact is on employment and incomes but their indirect impact, through education, is to expand and diffuse capabilities and access to power.

regime. Recent research on the Italian *economic* fascism complements the common understanding of *political* fascism ⁹. Corporatism is one of two means whereby the fascist state accelerated accumulation. The first means was a complex attempt by the state deliberately to fashion class structure according to the needs of accumulation and under its strong control. The second, corporatism itself, provides another set of instruments to regulate and support accumulation through the 'self government' of the economy. For this, not only did capital have to be organised but also the direct and organised participation of labour was necessary.

While fascist ideology played a non-negligible role in creating a suitable social and political climate, the corporatist economy rested on three institutional pillars: the fascist party, the trade union and the guilds. The roles of the first two are well known. Guilds were also public institutions. They played a role in the corporatist framework which has often been overlooked. They were the main instrument of the delegitimation of class struggle through workers being forced into the governance of the economy. By means of the guild moreover, the state synthesised conflicting social and political interests. Furthermore the guild system ratified a hierarchical system of social relations by which the economy was controlled ¹⁰. For its proponents, the corporate construction of the economy constituted 'modernisation' (sometimes even termed 'Americanisation' by the critics of fascist economics). For others the close congruence between economy and society distinguishes it from modern 'market society' (Polanyi, 1944 p71) in which the economic institutions which regulate markets are 'separate from society'. It would therefore follow that the corporatist economy was a 'precapitalist' institutional framework. However, as Gramsci ¹¹ points out, this framework also justified the ruthless removal of all points of class conflict, such that corporatism can also be recognised as a class ideology aiming to refute the very foundations of class conflict.

All this may seem far removed from contemporary India but its significance to our project is manifold. Organisations of economic interest may be created by and strongly controlled by the state for its own

⁹ In 1982 a collection of papers by fascist economists was published in Italy (*La teoria economica del corporativismo* edited by O. Mancini, F. Perrillo, E. Zagari, two volumes, ESI, Napoli) in which the corporative theoretical framework is outlined. These ideas can now be substantiated through official documents which are now in the public domain (*Documenti del corporativismo fascista: da Palazzo Guidoni alla Carta del Lavoro*, Comunismo Informazione no. 6, Laboratorio politico, Napoli, 1995). See also G. Gattei, "La cultura economica del Ventennio (1923-1943): primo rapporto sulla letteratura recente", in *Storia del pensiero economico*, 29, 1995.

¹⁰ This piece of social engineering was underpinned by an ad hoc economic theory in which homo economicus was replaced by homo corporativus in which the individual was identified as having the same interests and values with the state. As a result of the involvement of society in the organisation of the economy, the two spheres (social and economic) were unified.

¹¹ Quaderni del Carcere, I (XVI) p.125.

project of accumulation¹². Such institutions may not contribute to the democratisation of society. An alternative conception of the role of institutions of collective economic interest – business and trade associations – from that of narrow sectional advancement to the mediation of potentially conflicting interest is opened up. And attention is drawn in the concrete circumstances of South India to the relationship between caste as a system of organisation of occupation and its evolving relation to the state.

To sum up: mindful of the facts i) that in an economy which has been underdeveloped not all social institutions may aid accumulation (civil society not always being good for either growth or for democracy), while ii) in an economy in which the parameters of accumulation are rapidly changing – as in liberalising India in the nineties – social institutions may be rapidly being reworked, the central question is the modalities by means of which civil society supports or shapes accumulation. With the exception of trades unions, the literature on social structures of accumulation has paid negligible attention to the role played by organised collective economic interest, in particular, the potentially corporative character of guilds, which will be a focus here.

2. DATA: HOW ‘GIVEN’?

We have considered several ways of organising an analysis. Now we turn to the possible institutions to study. Our empirical material is a systematic set of histories of almost all the groups and associations with which the business economy of a small town is linked and in which it is embedded: market and political institutions, civil society organisations and associations. These histories map the agendas of these collective institutions. Conspicuous by their absence however are accounts of the micro-politics in which these agendas effervesce. This material was gathered in 1994 and 1997 and relates to a series of three field enquiries into the organisation of local urban capital, labour, commodities and into their politics by means of business histories got from random 6 per cent samples of commercial enterprises¹³ (plus a purposive census of the most powerful firms in the town) in 1973-4, 1982-4 and 1993-4.

For a comprehensive understanding of the social structure of accumulation this material is clearly inadequate, lacking in detail on the normative complex in which the economy is embedded, in particular the legal framework for rights, the organisation of the state, religion and the organisation of families and households. It is also hard to identify the ‘structural’ double boundary separating the process of accumulation from the social institutions in which it is embedded on the one hand and separating the latter from other social institutions which regulate social life more generally on the other. Furthermore to consider the role of social institutions such as caste, locality and gender (on which there is information) and economic building blocks (such as firms) through which production and markets are organised

¹² See the concluding chapter of White, Howell and Shang, 1996

¹³ Stratified by neighbourhood and economic sector

would turn this already plump paper into a bulky book¹⁴. In focussing on institutions of collective action we are conscious that important parts of the story may be left untold.

Some elements of the SSA framework need to be incorporated even though they are not articulated through consciously designed organisations. Labour and its politics is one, the rain of ever-changing new commodities and their economic colonisation are another.

If there is no consensus about the classification of the elements of civil society, there is also no typological template for those organisations which structure market exchange. Here, the dialectic between 'etic' and 'emic' categories is instructive. Etic categories based on 'interest' have their own puzzles for, although there are business associations representing capital on the one hand and trades unions and workers sangams representing labour on the other, business associations and labour organisations rarely confront themselves within a given sector of the urban economy. Furthermore, the line between capital and labour in the urban economy is heavily blurred by the urban equivalent of the peasant: petty commodity producers and traders who differ from peasants in that they cannot retreat at any point from market exchange to subsistence production, but who nevertheless combine capital and labour in single person firms, who may, like peasants, be compulsively involved in markets and who, like peasants, may be wage labour in disguise, dependent upon merchant's or finance capital for their reproduction. This is one of a set of ways in which *class* may be deprioritised in associations which cross class interests. Moreover these organisations of capital and labour can and do perform other functions than that of economic regulation.

Local 'emic' categories of institutions of collective economic action are organised around concepts of 'union' or sangam, guild or commodity association, the philanthropic club and the caste association. The role of caste in the urban economy has been being transformed simultaneously in at least two ways. First caste becomes organised into formal associations, then sometimes apparently delinked by being relabelled in terms of occupation. We admit to knowing too little about how caste is played-down in this process. While this is happening slowly and unsystematically throughout the system of castes, economic interests come to play a dominant role within the caste/occupational association. 'Unions' apparently of workers may actually be organised by employers. Local labels obscure the fact that the interests of either labour or capital may be concealed under caste, commodity or an invocation to 'the town' and that the interests of capital may be considerably concealed by being presented in an organised form as those of labour.

¹⁴ This we intend to write later on.

These institutions line up in five domains as follows:

	social	economic	gender	local	political parties
	caste associations	commodity associations			ruling
high status	(forward/ other backward/ most backward/ scheduled)	capital labour	philanthropic	urban welfare	
low status					oppositional

The era of liberalisation in India is not only an opening up of certain sectors of the industrial economy , it is also a moment at which the advancement of interests is greatly intensified. It is a specially good time at which to examine the collective politics of economic interest. Since our central question is economic, in order to permit each domain its ‘relative autonomy’ as an arena of power, we structure the ethnographic evidence according to caste, class and locality, taking in gender where relevant and discussing politics at the end. However, to consider each domain separately invites essentialism and requires an analysis of the interaction of each domain on each. Because the crude distortions of the former, the elaboration of the latter and the centrality of class in the economy, there *is* a sense in which the analysis which follows uses class as its spine ¹⁵.

3. THE TOWN

The market town of Arni in northern Tamil Nadu acts as a central place for more than a hundred villages. It is 150 kms south west of Chennai with an economic base of administration, commerce (increasingly wholesale), paddy trading and milling and silk saree weaving. Five per cent of its population is agricultural. According to the censuses, its population has grown from some 39,000 in 1971 to 49,000 in 1981 and 55,000 in 1991. The municipality, created in 1951 and converted to grade 2 status in 1971, has already engulfed 11 revenue villages. In fact the population directly associated with Arni's urban economy is likely to approach 1 lakh, the census population being inflated by transients and by regular commuting from a ring of villages (which resist incorporation into the

¹⁵ An insight due to M.S.S. Pandian, 1999

municipality in view of the increases this would make to local taxation - a fact which makes the town chronically relatively underfunded). The growth of urban business is shown in the Appendix, Table 1.

During the last twenty years the number of businesses visible to our census record in Arni has trebled. A business census of the social and economic town in late 1993 reveals a staggering transformation in its economic base over the previous decade. A number of agricultural and 'traditional' artisan activities have declined significantly or disappeared altogether: the maintenance of bullock carts and agricultural machinery, groundnut processing mills, pottery, the making of leaf plates, the crushing of sea-shells for whitewash and so on. Agricultural inputs firms have stagnated. The activities comprising the economic base ten and twenty years ago have consolidated their position: rice mills have doubled in number as have food wholesaling firms and durable consumer goods retail units. Urban silk manufacturing units have increased by 50 per cent and have spilled over massively into the countryside. Deregulation has led to a threefold increase in fuel depots and increased incomes to a thirty fold increase in businesses dealing in non-food agricultural products.

New businesses attest not only to the metropolitanisation of economy and culture but to its rapid globalisation. Brand new telecommunications technologies have appeared: satellite and cable TV (and ways to poach it) and new telecommunications rental markets have spread throughout the urban area along with courier services, xerox and video libraries. The town can now give up to 20,000 'doses' of cinema per day. The explosion of finance companies and chit funds, many not registered, many run with black money, the appearance of insurance, stocks and share dealing services, specialised commercial agencies for corporate industry, architectural, accountancy and real estate professions attest to the emergence of sizable elite markets. Tuition centres, typing and computing institutes and students' hostels indicate new patterns of skill acquisition and freedom for young people (although the town is extremely underdeveloped with respect to education). Auto sales and rentals, tourist cars and vans businesses have responded to local piety, curiosity and incomes (to service the big Sabarimalai pilgrimage to Kerala and the round-India-tour trade). Prominent expansions of hotels, bakeries and sweets stalls and booths indicate new patterns of commensality. The boom in scrap, in plastic recycling and cardboard packaging is related obscurely to that in animal feed for urban livestock and in slaughter houses for imported as well as local meat: both types of economic expansion are responses to the decline in biodegradable waste which could be recycled in the animal domain. Specialised ancillary crafts and specialised pawnbroking and financial services for these crafts have also mushroomed in the backstreets. Modernisation has not simplified the institutional fabric. Quite the reverse. All these developments have added to the institutional complexity of the town. But while in terms of numbers of enterprises the town appears a model of a growth centre, the prevalence and distribution of black finance capital suggests that there is a substantial element of accumulation which is non-productive. From field research we estimate that the output from trade and the income from finance equals or

exceeds that from productive industry in Arni. Most towns can be expected to have a composite role and one challenge for empirical research is to distinguish the generative from the non-productive ¹⁶.

Appendix Tables 2 to 4 show the organisation of the business economy between 1973 and 1983. It is dominated by mills - for rice and silk - by the sale of fuel and by those industries transporting people and commodities. Large firms have proved to be durable. Their assets concentration puts into stark perspective those which have excited scholars of rural India. In 1973 the gross output of the top assets decile was larger by a factor of 13 than the entire lower half of businesses. The top firm had an output which swamped the entire lower half by a factor of 4.5. By 1983, the key statistics were 66 and 9! Ten years later they were 117 and 43 and an entirely different order of local capital had been accumulated.

The vast mass of businesses are family firms with small labour forces. The average number of livelihoods (7 to 8 per firm) has not changed much over the period 1973-93. The proportion of small *purely* family firms (petty commodity producers and traders) has risen from 28 % to 35 % over the twenty year period, while the proportion of family labour in the entire labour force has remained static at around a quarter (see Appendix Table 5). While all owners of capital are active workers, the composition of this work force has changed with the entry of a small number female or family members of all castes. They are hard to locate - working as dhobis, tailors, jewel workers, sewers of leather goods, deep in the private interiors of their homes.

The workshops and mills however have become increasingly 'satanic' over time, through the casualisation of their labour force. Casual labour has increased from 23 % of jobs to 57% between 1973 and 1993.

Forward Caste control over business is stable in absolute terms and their apparent proportional decline masks the massive increase in concentration of their capital. Backward Castes have gained ground as owners, while Most Backward Castes and Scheduled Castes make up around 80 per cent of the casual labour force. Ten to 15 % of firms only employ labour of their own caste. In the great majority of firms, workers form an emulsion of caste, though some employers still refuse point blank to hire scheduled caste labourers.

In the nineties, the town has swept by a new wave of accumulation which we have characterised elsewhere as 'primitive' - in two senses of the term. First though capitalist production relations have been long entrenched, each individual capitalist has to develop their own starting point for accumulation. The wave of new capitalist firms depends on resources which in part depend on non-capitalist forms of exploitation, notably of unremunerated female labour. But, second, a significant element in these initial

¹⁶ See Harriss and Harriss, 1984 for an elaboration

resources, even when acquired in the modern economy, is got in ‘primitive’ ways through crime, fraud and corruption (Harriss-White, 1996).

4. THE POLITICAL ECONOMY OF COLLECTIVE LIFE

While, at the time of the first survey in 1973 there were about a dozen associations, the town currently has some 60 institutions of collective action most of which are registered with the municipality. Table 1 shows their growth. The first to be created in the early part of the century were public service and public sector unions together with some of the politically militant but numerically small service castes. Over half came into being since 1980 and 35 per cent in the nineties itself: new political parties, town level, cross-caste organisations, trade associations for new goods and services, organisations for scheduled castes and for women.

Table 1: Growth of Organised Civil Society in Arni

	<1960	60-70	70-80	80-90	>1990
n=61					
percent	15	11	17	22	35

Group size varies from 20 to 500, averaging 140 people, almost all male. Most of the groups are funded by subscription, some lapse and reactivate themselves intermittently, while the vast majority have an orderly and formal structure of authority with a leader and secretary. For 33 of these groups we have data on their size and also their minimum resources. Membership and resources are not correlated statistically at all. These resources are continually supplemented, through whip-rounds when needed (e.g. for emergency relief or political purposes). These contingent fundraising activities are important politically. In 1997 these societies collected and disposed of the non negligible quantity of Rs 37 lakhs (3.7 million or £54,000) for ‘non-contingent’ purposes. Many have quite separate but sizeable rotating credit associations (chit funds) and insurance activity (e.g. for funerals) on top of this. For the most part, however, their resources were petty: the lowest 50 per cent deployed less than Rs 6,000 (under £90) and 90 per cent used less than Rs 120,000 (£1,800).

Arni has the remnants of an occupation-based caste system, in which endogamous castes can be organised in loose hierarchies and where *several* hierarchies based on religion co-exist, see Figure 1. Here it can be seen that these hierarchies have been structured in a non-congruent way according to a plurality of principles ¹⁷: in no particular order of significance:

¹⁷ This depiction was made by a Brahmin and an Agamudaiya Mudaliar but it also made sense to a Christian.

- i) the 'vedic orders' (brahmins and shudras; and also intermediate, self-styled or immigrant kshatriyas and vaisyas (for there were none of these groups classically in Tamil Nadu)) in which the outcastes are both ranked lowest and classified as separate;
- ii) according to diet (vegetarian castes, meat-but-non-beef eaters and beef-eaters);
- iii) the political classification (forward, backward, most backward and scheduled castes);
- iv) by religion (which separates Hindus from Jains, Christians and Muslims, all of whom have their own endogamous subdivisions and which can then be ranked as groups or by subdivisions according to the 'purity' of (or protein restrictions in) their diet)
- iv) by region and/or by language (in the case of subgroups of Jains and Muslims).

We have used the political classification and will first examine the activity of caste associations together with those commodity associations which are to all intents and purposes exclusive to members of a caste.

4.1 SCHEDULED CASTES¹⁸

'This is a peaceful place where there is harmony between the castes' (SC informant) Urban public health and staple food supplies depend on the work of scheduled castes. Scheduled castes comprise

¹⁸ There is a non-trivial problem about nomenclature for it is a problem of significance and of political correctness. In this part of Tamil Nadu right into the nineties, scheduled caste people have referred to themselves as *harijans*, (Gandhi's label: 'children of god'). It is a label considered outmoded elsewhere in Tamil Nadu as in India (for its paternalism) and among most scholars of subalternity. The term *dalit*, which has replaced other terms (and which means 'the oppressed') would encompass a large part of Arni's society and was not being used locally in 1998, though given its currency it may be being used now. The collective term used locally: *adi dravida*, adopted by the Justice Party in the 1920s, refers to subgroups of harijans, in turn a subgroup of dalits. The term is not applied consistently in S. India. Scheduled castes themselves are subdivided into paraiyans (drum beaters), arundathiars or chakkliyan (cobblers), and pulaiyars (handlers of carcasses). We feel that the state's term: *scheduled castes* is most appropriate as it is widely understood and it covers a particular group which are 'most oppressed' being former *untouchables* (which is also a word not used locally). There is a small number of itinerant hunters (irulars) who are tribals outside the political relations we describe here. Some christians and muslims eat beef as do scheduled castes but occupy different (highly stratified) positions in the urban economy and are not organised into associations, expressing themselves collectively through their churches.

Figure 1: A Perception of Caste: Arni Area

Diet	Hindu		Jains	Xtian	Muslim	
Vegetarian	Forward Castes		Marwari Tamil Nainars			
	Brahmins Iyer Iyengar					
	Gurukkal/Madhra (temple priests)	Karuneeakar (accountants)				
	Tuluva Vellalar Agamudaiya Mudaliar (business)					
	Acari (carpenter, blacksmith, goldsmith)	Chettiar (weavers)				
<hr style="border-top: 1px dashed black;"/>						
Mutton	Backward Castes			Caste Converts	Urdu Speaking	
	Saurashtrians (silk)	Agamudaiya Mudaliar (agriculture)				Sheik
	Naidus	Senguntha Mudaliar (weavers)				Pathan
	Vannia Chettiar					Mohammed
	Most Backward Castes		Scheduled Caste Converts	Tamil Speaking	Sayeed Labbai	
Vanniars (gounders)	Barber (panditar) Fishermen (Natar)					
Yadava (pillai)	Washermen (Dhobi) Potter (Odeyar)					
<hr style="border-top: 1px dashed black;"/>						
Beef	Tribe					
	Irula					
	Scheduled Castes					
	Paraiyan (drum beaters)	Chakkilyar/Arundathiar (cobbler) Pallar (Devendra) Kula Vellalar Pulaiyar				

about 15 per cent of the population of the town: about 15,000 people. By and large they are poor: 60 per cent of households are estimated to live on total annual incomes under Rs 12,000 (£178). Of the 50 per cent of public sector jobs reserved for castes other than 'forward' ones¹⁹, 18 per cent of posts are reserved for scheduled castes and 1 % for scheduled tribes. The most menial sector of the urban economy, sanitary work, is the preserve of SCs and paid for by the local municipality. The most offensive kind of work - the manual removal of excrement from latrines - is still carried out by eight SC women, though this practice is being ended by the current government at a cost of Rs 20 crores (£2.9m) by the year 2000²⁰. SCs carry on with butchery, leatherwork and cobbling, the 'traditional' occupations of some (for scheduled castes are not below caste-stratification). To a great extent construction work, where labourers are in continual contact with mud and dirt is also the preserve of SCs. In addition scheduled castes form part of the labour in rice mills, particularly the carrying of bags of hot-steamed and/or soggy parboiled paddy (which is gruelling work for men) and the female-gendered work of turning and sweeping up paddy under the relentless sunshine on drying yards, where, though SC women touch the grain with their feet, the edible kernel is 'protected' from ritual (or any other kind of) contamination by its siliceous husk. 'Harijans are expert at this work'. 'They are adapted to hot sunshine', according to rice millers. SCs have also entered petty service in occupations with socially defiling connotations: bullock carting, or modernised related occupations: rickshaw pulling and transport sector employees (mainly on buses) also firewood and furniture making. They have also entered business (and employment) where accumulation beckons in products such as fruit and vegetables which either have skins or which will be cooked and thereby transformed. At any given time, some 10 to 20 per cent of these stalls and shops are managed by older women whenever their men are absent - a gendering not found in other parts of the urban economy. A very few, male SCs have managed to become weavers²¹. Those given an education (half have less than 10th standard and only about 50 have a technical or professional qualification) have aspired to jobs in education, the army and the police and to reserved clerical positions in local government. But many of these latter posts are unfilled and the number of SC clerks is very small. There are 4 SC medical doctors and one lawyer. So while SCs will be the most highly occupationally differentiated groups of castes, the biggest category still is sanitary workers who depend on the state for employment. And without education, it is still extremely difficult to escape positions in the local economy associated with the notion of defilement.

¹⁹ Limited to 50 % from its earlier 69 % in 1993 under a Supreme Court Judgement. The proportion of posts reserved for SCs varies by state according to their proportion in the population, the Government of India following the All-India ratio.

²⁰ Whether women are considered 'inherently inferior' and therefore suited to this work or whether this is the outcome of patriarchal relations within the SCs is not known.

²¹ Nagaraj et al 1996

Economic aspirations are expressed **not** by means of caste associations but instead through modern commodity associations and through political parties. We have details for eight such organisations²² and for two political parties. Some of these organisations are very old (e.g. public sector postal employees, established in 1919 but only relatively recently joined by SCs who have replaced upper caste clerks and are now 30 per cent of the postal labour force). Other public unions e.g. sanitary workers date from same era in the 1980s as does the explosion of commodity associations.

One of the biggest SC sectors - male and female rice mill coolies - is not organised at all. In fact it is quite deliberately 'casualised' in order to enable employers to evade Factories Acts obligations to labour. At the same time rice mill owners (organised since 1980) fix the wages of coolie labour and regulate disputes among them. Employers will also deploy debt (and sometimes paternalistic acts of redistribution - help with education or medical expenses - a primitive kind of occupational welfare system) to tie the 'casual' labour they value. As a result: 'We are attached feudal labour. Our wages do not obey market laws' and attempts to organise have been resisted with force and guile by employers.

While two occupational associations are unregistered and informal, the rest are registered and half are federated within the state and/or nationally. While federation increases the financial and political resources available to members, the more powerful political process moves away from the locality and often directly to the local metropolis - Chennai from which information and instructions are supplied back to the local level. It is surprising, therefore, that the associations are so active in the town. None of the registered associations exclude non-scheduled castes, though some (sanitary workers, building workers and fruit merchants) are dominated by SCs. It is difficult to summarise their economic activity. We will consider a large union of public sector workers (sanitary workers) and a large trade association (fruit) and then see how other organisations might modify the conclusions we draw from these cases.

The Sanitary workers association was set up in 1981 and federated to CITU, in turn linked to the CPI(M). The story of their activities is one of reaction to what they describe as 'contemptuous treatment' by the municipality - the local state. Bribes have to be collected in order to obtain provident funds to which sanitary workers are entitled. The association agitates for them not to be necessary. It protests at false attendance records made out to boost supervisor's pay and at secrecy about pay slips. It protests at the requirement of workers privately to purchase some of the equipment needed to carry out their work (a piecemeal and informal kind of 'privatisation'). The acute shortage of workers given the size and growth of the town, the relatively high pay²³ and the abolition of hereditary status mean that substantial bribes (Rs 15,000 to 20,000 - up to 9 months' wages) are needed for entry. As a result there is a sizeable reserve army of substitutes kept deliberately in a permanent state of

²² Sanitary Workers, Dr Ambedkar Transport Workers, Fruit Merchants Association, Greengrocers, Building Workers Association, Postal Employees Union, Bullock Cart Drivers and Pedal Rickshaw pullers.

²³ Annual official incomes vary between Rs 24-36,000 (£352 to £529)

casualisation. The association campaigns in a paternalistic way about the conditions of this unorganised labour.

The Fruit Merchants' Association was set up in 1982, based in Arni, with a membership which includes some SC florists. The organisation contributes to physical security without which trade cannot happen, defending stallholders from physical eviction by the police and defusing tension between SC traders and vanniar labourers, of which more anon. It also regularly collects licence fees thereby saving the state that job (and that possibility of scrutiny). It organises the annual collective gifts to the police, the local MLA, the Municipal Commissioner and all political leaders who are currently out of office. As traders in perishables are excluded from eligibility for bank loans, and as *private* finance refuses to lend to SCs or lends on extortionate terms and conditions, the organisation runs a daily chit fund which both insures traders and supplies funds for trade. The association also organises the collective celebration of rituals connected with birth, childhood and death and ensures social as well as material solidarity among fruit sellers.

Other associations fulfil the same roles and also lobby the state to implement reservations policy, about which there were many complaints concerning underfulfilment of quotas in educational establishments and in public sector employment. The state is also lobbied about a much broader economic agenda: for subsidies on raw materials, for low and controlled prices for essential consumption goods and for concessions to SCs (transparently masked as members of specific occupational groups) of which house-sites is the most common²⁴. Public sector employees lobby about the regressive impacts of privatisation and displacement by new technology. SCs also collectively raise funds for facilities which the state has failed to provide. Material solidarity can involve the collective organisation of medical care and aid for accidents. New informal groups are centrally concerned with the carving out of economic niches: legal recognition of their sites, infrastructure, police harassment, auto-regulation and 'formal' codes of behaviour (uniforms, sobriety, rate fixing, the exclusion of outsiders, privileged ties with clients etc).

Scheduled castes rue their lack of 'unity'²⁵ but, since 1994, a political party, the Indian Republican Party has represented their interests. It had a violent local start, born from an incident of caste-based murder, riot and arson which resulted from a cinema brawl and from the deep structure of competition for employment in rice mills, fruiterers, greengrocers and porters between scheduled castes and the most numerous backward caste, the vanniars (see below). The party has successfully organised the

²⁴ Housing is still a sensitive issue. Too many upper caste respondents declared that castes were segregated in housing, but that 'it is no more an issue'. SCs certainly face discrimination in housing on the open market. The local state attempts to mix castes in new housing colonies.

²⁵ Pulaya and Paraiyan hostility is widespread in Tamil Nadu and both groups despise Chakkliyans ('who spoke Telugu not Tamil') (C. Fuller, Pers Comm, 1999). There are very few pulaiyars in Arni so by regional standards Arni may be relatively 'united'.

private policing of a scheduled caste residential area which has been engulfed by the modern town and is now centrally located on land which in a society without caste would have peak rental value. It has also successfully organised a large collective bribe of some Rs 40-50,000 to capture for SCs the sites for fruit, vegetable, flower and beef trades in the market owned by the Municipality. Local taxes have been waived on the sales of beef as a result of their political activity. The party campaigns for access to education, which is the launching pad into higher echelons of the reserved part of the state apparatus. Among SC members the cause of female education is strongly championed since there is a perception that girls face fewer obstacles in gaining access to state employment (thereby helping the upward mobility of their households before and after marriage) than do young men ²⁶. The party organises a successful chit (rotating credit) fund. It has been singularly unsuccessful in widening access to weaving, in gaining access to house sites and the right to build a wedding hall.

To sum up: at the base of the systems of castes, a high degree of economic diversity and inequality coexists with considerable occupational rigidity and poverty. The only organisation to represent the interests of SCs as such, other than that of the state is a new political party. It has wrested some significant concessions from the municipality in order to capture key sites and sectors in trade. The equation of caste with occupation is being dissolved by markets for certain new products (e.g. electrical goods and repairs, modern transport) and where, as in silk weaving, demand for the product temporarily outstripped supply ²⁷. Market exchange may also rework caste by transforming a set of socially endogamous subcastes into a single economic interest very considerably based on trade in relatively new and rapidly expanding commodities with certain physical properties (skins) (such as fruit and vegetables).

The socially destructive aspects of market exchange appear to operate slowly in the flux of caste relations. For the most part, our material suggests that the market economy is still rather highly segmented along caste lines, at least for these castes. So it is more than a nice irony that collective action is formally cross-caste and organised under 'modernist' labels of commodity and profession. For the lowest castes it is *not possible* to use the idiom of caste to make economic claims or to engage with the state. Entry into the urban markets has to be physically forced (e.g. pedal rickshaw pullers and bullock cart drivers) and territory has to be physically defended. Collective activity serves to protect and defend, to legitimate, self-regulate and insure in the jungle of markets. What none of these associations is able to do is collectively and publicly to resist contemptuous treatment by 'the public' (about which there is much anecdotal evidence ²⁸).

²⁶ 'There is a quota for women in government' and all elementary teachers are women, though whether it is 50 or 30 % is not known.

²⁷ Nagaraj et al 1996

²⁸ At their most assertive, SCs in contact with the public will demand bribes to perform the work they are paid to do at speeds and times other than that officially stipulated.

However most collective political energy by far is directed at the state, very likely because it is the state which has succeeded - through reservations - in beginning the transformation of the economic rights of scheduled castes. The state-economic agenda of the collective organisations of SCs is complicated: a modern, secular and socialist economic development project vies for political territory alongside a sectional social project of preferment. At one and the same time, the state is considered capable of mediating between and delivering both kinds of project; not only through its direct role in reserving public sector employment but also through its capacity to execute social transfer payments, to regulate and to construct the public space which is the backcloth for the economy and to champion the cause of female employment. Yet the collective organisations representing SCs also continually confront and contest relationships of contempt, oppression, harassment and discrimination by employees of the state against SC employees²⁹ and by state employees against SCs in the urban economy where quotas are depleted. Where SCs are forcing entry into markets, their operations are often illegal and official harassment does not have to be represented only as caste discrimination. When associations and informal groupings engage in precautionary pleasing behaviour (either through presents or bribes) against future contingencies, they are more likely to be responding to their own illegality than attempting to recruit champions against discrimination. But SCs may be legitimately established in employment, business or trade and yet still face exclusion (as with bank loans and informal private finance) or harassment (as in transport) on the basis of caste. So some collective activity is openly intended to bamboozle and to conceal activity from the prying eyes of the state - in the name of cost-reduction (as in the cases of collective licence payments).

So, the state is the 'collective organisation' considered empowered to mediate the economic interests of SCs. Other collective organisations which cannot represent SCs explicitly (using the *alias* of occupation) also embody support for the modernist developmental project, even by their opposition to ways in which the state actually works. These organisations have an important security, insurance and regulative roles, for SCs continue to face serious economic and occupational barriers in the urban commodity and labour markets.

4.2 MOST BACKWARD CASTES

There are five castes classed as 'most backward' in the town. Together they make up and estimated 35,000 of its population: vanniar gounders (86 per cent), the main cultivating caste of the region; yadhavas (idayars) (7 per cent) - shepherds and cowherds by historical occupation; panditars (barbers (4 per cent)) dhobis (washermen (2 per cent)) and bharadwajars (fishermen). This group of castes is

²⁹ Reservations not filled, casualisation, threatening 'teasing' with memos, transfers and suspension orders, complaints about cleanliness and uniforms, faked unauthorised signatures etc.

entitled to 11 per cent of public sector jobs³⁰. The vast majority - an estimated 96 per cent of households - are estimated to live on less than Rs 24,000 a year (£352). The traditional service castes have been able to modernise their occupations - dhobis, for example, run 'dry cleaners' and 'power laundries' with new technologies and detergents (though some dry-cleaners simply superimpose the modern label upon the age-old technology but with a cross-caste labour force); some have ironing shops or mobile stalls; some barbers have modern hairdressing saloons and 'sound services' (since their secondary occupation is music); some potters have scaled-up brick-making businesses, building the new Chennai, attached to lorry firms and operating in the black economy. But one should not exaggerate this aspect of modernisation because although technical upgrading is possible, it is by no means common. A variety of service 'technologies' co-exist and most are primitive, labour intensive and associated with poverty. Vanniars have made the leap from agriculture into the urban economy only in the last two decades. They are very considerably niched as porters and coolie labourers, rice mill labour, car and van drivers, turners and engine repairers and traders of flowers. The economic elite own autorickshaws and lorries. Vanniars also form large segments of less caste-specific workforces in other sectors of the urban economy. Much of this work involves hard physical labour. There is a longstanding tension between vanniars and scheduled castes based on competition for employment³¹. Default on a cross-caste loan will be interpreted as a failure of the caste concerned rather than the individual. Incidents like this may then generate violence between these caste groups.

The most backward castes express themselves collectively through four caste associations, one political party, four registered commodity associations and four unregistered 'groups'³². We will look at the biggest caste association, that of the vanniars, and at two pure associations: barbers and washermen, one commodity sangam (lorry owners) and will discuss the rest with reference to our cases.

The caste associations are all long established (dating from the fifties) and part of state-level networks. All the registered commodity associations are quite new. The oldest, the porters' union was formed in 1987 and backed by the AIADMK party (currently aligned with the BJP and in opposition in Tamil Nadu). They dispose of even more insubstantial sums of money than the scheduled castes.

³⁰ This was 20 per cent before the Supreme Court decision in 1993. Originally the quota was 18 per cent for all backward castes under C.N. Annadurai's rule, then raised to 31 per cent by M.G. Ramachandran a quota entirely captured by Coimbatore grounders when they were reclassified by M. Karunanidhi in order to punish vanniar grounders for their assertiveness.. The quota was regained by the PMK who got the category 'most backward' distinguished in 1989 and then further limited by the 1993 decision to lower the total quota to half of all jobs.

³¹ See Radhakrishnan, 1996

³² Vanniars, barbers, dhobis potters (odeyars), (yadavas have no organisation); the Pattali Makkal Katchi; car and van drivers, porters, auto owners and drivers, lorry owners; flower merchants and quarry workers.

The Vanniar association is by far the largest we encountered, with an estimated 7,000 members in the town alone. Even this mass membership is a rump, for the caste association has been transformed into a caste based political party: the Pattali Makkal Katchi whose agenda is similar³³. The currently ruling DMK party is hostile to the project of the Vanniar caste association³⁴ so the latter has no option but to turn to electoral politics. Vanniars have three prongs to their political and economic aspirations. The first is to corner a third of all public sector reservations for Vanniars, on the grounds of their numerical proportion among backward castes. The second is a project of largely urban-rural redistribution to be mediated by the state: increased subsidies for agricultural inputs and increased state-mediated product prices signifying increases in the rates of return to agricultural production; and lowered prices (increased subsidies) on essential commodities³⁵. The third is a redistribution of resources within the caste for the rituals of major life events. The urban association is dominated by rural interests and the rural political and economic project would in turn benefit a much larger constituency than that of the vanniar caste.

The Association of Shaving Saloons expresses the interests of barbers. Shaving and hairdressing are still exclusive to this caste. Owners and employees are male panditars and the customers are all male, except at times of pilgrimage. Then, many panditars migrate to sacred sites causing an acute shortage of such labour in the town. The sangam defends the rates of return of employers, fixing the rates for labour, offering a collective guarantee of collateral for bank loans, protecting members from threats of eviction and campaigning for a legal change in order to standardise the commercial week with that of the rest of the commodity markets in town³⁶. The sangam also organises collective welfare for funeral expenses. By contrast, the Washermens' union targets the state for collective property (a washing shed), to mediate reserved rights to wash hospital linen and for subsidised house sites and raw materials (none of which has so far been achieved). It also campaigns to be reclassified as a scheduled caste in order to benefit from reservations and educational policy (also not achieved).

The Lorry Owners' association was registered in 1990 and now has 150 members in the environs of the town, the majority of whom are vanniars and yadavas. It is part of an All-Indian federation. This association regulates wages for employees. Lorry owners overload their vehicles, a practice which

³³ Literally the party of toiling labour, resonating to, though formally different from, the 1952 'Toiler's Party' of the gounders.

³⁴ Vanniars of the Toilers' Party crossed the floor to Congress in 1952 thereby stalling a left-DMK-United Front coalition and earning the DMK's enduring animosity.

³⁵ A 'pricist' kind of agenda also espoused by SC bullock cart drivers and building workers' associations (but with prices and subsidies in favour of them..)

³⁶ The Tuesday holiday has been enshrined in law from times when upper caste clients would not be shaved on that day. (Those with mothers still alive would not be shaved on Fridays and those with living fathers on Mondays..) It is being resisted both by barbers and their now heterodox clientele.

generates a baroque edifice of crime and corruption. The association collects bribe money to press its campaign for the abolition of check posts within the state ³⁷ (and thereby to quash the decentralised bribery of checkpost guards and also a deal of police harassment based on the checkposts, which in turn provokes lorry owners to develop private armies for the security of drivers and loads). Pending success, it also campaigns for the regulation/systematisation of bribes and fines at checkposts especially those for overloading ³⁸.

Other associations regulate their sectors (porters organise shifts, their territory of operation, wages and settle disputes; the transport associations sort the collective organisation of licences, orderly waiting, lost property, appropriate behaviour, pay, the length of the working day and co-operation over the day of rest). Others operate rotating credit and informal insurance for life events. They mount appeals for infrastructure, may act preferentially in price formation ³⁹ and may even co-operate to share orders when they are scarce. There is no significant difference in the modes of operation of the unregistered organisations and registered ones.

Among the most backward castes in the town, caste is a male, economic unit of trust for credit and insurance, of collusion in the determination of wages and prices and of co-operation - not simply for the purposes of welfare but also occasionally in business. These organisations prevent unrest and unruliness. They soothe and smoothe. Yet, there is an active caste life beyond the remit of the formal caste association and not all caste members join caste or occupational associations, women being those most obviously excluded.

Caste associations long predate commodity associations. The most detectable difference between caste and commodity associations is that the former are the vehicle for the instrumental inverse-status campaign for a lower ranked classification in order to claim reserved public sector employment ⁴⁰. Both caste and caste-based occupational associations have not only insurance but also redistributive functions which are integral to their roles and which are construed as expressions of solidarity or welfare or philanthropy. Though the transfers involved are usually small (smaller than the occupation-

³⁷ These check posts have had a variety of functions, originally to pay district level cesses on trade, most notably to check the legitimacy of the cross-district movement of commodities under the Essential Commodities Act; as well as to check on loads and road worthiness.

³⁸ The association gives financial help to Tamil refugees from Sri Lanka a dozen families of whom live in a store in the Regulated Marketplace.

³⁹ Traders are prepared to forfeit profits to producers and consumers of the same caste (a means of collective advancement, an expression of solidarity and one solution to the traders' dilemma (how to cope socially with increasing inequality of wealth (D. Evers, et al. 1994)).

⁴⁰ This does not imply the lack of upward collective aspiration in relation to society at large.

based welfare doled out by owners of firms), some may be 'international' as with sustained support given to destitute Tamils returned from Sri Lanka. Others are cross-class and cross-caste (auto-owners and drivers). Others confined within the caste (marketplace porters). Beneficiaries gain from the augmentation or smoothing of low income.

The biggest caste association has been transformed into a political party with a wide ranging economic project ostensibly hostile to that of the Government of India's economic reforms and dependent upon an interventionist state (though the PMK is actually allied with the ruling and liberalising BJP-led coalition!). As with scheduled castes, the state is the political resource for the privately self-interested pricist project and for that of preferential reservations. In neither are MBC organisations successful. Unlike the scheduled castes, MBCs are also deeply involved in modes of subversion of state regulation which benefit a local nexus of economic/caste and bureaucratic interests. The local MBC economic elite is embroiled in an apparently impoverishing but actually lucrative, state-level system of corrupt private tribute in which politicians (and some high level bureaucrats) mediate between individual capitalists (for opportunities to defraud the state or for preferential allocations or subsidies) in return for individual and party-based returns to investments in the ruling political party. In turn they are recycled for political patronage, conspicuous consumption or for economic investment.

4.3 BACKWARD CASTES

One third of the town comprises 'backward castes' They are the most agriculturally landed, the most economically differentiated. While half these households subsist on annual incomes below Rs 24,000, some 3 per cent (1,500 people) belong to households bringing in more than Rs 1 lakh ⁴¹, and many make very substantially more than this ⁴². Wealth, notwithstanding, these castes are currently eligible for 20 per cent of places in the state public sector ⁴³. And some whose historical occupations have been displaced by technology (such as the oilmen - vaaniar chettiars) are worse off than many SCs and exist as casual unskilled labourers. Though backward castes tend to be vegetarian in Tamil Nadu, here they are further differentiated in status, forming roughly equally sized groups of five vegetarian castes ⁴⁴ and

⁴¹ 1 lakh = 100,000

⁴² There are (black market) sterling millionaires in the back streets of the town.

⁴³ Or 30 % of the previous 69 % of reserved positions.

⁴⁴ Veera Saiva Chettiars, Tulluva Vellalar Agamudaiyan Mudaliars (both groups in trade), Jains (pawnbroking), Acaris (goldsmithing), and Karuneeekars (former village accountants).

three non-beef, meat-eating castes⁴⁵. Equality in numbers does *not* carry income equality with it: 60 per cent of non-vegetarians BCs being below a Rs 24,000 income level contrasted with 37 per cent of vegetarian BCs. And all the declared lakhaires are vegetarian - buying, or having bought, into the most powerful means of expressing higher rank. They are further differentiated in terms of origin and spatial mobility: Saurashtrians and some Jains have migrated from North India, Naidus from Andhra Pradesh and South Indian Jains and Lingayats from Karnataka. Even if these castes have been settled in the town for decades, by and large the urban business elite is non local in origin. Capital is concentrated ever more disproportionately in their hands. Even so, the economic summits which literally tower over the town are eroded into pinnacles where caste is more or less welded with business sector. This is most exclusively in the case of acaris who run the gold quarter - making ornaments of worked gold and jewels and less exclusively running the pawnbroking sector in and off the shroff bazaar, the C19th central business district. To the south, west and in the rural environs are located the dyeing sheds, twisting and spinning workshop-factories, looms and showrooms of the silk industry which is controlled by Saurashtrians and Veera Saiva Chettiars, although Sengutha Mudaliars who formerly dominated the weaving workforce have begun to accumulate and break into the ownership of firms. Formerly in the second heart of the town (around the oxymoronic Gandhi Market Road) but now dotted around its periphery are the chimneys, go-downs and massive drying yards of the rice industry and its ancillary components and trades, ownership of which is more dispersed among Chettiars and a few Naidus and Vanniars (MBCs). The majority of this elite will deny that caste plays a role in the urban economy and counter that what matters is wealth and the capacity (physically) to protect one's interests⁴⁶. That caste is not articulate at the upper end of the spectrum does not, we think, mean that it disappears as a social or economic force. But their caste associations all play a more passive role in economic management than do those of the MBCs and the organisations of SCs.

These organisations differ on other grounds from those previously described for SCs and MBCs. They are powerful and large, mostly federated across the state - or across South India where relevant to widely dispersed and/or migrant castes. Each is composed of members differentiated by both occupation and wealth. The structure of authority is loose⁴⁷; active membership is comparatively small and resources are unknown with the exception of the relatively large quantities of funding known to be formally available to Saurashtrians.

We will look here at Saurashtrians and will consider the others in relation to this caste.

⁴⁵ Senguntha Mudaliars (weavers); Saurashtrians (silk merchants); Ahadudaiyan Mudaliars (cultivators and rice traders) and Vaaniar Chettiars (oilpressers).

⁴⁶ On this see Reiniche, 1996 for Tiruchengodu

⁴⁷ Jains were organised in 1927, TVAMs in 1953, Acaris in 1963, Saurashtrians in 1968, Vaaniar Chettiars and Karuneekars in the 1970s and Sengunthas and Naidus in the 1980s.

While the caste of silk workers is increasingly irrelevant, Saurashtrians fiercely guard their monopoly over the sale of raw silk, which is being slowly encroached on by Veera Saiva Chettiars. Their economic agenda is familiarly state-centred, concerning: i) reservations, first to be reclassified as a MBC and second to systematise the bribe⁴⁸ necessary to migrate to Chennai and take up reserved jobs there and ii) preferential subsidised access to loans (for independent weavers) (none of which is successful). The association is a unit for welfare, specifically for educational materials and uniforms, the treatment of occupation-related disease, and for 'capital goods' (sewing machines) for poor caste members, besides which resources are poured collectively into a temple, its maintenance and worship and the performance of initiation rituals (sacred thread ceremonies). This is the male association. Hard on its formation (in 1968), educated and unemployed Saurashtrian women formed their own caste association (in 1971), which works for an expansion of female education so as to break into professions⁴⁹ and so as better to break into state reservations, which are seen as the keys to upward mobility. This association set up a rotating credit fund for Saurashtrian women, which failed because of fraud. Other female caste based chit funds are informal and operate through networks based on kinship and neighbourhood. This organisation also says it provides for the food and health expenses of 75 'helpless' Saurashtrian widows.

Other BC associations circulate information about policies, resist all aspects of state regulation, attempt to justify claims for lower caste status⁵⁰, and agitate for preferential access to subsidised allocations from the state (housing; raw materials). They also fix wages and rates in markets derived from their businesses.

Caste appears to have different kinds of significance at different points in the system and the economy. The universal eagerness of higher but backward castes to claim lower status ('We'd be delighted if the government classified us as SC!') evinces a cynically instrumentalist conception of caste as an eligibility criterion. It is a reactive reworking of the institution as part of a long-lagged response to reservations policy. Clearly these castes have not experienced the economic and social oppression faced by SCs. Meanwhile, the caste associations practise targeted and self interested corporate welfare; and while some of the basis for their economic politics overlaps with that of lower castes, BCs have mobilised in new political-economic arenas (over issues of spatial mobility, over gender) and at larger scales (state

⁴⁸ Said to be Rs 5-6 lakhs (£5,350-8,823)

⁴⁹ Medicine, law accountancy and engineering. There is one Saurashtrian teacher living in Arni but forced to work elsewhere.

⁵⁰In fact state classifications can fracture castes as well as unite the. While Baliya Naidus are officially 'forward' and not eligible for reservations, the caste has differentiated itself into Baliya which claims BC status; Kavara and Vaduga which defends BC status and Eadiga which is a BC and claims MBC status.

and national) sometimes requiring organised bribery and fraud (particularly over taxation). Meanwhile caste and caste-based trade associations attempt to control prices, wages and rates in derived markets in order not simply to stabilise but to maximise rates of return.

4.4 FORWARD CASTES

Non Brahmin forward castes, unentitled to reservations comprise some 10 per cent of the population: the karuneeekars (erstwhile village accountants) and Tuluva Vellalar Agamudaiya Mudaliars (TVAMs), who, like many of the other castes which dominate local accumulation, are migrants. Their role in the economy and in the collective life of TVAMs is quite similar to that of backward castes. We will look at them and the Association of Pharmacists (which is 73% TVAM).

TVAMs have (or have recently had) fellow-patrons in political office in the Municipality, the State Legislature and the Lok Sabha in New Delhi. While 40 per cent are members of the commercial elite, half are in very small businesses - bunk stalls and sundry trades and 10 per cent in the professions. Their association focusses entirely on mobilising private resources for welfare within the caste: equipment, clothing, the provision of pensions and the mediation of disputes notably with SCs and Vanniars over urban (temple) land, desirable territory seized for housing.

The Pharmacists' Association, dominated by TVAMs, is linked to their caste association and also to the Town Welfare Association (which compensates for state failures by subsidising schools and repairs to infrastructure). They act in three ways: i) autoregulation (the successful prevention of dumping by medical wholesalers, collusion against undercutting on prices; unsuccessful attempts to prevent sales of banned drugs and sales without prescriptions); ii) engagement with the state (streamlining of the levy of commercial taxes, resistance to payment of professional tax on the ground that drugstores are a service rather than a business); iii) engagement with politics (collective donations to all parties).

The three subcastes of brahmins and gurukkals (temple priests) make up under 2 per cent of the population of the town. Brahmin lawyers migrated within the district when the local MLA failed to secure for Arni the District Magistrate's Court. Others have migrated to Chennai. Others, finding life 'hot' in the villages, have migrated in stages using Arni as a stepping stone. Their economic bastion, vegetarian hotels (eating places) where two decades ago their caste enabled them to be 'universal providers', has been invaded by backward castes. About forty per cent live on less than Rs 24,000 per year and there are no declared lakhaires. Although brahmins can be found in the professions (the law, accountancy, engineering, medicine and teaching), they are hardly ever employed in the local state (aside the occasional bank or insurance clerk). In this, Dravidian politics has been successful. There are two main internally differentiating fault lines **neither** of which is represented by what little collective action has been mobilised: educated unemployment and gender, for it is at the extremes of the caste system, among SCs and MBCs and Brahmins, that women are economically active. There the common

element ends, for the type, conditions and returns to work differ, as do the norms defining ‘honour’ and ‘respectability’ in work and as do the nature of the economic and spatial safety barriers by means of which female sexuality is controlled. It is local Brahmin women who first qualified in computer skills although they have to commute long distances daily in order to apply them commercially. Brahmins were among the last to organise collectively - in 1995, for the purposes of resisting what they interpret to be unacceptable state discrimination against them in education and medical facilities. Temple priests, who portray themselves as deskilled and socially excluded, have organised last ditch petitioning for housing, pensions, wedding subsidies (as for BCs) and for protection from encroachment on temple land. In Arni, *unlike* many destinations of forward caste migration, brahmins play a negligible direct role in local urban accumulation. As professionals, they service it.

5. CAPITAL

Now we turn to consider collective action organised on principles of class: the relationship to the means of production. Class is a fuzzy concept when it comes to analysing collective action not only because of its elision with caste (which we have tried to explain in section 4) but also because of three other factors:

- i) much of the business economy is trade-based, trade which is ‘necessary but unproductive’ in classical class schemas. There are four approaches to this problem (ignore; allow that tendrils of production reach into the mercantile sector and that on account of its impurity ‘commercial capital’ can be considered as capital in the identification of class⁵¹; reconceptualise class in terms of relationship to the means of distribution and problematise the alignments of trade-based classes with those based on production⁵²; reconceptualise economic stratification empirically in terms of actually existing groups of business⁵³). There is little option for anything other than this last course of action here.
- ii) highly concentrated configurations of urban capital do not necessarily align together politically ‘for themselves’ to achieve economic goals;
- iii) the phenomenon of disguised wage labour in the crowded substrate of petty production and trade.

It is therefore useful to distinguish between i) the collective action of commodity sectors which contain local big capital, ii) business elite associations dedicated to ‘the town’, iii) new capital and iv) commodity sectors dominated by petty capital.

⁵¹ (Processing, storage (preventing deterioration) and transport (productively relocating exchange value)) Harriss 1981

⁵² Leplaideur, 1994

⁵³ White, 1977

5.1. LOCAL BIG BUSINESS ASSOCIATIONS

The business economy is most capitalised and has greatest concentrations of capital in a narrow band of activity: agricultural wholesaling and rice milling, food wholesaling, the manufacture of silk saris and other textiles, transport and fuel. Some of this accumulation is non-trivially embedded in the black economy by virtue of the initial investment, subsequent borrowings and undeclared returns on rent, interest and profit: not merely in the black and 'informal' side of virtually every local, registered, legitimate, big business but also and especially in the sectors of buses, cinema, liquor, finance and pawnbroking. Accumulation is by legitimate but also by criminal or primitive means. Take bus transport for one example, where private companies compete with subsidised and regulated state services. It is normal to find private overloading, the underdeclaration of ticket revenue, informal extensions of state-allocated routes (of which more later), the predatory capture of routes, poor standards of vehicle maintenance, unlicensed drivers, excessive hours of work for drivers and conductors and a general absence of owners' bank accounts. Such practices, *mutatis mutandis*, pervade much of local big business.

These are the most politically powerful trade associations in the town: registered and formalised structures with authority frequently ceded to a small cartel, large in membership and all federated to state level organisations, linked together through interlocking memberships, cross-cutting control by dominant caste groups, links with political parties and with much more substantial local resources (ranging from Rs 60,000 to Rs 4 lakhs). Table 2 summarises their economic roles.

There are eight aspects of their activity which bear on the character of accumulation. The first is the ubiquity of parametric, self regulating procedure, even though its detail varies. Wages are set, disputes with labour are managed, prices fixed, weights and measures calibrated, limits of overcapacity established (overcrowding in cinemas, overloading of lorries, excess storage in go-downs), rights to exclusive territories (spatial monopolies) established, terms and conditions of contract (particularly the length of the working day for labour, and the norms of delay on payments) are negotiated independently of state legislative provision. In certain cases (gold and rice mills) physical security, without which market exchange and transfers of property rights cannot take place, is collectively organised. In this way, both open competition in market exchange is reduced and rates of profit intensified. The law is highly selectively enforced, with threat as a crucial regulator and pre-emptive development as a response, but where law is neither enforced nor challenged then informal norms of business conduct will prevail.

The second is the regulation of labour and ancillary trades by the funding and/or the paternalistic management of their associations (e.g. the craft and labour associations, design and job-work twisting in the silk business) by a small set of the biggest bosses, or by the deliberate suppression of labour unions (bus employees, rice mill labour). Labour costs are pressed down and labour unrest quashed by these means. The third is an extremely defensive relationship with the state, a politics of avoidance in which corporate activity is confined to the reform or reworking of tax collection so as to gain

concessions, reduce vigilance, protest against scrutiny and harassment by a variety of officials and by the police, streamline and lower the transactions costs to capital and generally evade tax. The fourth is pro-active political lobbying for preferential favours in infrastructure (banks, STD phone lines, long distance bus services) and to increase preferential access to subsidised capital (loans, subsidised raw materials). This activity enables the reach of elite firms to stretch and the urban economy to be more regionally integrated. The fifth gives the lie to the supposed opposition between markets and the state and consists of appeals to the state to trade and directly to control allocations of raw materials (thereby absorbing a risk otherwise borne privately). The sixth involves forced concessions and the development of an elaborate and extensive collection of private tribute: ranging from free facilities to local government officials (free trips to cinemas, free telephone calls, free passenger transport) to the private finance of the public sector allocation of private rights

The case of bus transport illustrates both the latter use of tribute and also the manner in which bureaucratic corruption has been politicised over time. Bus routes should be allocated bureaucratically according to closed tender proceedings and bus fares are capped by administrative fiat. Administrative corruption over time ensured a 'clearing response' type of

prioritisation of routes according to returns, net of wear and tear which matched the ranking of bribes. In the next phase, this administrative position of rent seeking discretion was subjected to political capture. Politicians have inserted themselves as regulators and fund collectors and routes are doled out periodically in a 'public' meeting of politicians and bus owners according to the latter's **individual** roles in electoral and party political funding. The political executive both commands the administration and captures the formerly private rents they gathered. Even more recently, the **collective** political investments of bus owners themselves have been returned in the form of discriminatory policy changes timed to disadvantage the state's own public sector bus transport and to advantage private owners. This is a more subtle form of corruption⁵⁴ wherein the state subverts its popularly mandated development project to powerful economic interests. But political corruption may bypass the bureaucracy entirely, the implementation of favours from corrupt alignments being administered according to political command in an entirely legal and orthodox manner. The *quid pro quo* for the free access of officials is a blind eye turned towards primitive and illegal business practice. That for the funding of allocations affects the size and profitability of firms very directly.

Seventhly, certain of the associations nurture political parties either by gathering donations which are subsequently allocated to each and every party or by organising collections upon specific request. These are pacifying and enabling resources. 'It does not matter if Rama rules or if Ravana rules'. Lastly, commodity associations consolidate corporate reputations, which in turn shape demand. Rice and silk have a powerful but primitive form of branding by identification with the town (rather than with specific firms). In both cases the town's and the commodities' reputations rely on a link between high quality, specific attributes and a less than highest class mass final market.

Capital has not yet dissolved or destroyed caste⁵⁵. While superficially caste is neither occupationally determining nor an entry barrier, in actual fact, control over the biggest local capitals is restricted to a narrow band. Rice milling for instance is dominated by TVAMs and VeeraSaiva Chettiars, with a very small fraction of owners belonging to the Naidu and Vanniar castes. At best caste is being reworked as an economic force (sometimes as capital, sometimes cross class but rarely as labour) while at worst caste is a more powerful social stratifier than class. Caste is also capable of constraining accumulation mainly through the prevention of entry but also through redistributive obligations. Likewise organised capital has not dissolved gender but etches gender relations in deep grooves, women being completely absent from these formal institutions.

To sum up, first some caution. The economic base of the town is far from being completely corporatised: e.g. almost all private finance is unregistered and unorganised ('We avoid organisation to avoid the police'), hotels (vegetarian eating places) ('There is a Madras sangam which raids us for collective bribes to reduce sales tax'), fertiliser and pesticides (heavily regulated by the state and by suppliers and competed with by the state), textiles and ready mades (where tax evasion and the flouting of labour standards is considered better effected *without* organisation). The economic agendas of the caste associations hardly figure here. Reservations are completely absent as a

⁵⁴ Theorised by Kahn, 1996 and by Roy 1996

⁵⁵ Mendelsohn, 1993 and Panini, 1996

political and economic cause. Preferential pricing and subsidies hardly present themselves. A modicum of non-caste, paternalistic, corporate welfare or collective expressions of piety appears. There is no collective help with business losses. Contradictions abound: not only the generalised and defensive corporate finance of politics but individualised contacts and political cum financial relations combined with generalised and collective bribery. Clearly the state harasses big business for good reasons (the prevalence of economic crime⁵⁶) as well as venal ones (the prevalence of opportunities for mutually beneficial fraud and corruption (liquor, gold, essential commodities, transport). The state does not ensure adequate physical security for key fractions of capital (such that it has to be privately substituted) and yet nonetheless it also harasses and thereby increases insecurity.

There is a saying: 'what thangam (gold) cannot do, sangam (organisation) can do', but these associations deploy both forms of politics and hedge their bets. There is a second adage to the effect that not only is collective unity necessary but that it has to be social as well as economic. This social unity is not expressed through trade associations, rather through 'business philanthropy'. To this we turn.

5.2 CORPORATE URBAN REPRESENTATION

While caste associations date, some, from the 1920s or 1950s and elite business associations from the 1960s, associations representing the town as an economic and social unit date from the 1970s and later. They are the newest form of socially engineered institution. Two represent the interests of business (the Chamber of Commerce and a small industries' association) (Table 2b). The first is composed of representatives from the 'big' business associations plus individual members not all of whom are necessarily 'big' businessmen and of whom three, including the President, are Muslim. The second is a coalition similar to the first but also representing all the elite philanthropic associations (which we describe below). Their common agenda is infrastructural and directed at the state in the name of the town. In addition the Chamber of Commerce lobbies against a raft of regulative law and procedure and energetically encourages open resistance to all forms of taxation, while the small industries association claims subsidies on industrial infrastructure. We noted this elite agenda earlier.

Social service organisations make up the other seven (see Table 2c). Four are the male and female versions of Lions and Rotary Clubs, Lions for the business elite and the Rotary for both business people and for senior public sector employees. Their roles are closely similar and consist in the organisation of eye camps, immunisation and blood donation, welfare for the poor of the town (educational materials, tailoring equipment, even computer training) cycles for disabled people etc). Such acts also compensate for the signal 'welfare failures' of the local state and insidiously collude in the state's selective underfunding and social neglect. Eligibility for such corporate welfare is through social networks often crossing caste and class and based upon rural locality. Two other associations are relatively recent ginger groups set up explicitly for the welfare of the town. Urban welfare comprises funds for two types of economic activity: first for the private maintenance of faulty public

⁵⁶ B. Harriss-White 1996

infrastructure (repairs to drinking water equipment, drainage, public hygiene and sanitation and to the electricity system and a well for the dehydrated fire service). Second, for the defence of a school playground against encroachment, and for anti-poverty measures such as claims for ration books, sewing machines, cycles for the disabled etc.

These associations enhance the social structures of caste and class by networks based on locality, in which multiple identities are reinforced through multiple membership. They are also the only social arena for educated wives from the business elite, prevented from entry into business and confined to public sector employment or to unemployment. They enable the forging of contacts between 'state' and 'market' (extending to close collaboration in the cases of eye camps and blood donation), confer social legitimacy on accumulation and are rather modestly redistributivist, given the enormity of tax evasion. Of the Rs 570,000 (£8,382) raised, some Rs 250,000 travels to the US headquarters of the Lions and Rotary Clubs.

Although they reinforce a corporate ideology of the town as a unit of wellbeing, the marketplace basis of wellbeing is extremely weakly organised. Consumer groups are conspicuous by their absence. One, about which little is known, has been set up at the state's instigation by a big cloth trader. This entrepreneur already has an extensive portfolio (lodging house, cinema, computer training centre) to which he has added an element of social entrepreneurship. The other, a registered organisation, is for the combined complaints of telephone subscribers⁵⁷, most of whom are consuming telecommunications products primarily for business.

5.3 NEW LINES OF BUSINESS

At least a dozen new kinds of business sectors, replete with specialist firms, generally with small to medium capitals, have been created within the last five years. New business is highly socially differentiated, ranging from the sale of national lottery tickets (captured by scheduled castes and serving low caste coolie labour) and revamped mobile stalls ('fast food') at one end to the installation of cable TV and training in computer keyboard skills⁵⁸ at the other, not captured by any particular caste. While *none* are officially organised, these sectors reveal the role of social institutions in the consolidation of economic toeholds. Many start unlicensed in the informal economy (for lack of a regulative framework in the state) and immediately face harassment from the police. Some also operate criminally in other ways (encroached sites; illegal connections and illegal broadcasts (of film breaching copyright) on cable TV; blue videos and video copyright breaches; forged lottery tickets). Yet others are dealing in national or international second hand markets for

⁵⁷ Antiquated, unreliable technology; necessity of bribes for connections; representation over billing errors etc.

⁵⁸ Videocassette libraries; cable TV; spare parts from mopeds; computer skills; typewriting skills; xerox photocopying; STD telephone booths with fax facilities; couriers; electronics and hi-tech home appliances; global soft drinks; couriers; lottery tickets and 'fast food' (push-stalls selling rebranded snacks from north India).

the goods of global modernity (motor spares, computer components and photocopying machines) and face high risks of ostracisation by consumers because of the costs and logistical difficulties of organising the repair of high-tech commodities which are afflicted by distinctly low tech uncertainty (from wind, rain and lightning to monkeys, all of which affect satellite dishes, electricity supplies, and sensitive electronic circuitry).

New business is extremely risky. Responses to risk include attachment: depriving a firm of freedom to trade in favour of security of demand (couriers; agencies of MNCs; maintenance of home appliances) and intense relations of bribery. Here new forms of network (unconnected with caste but based on education and friendship) and new roles for locality and neighbourhood begin to play a small social role. The computer skilling centres are highly innovative. One was established by a woman, another by one of the town's two most successful cloth traders. Astonishingly, their clientele is 70 per cent rural and 70 per cent female. Given the absence of local jobs in computing, and even if elements of credentialism in the marriage market or of screening for reservations underlie this trend, it is nonetheless a major change in rural gender practices.

5.4 PETTY BUSINESS

We argued earlier that there is a class of urban business akin to peasant production (one person or family firms without wage labour or firms using a small child labour force) which occupies an intermediate position between capital and labour and which may be closer to labour than capital by virtue of its being controlled by capitalist creditors. If such a group exists its corporate politics can be supposed to resemble that of labour (discussed below) rather than capital. One of the many problems with the pursuit of the politics of petty business is that the significant number of small firms which are attached by finance to others is unregistered, hard practically to pin down or very loosely covered by trade associations dominated by their 'big' capitalist patrons. At least we can conclude with confidence that they are not organised and have no corporate economic project.

However, parts of the urban economy have not ever attracted other than petty capital (for instance tailors, tea stalls, soft drinks retailing and pedal cycle hire). They are far from being a homogeneous group for the purposes of political representation, united only by the fragility of their organisations. The association for tea stalls closed down when it was feared that the owners' sangam would provoke the creation of an employees sangam. In this case, labour was a threat rather than a factor to be controlled. The numerous tailors have a registered association, run by men although a majority are women-homeworkers, whose output is controlled by agents for trading firms which, in some cases (childrens' ready made clothes, leather gloves), export internationally. There is a serious political issue about the returns to sweatshop labour compared with those from trade which is pursued paternalistically by the association and without success. Attempts are made to regulate and ration the distribution of orders for school uniforms. Their agenda of economic claims from the state echoes that of the business elite⁵⁹, once more stressing the role of public infrastructure and spatial

⁵⁹ Abolition of professional tax; standardisation of tax payments on the basis of annual estimated income (rather than that of the busiest month), subsidised loans, allotment of shop sites

location in accumulation. Firms assembling cycles entirely from spare parts are evading sales tax and have an informal cartel which shares information about vigilance and fixes retail prices, and thereby guaranteeing returns. Soda 'factories' (producing and selling lurid, fizzy 'colour' from non too hygienic carbonated water), which have been reduced to being soft drinks retailers by the arrival of global brands, have witnessed a massive recent expansion in media-created demand. Such lines are linked to bunk stalls, sweet stalls and small finance companies. As with cycle assemblers, they are informally organised for purposes of self regulation (regulating entry, adulteration and forged brands). As with fruit and vegetables they collectively organise physical security and resistance to harassment over cleanliness. As with 'big' capital they lobby the local state for concessions (subsidised electricity and sales tax exemption). They are also corporate clients of the Chamber of Commerce from which they demand loans, since (even though few are SCs) they also are excluded from access to formal bank loans, because the latter are not given for pure trade. Taken as a group, the corporate activity of petty capital shows signs of taking a form which straddles the interests of capital and of labour in a way which is self interested for labour rather than controlling. But it is weak and unstable.

6. LABOUR

Although the town's workforce engulfs all castes, both genders and the town and village environs in a radius of 10 kms, it is dominated by SCs, vanniars and other MBCs and by men. Labour is recruited by reputation, through kin and at its most elaborate by networks within castes, based on localities and organised by maistries (male or female foremen). Yet there are remarkably few organisations representing labour: with the eye of faith there might be ten. The majority is of public sector employees (including pensioners), one kind of minority is of semi independent craft or skilled workers (electricians, handloom silk designers and job-working silk twisters) the second minority is of labourers (a small squad of marketplace coolies on the one hand, a group of weavers and a large 1,500 strong labour force in a rurally sited cotton textiles factory which has slowly been engulfed by the expanding town, on the other).

This means that most of the town's wage workers (notably the SC and vanniar labour force in the paddy-rice sector but also including employees in trading firms throughout the town, wage workers in the black economy and most female workers) are not organised at all. This large work force is either deliberately casualised in flagrant defiance of Factories Acts provisions (such that mobility between firms prevents organisation) or toils on contracts with strong intangible components of clientelage or with other forms of individualistic bonding (most commonly by debt to the employer) where the paramountcy of the 'vertical' social relation prevents 'horizontal' organisation. This then enables wage fixing to be negotiated *between employers* and imposed on workers across the firms in any one sector, thereby controlling the distributive share.

Public sector unions (electricity board and post office workers, elementary school teachers, pensioners) are effectively part of the state, when they exert influence on wages policy. They act

and preferential housing quotas, protection from harassment and eviction.

independently of the state in campaigns against unfilled posts, against the casualisation of workers, and against evasive responses to entitlements (e.g. on compensation for accidents and (frequent) delays in payment). Skilled labour organisations, where such labour operates in a variety of contractual relations with capital ⁶⁰, focus on self-regulation: in the words of handloom silk designers: ‘unity, discipline, remuneration’... The electricians organise accreditation (and therefore reputation), fix rates, exclude outsiders ⁶¹, co-operate to prevent and punish undercutting, and organise collective life insurance. All these organisations work defensively and not always successfully to exclude child labour, to resist the lengthening of the working day (in defiance of state law) and the performance of menial extra-contractual tasks ⁶² for employers. Weavers have been organised in a deeply compromising way by the ADMK. One example will illustrate: the claim in 1994 to parity in terms and conditions with weavers in the more famous silk manufacturing temple-town of Kancheepuram. In a long drawn out negotiation with employers, the local MLA ⁶³ finally announced a pre-dated capitulation. Then in the intervening period employers declared that liquidity problems forced them to raise wages by half the amount agreed (and it is very widely alleged that the MLA reaped a large proportion of the other half). Workers in the large textile mill are organised by the AITUC ⁶⁴ which becomes active every three years in response to the cycle of wage settlements in the organised sector. Frequent work stoppages due to inadequacies of demand on one hand and the opposition of the local MLA to wage rises (who intervened independently to give political support to employers) have combined to prevent any change in the terms or conditions of organised-sector labour since 1996. So apart from the opposition to communist unions by the alternating, ruling dravidian parties, it is clear first that the primary target of organised labour is capital rather than the state and that labour has a clear oppositional agenda.

Why then is labour so relatively weak? First and foremost and despite the restrictive practices of recruitment, it is a buyer’s market, owing to urban population growth and the inexorable grind of rural (landless) labour supply, whatever its social origin. It is not that organisation has not been attempted. There is a history of communist party organisation in the region, beginning with an

⁶⁰ From independent operation, through operation via agency to permanent employment in a small capitalist firm, all producing the same output and requiring the same level of skill.

⁶¹ Such exclusion may be based on different kinds of principle. While the job-working silk twisters also disseminate information about disruptive workers., marketplace coolies have edged out SCs.

⁶² Though not to our knowledge against sexual harassment, alleged to be widespread.

⁶³ Member of the (state) Legislative Assembly, belonging to the then ruling AIADMK (All-India Anna Dravida Munnetra Kazhagam - the Annadurai branch of the Dravidian People’s movement - led by the mistress of the late filmstar and political leader M.G. Ramachandran: J. Jayalalitha).

⁶⁴ All-India Trades Union Congress, the left wing ancestor of the CITU which is affiliated to the CPI(M).

agricultural labour union nearby in the early 60s and extending to the senguntha mudaliars inducted into silk weaving. As both the communist and dravidian nationalist parties split⁶⁵ so the trades unions each created proliferated. Not only did this process of divide and rule weaken the labour movement, but also the political and co-ercive power of the alternating Dravidian party was used to weaken those unions organised by communists⁶⁶. Meanwhile the Congress Party (which also split) organised labour unions and, despite the formalisation of caste redress in reservations policies, the invisibility of caste as an issue in the political economy led to the creation of Ambedkar Trades Unions to defend the position of SCs in the organised sector. In the last decade, communist-backed unions in the town have collapsed. Not only has this further debilitated labour as a class-for-itself but it gave a green light for a caste-based labour politicisation and organisation by left and communist parties with a caste based (anti -brahmin) theory of exploitation. The CPI(M) also campaigns on 'town-unity' infrastructural issues and leans towards a dravidian communal agenda rather than one critical of neoliberal ideas and actions. The town is a microcosm of Tamil Nadu state labour politics. The party composition of the local municipal council results from the combination of the caste of councillors, caste-based bloc votes and the individual party-political alignment of caste-candidates.

Even an activist and interventionist administration has been drawn into wage formation: the district collector proposed the mediation of wages by all party settlement - *koottukkuzhu* - (involving negotiation by representatives of all party-based trade unions) but this has been resisted by the political parties concerned.

7. THE POLITICAL ECONOMY OF ACCUMULATION

We have explored the social matrix of capitalist accumulation in Arni, the conceptual framework of our analysis being borrowed from the theory of the 'social structure of accumulation'. We have focused on a single component of 'social structures' relevant for accumulation, that is on organised civil society. In Arni this comprises a number of multifunctional institutions and organisations which regulate the economic and social life of the town in substitution for, or in collusion with, the state. In previous sections we have, distinguished different types of organisations according to their declared interests. In this concluding section, we summarise this analysis so as to try it against our hypothesis that organised civil society has evolved into a corporative regime of social institutions that support and regulate accumulation during a period of major structural change in the local rural urban economy.

As we saw in section 2, corporatism should be understood as being a particular form of class structure which limits class conflict and involves both capital and labour in the 'self government' of the economy. A corporative regime rests on two pillars: an institutional framework for the

⁶⁵ The former in 1964 and the latter in 1972.

⁶⁶ This is not to argue that political forces external to the Communist Parties alone were to blame for their failure to organise labour (see E.A. Ramasamy, 1977).

self-government of the economy (which is also employed to ratify a hierarchical concept of social relations and to contain political and class conflicts); and an ideological framework to minimise divergence or conflict between individuals and society, capital and labour. Ideology and institutional framework together impregnate production relations and create the overlap between economy and society that is a feature of any corporative regime. We conclude that fundamental aspects of the urban economy and society are distinctively corporatist - notably the institutional framework in which economic activity is embedded and the dominant ideology. At least they are consistent with, at most they shape the social relations of production and trade.

As we have seen, Arni's economy has lately been organised into a large number of private and state institutions covering all aspects of social and economic life, regulating it at the levels of the individual, the household and the collective. The capillary diffusion of an 'association fever' over the decade of the economic reforms among all strata of society such that few male individuals are not incorporated into any organisation and most belong to more than one is very striking. Many associations have a cross-class nature and individuals participate irrespective of their class position. This is most obvious in the caste associations but holds for others, particularly the welfare and charitable organisations. Even the internationalist Rotary and Lions Clubs, while recruiting relatively 'big' capital and professionals, are in practice 'open' to all kinds of people⁶⁷ and contribute to cross-class ideology.

Several principles of segmentation have led to a proliferation of types of organisation and of their scope and aims. The interests of culture and religion come to be organised in part through associations. Then organisations not only reflect culture and religion but also political and business objectives - indeed the latter come to dominate the organisations and the urban economy cannot operate without them. They are the expression of self government in the face of the selective regulative capacity of the state⁶⁸.

There is a strong ideological element to these groups. Alongside an economic agenda (and an integral part of it as experienced by our respondents) are the aims of practically every association to improve their own welfare and solidarity. Groups representing more economically powerful interests also aim to improve (or to be *seen* to improve) the welfare of the town itself, albeit through small acts of redistributive charity which are *also* open to interpretation as legitimating accumulation (and which may be exaggerated in self-interested histories). These attempts at self-regulation and economic governance are supported by a widespread ideology that conceals class interests under the veil of the wider interest of the 'community'. Despite the fact that it can easily be shown as such, the town is not socially construed as segmented into social classes with conflicting interests. Rather it presents itself at the ideological level and to some extent in practice as a unified body, composed of

⁶⁷ A Vanniar motorcycle repairer found it unexceptionable to belong to the Rotary Club. The global social-political character of the Rotary Club may be being subordinated to local regulative requirements and therefore being 'reworked'.

⁶⁸ What we know by the global term 'state failure' but what we need to analyse in terms of the interests successfully served.

individual parts among which there is no conflict, or only 'sporadic conflict' (which is how the tense and competitive relations between Vanniars and Scheduled Castes are described). It is worth stressing that the strength of 'town-unity' extends across religions. See, for instance, the role of muslim businessmen not only as muslims (who have collectively invested in facilities in which the state has so signally failed (such as the entirely secular teacher training institute, which has a widespread intake across religion and community and across the rural-urban divide)) but also as businessmen (in hardware, sweets, textiles and recycling) and as representatives of the town (in the Chamber of Commerce) ⁶⁹.

A very crucial pillar of the ideology which describes the town as a 'unified body' is caste, which, in the case of the urban economy of Arni, shows the same enduring and foundational importance we have emphasised for contemporary India in section 2. There is no sign yet of the erosion foreseen by Panini. On the contrary, caste is being selectively reworked to mean different things at different positions in the economic system of the town. Among SCs and MBCs, caste remains a condition of hierarchy. Physical and ritual pollution still successfully repel higher ('backward') castes from low caste occupations. They also prevent all but a handful of those associated with this contamination from access to most 'clean' occupations, from private finance and from residence and worship in upper caste localities. Caste cannot even be used openly as an idiom in the organisations struggling for income, and status for SCs. By contrast, among backward castes, caste is more a matter of difference, economically competitive and increasingly internally differentiated. Caste openly embodies the social contradictions of practices signifying a rise in social status with a calculating politics of inverse snobbery with respect to reservations and to access to the public sector of the economy. At the top, caste appears to cease to have a role to play in formal economic regulation. This does not mean that it drops out as a factor at the local apex of accumulation, only that the practice of caste continues in spheres outside those of the association ⁷⁰.

The caste association itself frequently undergoes a transformation of role. When a caste association becomes a commodity association, the two kinds of organisation may split or the caste association may atrophy. There is a relabelling in recognition of the primacy of economic interests. As *caste* the organisation continues targeting the public sector economy for jobs, keeping economic interests tightly cemented by kin as the range of occupations and of economic inequality within the caste grows. There is then, even in the case of Arni, a distinct interplay between the economy and the

⁶⁹ Elsewhere in Tamil Nadu, religious patronage forms a tactic for corporate urban representation; it is also argued that brahmanic hinduism is given a boost by the recycled profits from liberalisation (Fuller, 1998). On the first, the spatial segregation of castes in the residential and religious geography of the town constrains collective religious patronage. On the second, the benefits of temple renovation are spread widely among masons, acari-sculptors and other artisans, may boost the incomes of some priests but not necessarily brahmins 'at large'. (C. Fuller and P.J. Krishnamurthy, Pers Comm, 1999)

⁷⁰ E.g. through endogamous kinship and the intergenerational transfers of economic resources. As Reiniche observes (1996) for Tiruchengodu, so here, other non-economic aspects

caste association, which shows the flexibility of caste, the reworking and distancing between caste and religion and the adding of economic regulative functions both to the institution of caste *per se* and particularly to its association. For if castes are 'truncated and secularised' institutions which have lost their religious bearings, they are ineluctably vital as regulators of the economy.

The interplay between caste and the economy may be differentiated but it is consistent with corporatism. We think caste plays a triple role. First, it provides an ideological backcloth for the corporative 'project'. At the same time it generates (and is easily consistent with the formalisation of) the institutional structure on the back of which corporative organisations have evolved. In this urban society, caste *still* supplies the hierarchical order entrusted to the state in the Italian case ⁷¹. Through the caste system, the link between ideology and institutions is particularly strong. The ideology itself is the source of the institutions. Furthermore, caste helps in the creation of the conditions for the overlap between economy and society that is necessary to the working of the corporative project. We are not implying that because of the caste system local society cannot be otherwise than corporative, we are simply suggesting that there is a propensity for this type of organisation, that there is no major contradiction between the caste system on the one hand and a corporative form of capitalist development on the other. In fact a corporative social order may have kept many potential social conflicts under the control of local capital over a period of history when the local economy has been transformed by huge waves of capital: first by that of the green revolution (triggered by a somewhat developmental state) and later by the unplanned effects of economic liberalisation and the exuberant primary and primitive accumulation accompanying the paring back of a predatory local state.

The corporative ideological and institutional framework imprints production relations, the main features of which can be gleaned from our analysis. In summarising them here, we distinguish: 1) class relations; 2) gender; 3) the local organisation of the urban economy and 4) relations between urban economy and the state.

1) **Capital-labour relations:** The town is organised according to the needs of local 'big' capital. While not acting in concert, but being divided by sector and by caste, the local summits of capital (gullied foothills in the national context) are not weakened by such a political configuration. Rather it may be seen as the hydraheaded alignments of a numerically small sector so as to maximise tactical advantages. Witness for example the ubiquitous attempts collectively to fix and control (via the state where necessary) the matrices of market exchange in which these firms are embedded: those for raw materials, money, rates in derived markets and most particularly labour. The modalities of labour control include wage rates but also the means of increasing absolute surplus value (the terms and conditions of work, the length of the working day and week, the extent and periodicity of holidays, the use of female and child labour). Through this control, capital is able to transform labour

⁷¹ The timing is crucial because of the rapid expansion of capitalist relations in the last decade in the absence of a strong state framework to regulate it because the state itself under the alternating Dravidian parties was compromised by a project of plunder.

productivity extensively and without a rise in mass consumption⁷². In so doing capital frequently flouts the laws regulating and protecting labour, but laws are flouted routinely. It is collectively established business norms which rule, often in creative reinterpretations involving officials and traders such that laws are transformed beyond recognition. At the same time accumulation is permeated with petty crime (adulteration, chicanery with weights and measures, labels and standards, packaging and prices) and with widespread fraud particularly with respect to every aspect of taxation.

Labour is weak and not organised. Independent trade unions are almost non-existent and party political support is opportunistic (with tribute supplied to all parties at elections and tribute to the ruling party throughout its term). Associations of low castes and workers' unions are no different from big commodity associations in this respect. There is no organised mass protest or rebellion about working conditions (in relation to the length of the working day, occupational health, wage rates, child labour, sexual harassment, deliberate casualisation etc.), in spite of the fact that, as the major business associations reported, the town is close to full employment. 'Caste is the strongest trade union', but caste, even in the case of low castes, is not organising 'labour' as opposed to 'capital'. In certain castes, occupations with a long history of caste-identification are vigorously defended for a mixture of purposes, such as social identity, insurance, trust and economic reputation, job security and credit (achari gold workers, marwari pawnbrokers, saurashtrian silk merchants, sanitary workers), but extremely rarely for class identity. The commodity branding of many of the backward castes signals their relative status. But it carries no necessary implications for class position. In this sense capital is (with few notable exceptions) blind to caste as it transforms the production and circulation of commodities. Caste is becoming an instrument to regulate workers' participation in the economy, rather than to legitimate caste/class opposition or to position people in a ranking of ritual status.

There is then a sort of structural disequilibrium between capital and labour as far as class consciousness is concerned. On the one side, the capitalist class has a strong identity that is reinforced by widespread convictions about the duties of the local elites in promoting urban welfare. On the other hand, labour has a very weak perception of its class identity due first to the absence of political representation and second to the role of caste. This disequilibrium is aided and abetted by the operation of patriarchy on the one hand and the rhetoric of town-unity on the other.

2) **Gender:** While just under half the workforce is female, while a handful of businesses are managed by women, practically no business is owned by women and corporate life is intensely male.

Educated women have economic niches in clerical jobs in local government, medicine, teaching, and a toehold in the professions. It is very rare to find a woman lawyer or member of the police force. Those with other skills (such as computing) work in other towns in organised-sector firms (in Vellore and Ranipet) but neither in local business nor in local collective life except at the margins, in

⁷² Rather than intensively by means of new technology

the sex-segregated international social service clubs. There the resources they handle are not abundant. Their role is rather to buttress the ideological legitimisation of the business elite through cross-caste and class philanthropy. Women are but tiny minorities in just a few caste and trade associations and where they form an important minority (as in tailoring) their corporate affairs are managed by men, just as the interests of labour are frequently managed by capital. As labour, women are deliberately casualised and attempts to organise them are crushed.

Urban civil society therefore tends towards the reinforcement of patriarchy in the market economy. It is the Dravidian state which has provided opportunities for the relative empowerment of women, through education and through employment, though women are still conspicuous by their absence in the higher echelons of the public sector.

3) **Locality:** There are two aspects of locality which shape the organisation of the economy. Since the first wave of commercial capitalist expansion in the 60s, the town has organised itself as a social unit. But the purposes of this unity have evolved from being socially redistributivist and legitimating (in social service) via the accretion of enabling and claiming activity (as in the mobilisation over new telecommunications technologies) to substituting for the state (as in the welfare society's funds for the fire service's water supply and repairs to defective infrastructure). In its new, composite role 'town unity' is pitted against the state as much as providing a crutch for it.

The second aspect of the organisation of locality concerns its spatio-political dynamics. Those associations which are not federated operate politically at the level of local municipal government, exerting vigilance on the state and demanding infrastructure. The majority of civil social organisations are components of hierarchical federations with their apexes in state or national capitals. This has two consequences. First local organisations have access to higher levels of skill and resources in their political and economic projects. But second, they may also be construed as conduits of information and instructions from headquarters and/or mobilised reactively in a competitive political arena located outside the town. We concur with White et al (1996, p. 213) who concluded with respect to China that there are powerful impulses towards local or community corporatism, from the large city down to the small rural town which may fuel conflict with higher levels and intensify competition with other localities ⁷³.

4) **State:** Apart from the local politics of small-scope, clientelist redistribution and the important economic politics of local self regulation, the economic role of civil-social organisations is directed towards the state. This direction seems both inevitable (because of the state's formal economic roles which are both parametric and active) and extraordinary (because of its contrariness and complexity). The state in the town is empowered to organise, mediate, protect, regulate and redistribute economic resources. In so doing it redistributes economic power between the genders, shapes the fortunes of castes, creates and regulates classes and formalises locality. At same time its

⁷³ See Nagaraj et al 1996 for the competitive relations between Arni and Kancheepuram with respect to silk; see also the corporate urban branding of Arni's wholesale rice and the competition with Cheyyar over the siting of courts and colleges.

efficacy is shaped by the private social status of its officials⁷⁴. It is riddled with incompetence, arbitrariness and oppressive practices. Private interest and private discretionary power (which is encouraged by understaffing, frequent promotions of superiors and damage to lines of reporting) generates corruption. So also does the party-political capture of bureaucratic allocative power in rivers of private tribute based upon departmental co-option⁷⁵. More quantitatively important than corruption is fraud (ranging from moonlighting through payments for illegal operation⁷⁶ and the theft of public sector property⁷⁷ to serious evasion of taxes) in which benefits are shared between individual politicians and businessmen. Clearly, this is a collaborative state. But one thing its collaboration does not involve is control over the civil-social institutions described here.

Yet it is this state to which political appeal is made through caste and trade associations. There are seven aspects to this set of claims which have appeared repeatedly through this essay:

- i) prices and subsidies to combat the unruliness of market exchange (some claims being highly self interested (Saurashtrians) some paternalistic (Vanniars));
- ii) regulation (particularly of urban space (all associations connected with transport and haulage) while other aspects of the state's regulation of markets are energetically contested);
- iii) direct commercial intervention (trading in raw materials or finished products, regulation of access, terms and conditions of finance and loans);
- iv) infrastructure (not only physical infrastructure (water, drains, roads, electricity, housing) but also financial and social e.g. insurance for labour);
- v) reservations and employment (unfilled quotas for those formally entitled to benefit; appeals for the downwards reclassification of less eligible castes);

⁷⁴A condition in which personal endowments of energy, incorruptibility, courage etc may have a disproportionate impact. A characterisation of the 'private status state is developed elsewhere (Harriss-White 1996; see also Sengupta 1998)

⁷⁵Sale of (reserved) posts and college seats, commissions from advance payments to contractors, bills for non-existent work

⁷⁶Sandalwood smuggling, liquor distilling

⁷⁷ Electricity, plunder from co-operatives, tapping of drinking water

vi) collusion over the control of labour - falling short of alienating it politically (party political collusion with business elites against the mass support base on, for example rates of pay in silk and cotton textiles);

vii) taxation (imaginative efforts to reduce obligations by 'simplification' and other reforms; outright evasion; diversion of revenue into party political investments);

The sites and scale of this political activity varies, as does its success. So long as there is interest in the state's performing such roles (and such interest seems to have grown rather than fading over the decade of liberalisation), it is unlikely that reforms to the state will not face resistance. The state is too important as a focus and resource for economic aspiration to be significantly compressed or downsized.

The new assertiveness of parties and organisations representing lower castes and the democratic formal structure of authority found in many organisations does not mean necessarily or *only* that civil society is democratising, rather that, as electoral democracy deepens, a politics other than party-electoral politics is also emerging, a politics in which caste-as-economic-interest plays as significant a role as does personal aggrandisement. On the one hand, electoral politics is suffused with caste competition and caste blocs and, in this town, party political alignment and caste compete as principles for votes. On the other, the town is at a stage in its political development when electoral politics takes the shape of capitalist business requiring private investment (and a labour force of fixers and enforcers) and yielding returns not simply through the crude and time-bound mechanism of votes but through the infinitely more subtle and enduring returns to corrupt intermediation, fraud, non-compliance and contractual allocations that are possible once in power ⁷⁸.

To sum up, Arni's regime of accumulation accords with Gramsci's concept of civil society. In Arni's civil society we have found the political, cultural and ideological hegemony of a single social group - the capitalist class - over the entire society. This class exerts its hegemony with the support of an ideology based on transformations to the institution of caste. Due to the reinforcement of caste and patriarchy and the rhetorics of the town unity, economic interests and ideological factors overlap in exactly the manner Gramsci thought to be the essence of civil society. In this sense, the institutional framework of civil society is the outcome of social contradictions and conflicts, which are resolved

⁷⁸ The situation is ripening either for alienation and/or for an authoritarian response. With the caveat that we are dealing with different scales of empirical ambition, we can contrast our finding with those of White et al (1996) for China. The two cases have in common that civil society constitutes a bridge between the state and other sectors of society; that its recent proliferation is not a deliberate political project but a by-product of other social forces. Where the cases differ is that in the Indian case, these organisations are not, as in China, monopolies of privilege. As fountainheads of patronage, both the state and civil society operate both ways as patrons and as clients in the Indian case; and the relative autonomy of civil society vis a vis the state is incomparably greater in small-town India for, while it seems that in China the state can still call the tune, can suppress, permit or encourage, in India the state is unable effectively or systematically to police civil social institutions.

thanks to an ideological framework the main role of which is to gain consent for the local capitalist class. Through the caste system and through patriarchy, ideology comes to form a significant component in the local social structures of accumulation.

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Appendix:

Table 1: Private Firms, Arni 1973-1993

	1973	1983	1993
Rice mills	23	46	86
Rice wholesale	17	45	56
Rice retail	22	30	17
Groundnut mills	5	3	!
Groundnut wholesalers	16	5	!
Groundnut oil retailers	10	10	!
Other foods - factory	9	7	1
- workshops	15	262	210
- wholesalers	9	22	52
- retailers	271	273	1108
Non food agricultural products	4	4	116
- workshops	1	3	44
- wholesalers	60	114	87
- retailers	13	28	32
Silk factories	62	243	345
Handloom weavers			1141
Other goods			
- factory	!	1	41
- workshops	53	77	112
- wholesalers	25	31	!
- retailers	52	86	144
Durables - retailers	20	37	76
Fuel and Energy	12	18	59
Transport	16	38	63
Transport Repair and Service	66	98	131
Other repair and services	191	321	623
Financial Services	87	121	152
TOTAL	1194	1923	4703

NOTES

(5963)

i) Bracketed 1993 total includes 1141 handloom weavers not well censured previously, 72 educational and training establishments and 47 government offices

ii) as the urban economy changes its structure so the classification requires changing. Within-group diversity has vastly increased over the last decade.

iii) services includes professional services as well as traditional handicraft services

iv) food retailing includes petty food stalls and tea stalls.

SOURCE Original field mapping, 1973, 1982, 1993 (Harriss, 1991)

Table 2: Financial Characteristics of Sectors of Arni Business Economy, 1973 (Thous Rs)

Type of Firm	Sample size		Average Date of Start	Average Starting Capital (Current prices)	Average Gross Output (Current prices)	Total Sample Gross Output		Average Value Added (Current prices)	Total Sample Value Added		Value Added to Gross Output Ratio (Percent)	Average Labour Costs (Current prices)	Total Sample Labour Costs	
	Number	Percent				(1973 prices)	(Percent)		(1973 prices)	(Percent)			(1973 prices)	(Percent)
Rice														
Mills	3	3.4	1958	24	298	894	7.3	43.4	130	8.2	14.6	7.4	22.2	4.1
Wholesalers	2	2.3	1962	16	500	1000	8.2	15.7	31	2	3.1	5.5	11	2.1
Retailers	1	1.1	1967	5	26	26	0.2	1.7	2	0.1	6.5	!	!	!
Other Foods														
Workshops	8	9.1	1967	5.5	69	552	4.5	19.3	154	9.7	28	7.7	61.6	11.5
Wholesalers	3	3.4	1929	5	481	1443	11.8	50	150	9.5	10.4	31	93	17.4
Retailers	11	12.5	1959	6.6	297	3267	26.7	9.6	106	6.7	3.2	1.5	16.5	3.1
Nonfood agric. products														
Workshops	2	2.3	1946	6.2	50	100	0.8	8.8	18	1.1	17.6	0.6	1.2	0.2
Wholesalers	1	1.1	1970	5	36	36	0.3	8.5	9	0.6	23.6	!	!	!
Retailers	7	8	1955	5.9	71	497	4.1	6.9	48	3	9.7	1.5	10.5	2
Farm inputs														
Retailers	3	3.4	1964	15.3	330	990	8.1	21	63	4	6.4	5.8	17.4	3.2
Silk														
Factories	4	4.5	1952	62	376	1504	12.3	139	555	35	37	67	268	50
Other goods														
Workshops	9	10.2	1959	1.5	13	113	0.9	4.3	39	2.5	33.1	1	9	1.7
Wholesalers	2	2.3	1954	1	45	90	0.7	3	6	0.4	6.7	0.5	1	0.2
Retailers	11	12.5	1949	8	115	1265	10.3	13.6	150	9.5	11.8	2.5	5.8	1.1
Fuel & energy														
Retailers	1	1.1	1969	1	108	108	0.9	2	2	0.1	1.9	0.8	0.8	0.1
Transport	2	2.3	1955	7.5	9	18	0.1	6.3	13	0.8	70	3.1	6.2	1.2
Other repairs & services														
	12	13.6	1954	2	9	107	0.9	5.6	68	4.3	62.2	0.7	8.4	1.6
Financial services														
	6	6.8	1958	11	39	234	1.9	7.4	44	2.8	19	0.5	3	0.6
Total	88	100		188.5	2872	12244	100	366.1	1588	100	364.8	137.1	535.6	100

Source: Harriss, 1991

Table 3: Financial Characteristics of Sectors of Arni Business Economy, 1983 (Thous Rs)

Type of Firm	Sample size		Average Date of Start	Average Starting Capital (Current prices)	Average Gross Output (Current prices)	Total Sample Gross Output		Average Value Added (Current prices)	Total Sample Value Added		Value Added to Gross Output Ratio (Percent)	Average Value of Assets (Current prices)	Rate of Return on Assets (Percent)	Average Labour Costs (Current prices)	Total Sample Labour Costs	
	Number	Percent				(1973 prices)	(Percent)		(1973 prices)	(Percent)					(1973 prices)	(Percent)
Rice																
Mills	4	3.5	1968	46	7495	1626	20.5	584.2	1268	10.3	7.8	613	75.7	63.5	138.5	3.1
	4	3.5	1957	18	4827	10476	13.2	134.1	291	2.4	2.8	98	120.7	9	19.6	0.4
Other Foods																
Workshops	10	8.8	1970	15	210	1139	1.4	60.8	330	2.7	28.9	40	115.2	109.8	596	13.4
	1	0.9	1946	20	1410	765	1	73.7	40	0.3	5.2	700	9.2	21.9	11.9	0.3
Retailers	15	13.2	1970	10.7	535	4350	5.5	56.5	460	3.7	10.6	87	50.8	7.7	63	1.4
Nonfood																
agricultural products																
Workshops	2	1.8	1958	20	222	240	0.3	51.6	55	0.4	22.8	207	18.8	10.0	10.8	0.2
	1	0.9	1978	3	28	15	1	12.9	7	0.1	46.1	4	122.7	7	3.8	0.1
Retailers	9	7.9	1969	16.4	1359	6633	8.4	60.8	293	2.4	4.4	188	18.6	13.8	67.5	1.5
Farm inputs																
Retailers	3	2.6	1969	40	919	1494	1.9	46	75	0.6	5	919	2.1	3.5	5.7	0.1
Silk																
Factories	8	7	1954	21	5061	21968	27.7	1763	7655	62.2	34.8	5061	22.9	760	3299	74.3
Workshops	3	2.6	1975	2.2	55	90	0.1	22.1	36	0.3	40.2	55	18.3	7.7	12.6	0.3

Other goods																
Workshops	6	5.3	1967	2.2	36	117	0.1	14.1	46	0.4	39.2	7	117.5	3.9	12.6	0.3
	1	0.9	1981	60	479	260	0.3	97.6	53	0.4	20.4	70	47.1	53	28.8	0.6
Retailers	15	13.2	1973	11	645	5249	6.6	56.5	460	3.7	8.8	74	45.8	4.8	39	0.9
Fuel &																
Retailers	3	2.6	1951	17.5	5080	8268	10.4	116.1	189	1.5	2.3	317	14.1	54.7	89	2
Transport	1	0.9	1948	6	166	90	0.1	82.9	45	0.4	49.9	800	7.4	3.7	2	!
Transport repairs & services	2	1.8	1945	5.5	24	26	!	12	13	0.1	50	3	327.8	0.4	0.4	!
Other repairs & services	19	16.7	1965	2.2	35	361	0.5	11.8	122	1	33.7	15	48.2	2.4	24.7	0.6
Financial services	7	6.1	1961	18	371	1409	1.8	228.5	868	7.1	61.6	170	131.2	3.5	13.3	0.3
Total	114	100		334.7	28957	79214	100	3486	12306	100	474.5	9,428	1,314.1	1140.3	4438	100

Table 4: Per Capita Income As Multiple of Poverty Line, Arni And Region, 1983

Type of Firm/Household	Average Income per Capita as Multiple of Poverty Line ^a	Household Size
Silk - factories	95	13
Rice - mills	36	8.5
Rice - wholesalers	20	6.5
Other foods - retailers	10	6
Fuel and energy - retailers	5.6	9
Nonfood agric. products - workshops	5.3	6.5
Farm inputs - retailers	4.6	7.3
Other goods - wholesalers (1 firm)	4.4	7
Other goods - retailers	4.5	6.5
(Other goods - retailers: exceptional firm)	15.7	6
Other foods - retailers	3	6.8
Nonfood agric. products - retailers	2.4	7.9
Transport repairs & services	2.4	4.5
Financial services	2.2	8.5
(Financial services: exceptional firm)	226	6
Other foods - workshops	2	7
Other goods - workshops	1.6	6
(Other goods - workshops: exceptional firm)	85	4
Other repairs and services	1.4	6.4
Rice mill labour (male)	0.49	4.0 ^b
Rice mill labour (female)	0.35	4
Twisting factory labour (male)	0.45	4
Twisting factory labour (female)	0.38	4
Paddy firms ^c > 1 ha	1.85	n.a.
Paddy firms < 1 ha	0.92	n.a.
Agricultural labour ^c (male)	0.28	4.0 ^b
Agricultural labour ^c (female)	0.18	4.0 ^b

^a Rs 48/capita/month (Dandekar and Rath, 1971), all deflated to 1973 prices

^b Simulated household size, not real averages

^c Data for this calculation from J. Harriss (1986)

Source: Harriss, 1991

Table 5: Caste And Gender in Arni's Business Economy, 1973-93
(average per firm in percentages of total work force)

CASTE	1973		no. of firms sampled: 93, work force: 664			
	Family labour		Permanent Wage		Casual Wage Lb.	
	male	female	male	female	male	female
Forward caste/other	9	0	4	0	0.7	0
Backward caste	6	0	15	5	0.1	0
Most backward caste	6	0	14	8	6	4
Scheduled castes	3	0	0.1	0	3	6
Muslims	3	0	2	0	2	0
	27	0	35.1	13	11.8	10
1983						
	no. of firms sampled: 126,		work force: 1037			
FC	3	0	2	0	0	0
BC	12	0.3	17	3	3	2
MBC	4	0	17	3	5	3
SC	1	0	2	0	10	2
Muslims	3	0	3	0	2	0
	23	0.3	41	6	20	7
1993						
	no. of firms sampled: 253,		work force: 1955			
FC	3	0.6	0.1	0		
BC	10	3	7	2		
MBC	5	2	4	0.5		
SC	2	0.4	0.6	0.1		
Muslims	1.5	0.2	0.7	0.1		
Caste + gender unknown						57
	21.5	6.2	12.4	2.7		57

SOURCE: Field surveys, 1973, 1983, 1993.