ESSAY TWO (with Elisabetta Basile): CASTE-CORPORATIST CAPITALISM : CIVIL SOCIETY AND ACCUMULATION IN SMALL TOWN INDIA

THE SOCIAL MATRIX OF ACCUMULATION

The expansion of markets 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 - types of household - on the other. In this essay, we explore the indispensibility of one aspect of this social and political space to the character of markets and capitalist accumulation. Though this is a general question, the answer is conditioned by evidence specific to a town in South India. But before we can embark, it is necessary to justify the conceptual framework and the questions it poses for this analysis. This is the objective of the introductory section.

The exploration of the impact of social institutions on the process of capitalist 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). Since, as these authors proceed to show, the definition of the term has been contested if not confused, it is necessary to clarify both its meaning for this 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. 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] Kotz, McDonough and Reich p13.

1.1. SOCIETY, ECONOMY AND CHANGE

The framework for this account of the interplay between economy and society during the recent period of growth has emerged from research by economists into long waves, business cycles, instabilities, crises, uneven macro–economic development and capitalist trajectories in the developed world [2]. Yet its central ideas are also highly relevant to a study of accumulation which is not burdened with the objective of identifying business cycles. They are relevant to conditions of underdevelopment, and to the question of backward capitalist trajectories in which capitalism has developed but without high levels of mass consumption (at least as understood in the west). While orthodox economics externalises the regulative environment, the school of 'social structures of accumulation' (SSA) challenges the conventional triple reductionism of capitalism to markets, of markets to the economic domain and of economic markets to supply, demand and prices. It 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.

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

While accumulation regimes are associated with institutional stability, institutions (known here as '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 crises [3]. 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, and the dominant culture or ideology (which legitimates the division of labour and the distributive share and which legitimates the reproduction of society). At the core of this ambitious intellectual agenda is a question about how this slowly but continually changing set of structures ensures or undermines stability. It does this by reducing class conflict, conflict within capital and conflict between concentrations of, or sectors of, capital. Collective action by capitalists is argued by the SSA school to be a function of class conflict. Yet co-operative activity is always in tension with competition. It also co–exists with, and competes against, the collective resistance of labour.

In this essay, using a micro level snapshot derived from a survey of business associations and from business histories, we will develop the framework of 'social structures of accumulation' to map the social structures relevant for accumulation in small town India. We ask : *within*

[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, the mode of regulation becomes inadequate 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). 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.

the set of institutions underpinning capitalist accumulation, what is the role played by civil social organisations? How has civil society sustained or sabotaged the dynamic process of capitalist transformation and if sabotaged, then how are such institutions being transformed, how recently and why?

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, un-accountability and corruption (p. 2). They also draw the important distinction between a sociological understanding of civil society as an intermediate realm between, on the one hand, the state and its small scale components (the space occupied by church groups, women's institutes, sports clubs, community associations etc), and, on the other, a political conception 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 from 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 turns on the many ways in which the state is seen to relate to civil society, while the relevance of the whole concept depends on the terms of the juxtaposition itself (Keane, 1988).

So we need to summarise the well-known debate between Hegel and Marx which nurtured Gramsci's conception of civil society, the one used 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 law 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 against 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. Gramsci turned Marx on his head and argued that structure is subordinate to super-structure. W*ithin* 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 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 state [5].

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

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

[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 phases in the historical process of 'progress'..

conflicts on the one hand, and of the ideological factors by which consent is gained and interests are imposed, on the other. Ideology therefore becomes a major component of the institution-building process.

This vision of civil society is consistent with the approach of the 'social structure of accumulation' school in which structures or institutions are a major tool by means of which conflicts within the capitalist system are regulated in order to be compatible with the needs of accumulation. They therefore ensure growth and stability. In creating forces countering the tendency to crises, social structures are underpinned by ideology and culture. In this essay we will use the Gramscian concept of civil society for two purposes: first, to characterise social institutions and the social relations which regulate the market economy; and second, to examine the role of ideological and cultural elements 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 described above gives first priority to the interaction between culture and ideology on one side, and institutions and organisations on the other. While the theoretical relevance of this interplay for the process of accumulation, is clear, we now need to relate it to a specific context : the development of small town capitalism. 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] characterised by *both* 'continuity and change' (Fuller, 1996b). Since the very principles of caste are disputed (along with the notion that there 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

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

assessing it as a *system*. The impact of caste on Indian economic performance has also been the subject of a long debate. Concepts such as the "Hindu rate of growth" (Raj Krishna) and the "Hindu equilibrium" (Deepak Lal) have been introduced 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[7], seeding hypotheses about determinants and consequences. A summary of this literature will help complete the framework for our 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 a constantly changing principle of Indian society. 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'. Through caste, not only is Indian society still organised hierarchically, but also customary law, religion and morality become the means whereby the individual is subordinated to the collectivity (Béteille, 1996). Three kinds of change in caste relations are relevant to the economy, though not directly due to economic change. First 'modernisation' by which is meant - inter alia- an increasing dissociation of castes from their hereditary occupations. While *'modernisation'* has undermined or transformed the way castes are organised, it has also revealed its 'tremendous flexibility' (Jayaram, 1996). Caste still persists as a fundamental principle of social organisation [8]. The processes which substantiate this transformation are rooted in ongoing religious change, and in change in the relation between Hinduism and the caste system, many 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,

[7]Mendelsohn,1933; Jayaram, 1996

[8] Along with patriarchy , which we do not have the space to consider (see Clark, 1993; Kapadia, 2003).

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). 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 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 [9].

[9] 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.

The *secularisation* of caste then spells a separation of the Hindu religious sphere from the social sphere. As Béteille suggests (1996, p158), the caste system has been 'truncated' and its 'future lies 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 markets proliferate. 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. Ahistorical explanations are being sought in the distribution of skills and resources and in the imperfections of the labour markets, in the control of individuals over information on economic opportunities and in a logic of material support rather than in the caste hierarchy (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 (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) has argued, 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 the discourse and cultural referent of caste. 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 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 political referent.

Fascism is widely understood to involve authoritarianism, nationalism, social control and pacification and the domination of the state. But a less widely appreciated but nonetheless crucial component was the marriage between an authoritarian political regime and an economic structure. Recent research on Italian *economic* fascism complements the common understanding of *political* fascism [10]. Corporatism is one of two means whereby the fascist state controlled and tried to accelerate accumulation. The first was a complex attempt by the state deliberately to fashion class structure under strong state control. The second, corporatism itself, provided a 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 so did labour.

[10] 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.

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 for the de-legitimation of class struggle. Through the system of the guilds, workers were forced into the governance of the economy and the economy was controlled by a hierarchical system of social relations. [11] For its proponents, the corporate construction of the economy constituted 'modernisation' . It was sometimes even termed ‘Americanisation' by critics of fascist economics. For others, the close congruence between economy and society distinguished it from modern 'market society' (Polanyi, 1944 p71) in which the economic institutions which regulate markets are seen as 'separate from society'. The corporatist economy might be seen as a 'pre-capitalist' institutional framework. However, as Gramsci [12] points out, corporatist institutions also justified the ruthless removal of all points of class conflict, such that corporatism can be recognised in its true splendour as a class ideology operating by apparently refuting the very foundations of class conflict.

All this may seem far removed from contemporary India but it is deeply significant to our project. Organisations of economic interests may be created by and controlled by the state for its project of accumulation [13]. Or they may be condoned by the state. Such institutions may not necessarily contribute to the democratisation of society. Instead they may protect the power of capitalist elites and at the same time mediate between potentially conflicting interests. Attention is then drawn to the relationship between caste as a system of organisation of occupation and its evolving relation to the state.

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[11] 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.

[12] Quaderni del Carcere, I (XVI) p.125.

[13] See the concluding chapter of White, Howell and Shang, 1996

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), ii) while in an economy in which the parameters of accumulation are rapidly changing – as in liberalising India at the turn of the 21st century – social institutions may be being rapidly reworked, the central question is the modalities by means of which the institutions of civil society support or shape accumulation. With the exception of trades unions, the literature on social structures of accumulation and on the economics of institutions has paid scant attention to the role played by organised collective economic interest, in particular, the potentially corporatist character of guilds, which is the focus here.

2. DATA: HOW 'GIVEN'?

We have considered several ways of organising an analysis. Now we turn to the institutions we study. Our material is a systematic set of histories of almost all the groups and associations with which the markets of a small town are linked and in which they are embedded: business and political institutions, civil society organisations and associations. These histories trace the agendas of these collective institutions. Conspicuous by their absence however are accounts of the micro-politics in which these agendas have emerged. The material was gathered in 1994 and 1997 and relates in turn 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 enterprises[14] (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 property rights, the organisation of the state,

[14] Stratified by neighbourhood and economic sector

of families and of households. Though it exists conceptually, it is also next to impossible to identify the 'structural' double boundary which separates the process of accumulation from the social institutions in which it is embedded and which separates the latter from other social institutions which regulate social life more generally. Indeed our evidence gives reason to doubt it exists. Furthermore, to consider the role of all significant social institutions such as caste, locality, gender and economic building blocks (such as firms) through which production and markets are organised would turn this already plump essay into a bulky book[15]. In focussing on the institutions of collective action we are conscious that important parts of the story may be left untold.

[15] See Harriss-White, 2003 for a first attempt to tell such a story.

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. Conventional 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. 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 through their debt relations and who, like peasants, may be wage labour in disguise, dependent upon merchant's or finance capital for their reproduction. These are but a few of the ways in which *class* may be de-prioritised in those business associations which cross class interests. The interests of capital may be considerably concealed by being presented in an organised form as those of labour. 'Unions' apparently of workers may actually be organised by employers. Furthermore, 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, castes are organised into formal associations, then sometimes apparently de-linked by being re-labelled in terms of occupation. We admit to knowing too little about how caste is played-down in this process. Second, 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. 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'.

These institutions line up in five domains as follows:

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

The era of liberalisation and globalisation in India has not only opened up new 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 other. Because of the centrality of class in the economy, the analysis which follows uses class as its spine [16].

3. THE TOWN

[16] An insight due to M.S.S. Pandian, 1999

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 transient workers and visitors and by regular commuting from a ring of villages. These strenuously resist incorporation into the 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.

Between 1973 and 1993, the number of businesses visible to our census record in Arni trebled. A business census of the social and economic town in late 1993 revealed a staggering transformation in its economic base over the previous decade. A number of agricultural and 'traditional' artisan activities 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 stagnated. The activities comprising the economic base ten and twenty years ago had consolidated their position: rice mills doubled in number as had food wholesaling firms and durable consumer goods retail units. Urban silk manufacturing units increased by 50 per cent and spilled over massively into the countryside. Deregulation led to a threefold increase in fuel depots, and increased real incomes led 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.[17] In 1993, the town could 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 to the booms in animal feed for urban livestock and in slaughter houses for imported as well as local meat: they are all 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 back-streets.

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 [18].

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[17] By 2003, computers had been installed in all the top firms, there were two internet cafes and three cash dispensers

[18] See Harriss and Harriss, 1984 for an elaboration

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 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 scale of local capital was being accumulated.

The vast mass of businesses are family firms with small labour forces. The average number of livelihoods (7 to 8 per firm) did not change much over the period 1973-93. The proportion of small *purely* family firms (petty commodity producers and traders) rose from 28 % to 35 %, while the proportion of family labour in the entire labour force remained static at around a quarter (see Appendix Table 5). While all owners of capital were active workers, the composition of this work force altered with the entry of a small number of 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 increased from 23 % of jobs to 57% between 1973 and 1993. Most Backward Castes and Scheduled Castes make up around 80 per cent of the casual labour force. Over and above the 35% of family firms which are single caste by definition, a further 10 to 15 % of firms only employ labour of their own caste. In the great majority of firms in which labour is hired, workers form an emulsion of caste, though certain employers still refuse point blank to hire scheduled caste labourers.

In the nineties, the town was engulfed 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 small capitalist firms depends on resources which in part depend on non-capitalist forms of exploitation, notably of un-remunerated female family labour.[19] Second, a significant element in these initial resources, even when acquired in the modern economy, is got in 'primitive' ways through the crime, fraud and corruption that routinely characterises Indian capitalism (Harriss-White, 1996, 2003).

4. THE POLITICAL ECONOMY OF COLLECTIVE LIFE

While, at the time of the first survey in 1973 there were about a dozen associations, by 1997 the town had some 60 institutions of collective action most of which were 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, 1997

n=61

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

[19] Their marriage transfers supply starting capital, they may work at cooking food for the labour force etc.

Group sizes vary 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 resources. Membership and resources are not correlated statistically at all. These resources are continually supplemented on an ad hoc basis through whip-rounds when needed (e.g. for emergency relief or political purposes). In 1997 these societies collected and disposed of Rs 37 lakhs (3.7 million or £54,000). In addition, many have quite separate but sizeable rotating credit associations (chit funds) and insurance activity (e.g. for funerals). 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 had 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. These hierarchies are structured in a non-congruent way according to a plurality of principles [20]: in no particular order of significance:

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).

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

We have used the political classification [21] and will first examine the activity of caste associations together with those commodity associations which are exclusive to, or dominated by, members of a single caste.

4.1 SCHEDULED CASTES

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

[21] 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 well into the nineties, scheduled caste people have referred to themselves as *harijans*, (Gandhi's label: 'children of god'). It is a label considered outmoded for its paternalism elsewhere in Tamil Nadu as in India 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 chakkliyans (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	
	Forward Castes					
	Brahmins Iyer Iyengar					
Vegetarian	Gurukkal/Madhra (temple priests)		Marwari			
	Tuluva Vellalar Agamudaiya Mudaliar (business)	Karuneekar (accountants)	Tamil Nainars			
	Acari (carpenter, blacksmith, goldsmith)	Chettiar (weavers)				
	Backward Castes					
	Saurashtrians (silk)	Agamudaiya Mudaliar (agriculture)				Sheik
	Naidus	Senguntha Mudaliar (weavers)		Caste Converts	Urdu Speaking	Pathan
Mutton	Vannia Chettiar					Mohammed
	Most Backward Castes					
	Vanniars (gounders)	Barber (panditar) Fishermen (Natar)				Sayeed
	Yadava (pillai)	Washermen (Dhobi) Potter (Odeyar)		Scheduled Caste Converts	Tamil Speaking	Labbai
	Tribe					
	Irula					
	Scheduled Castes					
	Paraiyan (drum beaters)	Chakkilyar/Arundathiar (cobbler)				

Beef	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 have lived on total annual incomes under Rs 12,000 (£178 in 1997). Of the 50 per cent of public sector jobs reserved for castes other than 'forward 'ones [22], 18 per cent of posts were reserved for scheduled castes and 1 % for scheduled tribes. The most menial and essential sector of the urban economy, sanitary work, is the preserve of SCs and paid for by the local municipality. The dirtiest kind of work - the manual removal of excrement from latrines - was still being carried out by eight SC women (though this practice had been stopped by the current government at a cost of Rs 20 crores (£2.9m) by the year 2000. SCs carry on with butchery, leatherwork and cobbling, the 'traditional' occupations of some (for scheduled castes are also caste-stratified). 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 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 silicaceous 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

[22] 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.

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 weavers [23]. 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 remains that of 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.

Economic aspirations are expressed **not** by means of caste associations but instead through modern occupational associations and through political parties. We have details for eight such organisations [24] 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) collectively 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

[23] Nagaraj et al 1996

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

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 politics of occupation 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 varied 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 the 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, coerced and informal kind of ‘privatisation’).

The acute shortage of workers given the size and growth of the town, the relatively high pay [25] 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 casualisation. The association campaigns in a paternalistic way about the conditions of this unorganised labour.

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

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 markets cannot function, 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 avoiding official 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 the under-fulfilment 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 common [26]. 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

[26] 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.

'formal' codes of behaviour (uniforms, sobriety, rate fixing, the exclusion of outsiders, privileged ties with clients etc).

Scheduled castes rue their lack of 'unity' [27] 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, greengroceries and portering between scheduled castes and the most numerous backward caste, the vanniars (see below). The party has successfully organised the 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 both before and after marriage) than do young men [28]. 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, all of which would require concessions from the locally dominant castes.

[27] 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'.

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

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 [29]. Market exchange may also rework caste by transforming a set of socially endogamous sub-castes into a single economic interest based on trade in relatively new and rapidly expanding commodities. The latter need certain properties that we termed 'quiddity' in the first essay. Fruit and vegetables are an example. At the point of retail sale, their contents - what is to be consumed - are physically and ritually 'protected' by their skins .

The socially destructive aspects of market exchange appear to progress 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. Even 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 [30]).

[29] Nagaraj et al 1996

[30] 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 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 state employees [31] and by state employees against SCs in the urban market economy. 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 (as it tends to be by SCs). When SC 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 challenges discrimination. Finally collective representation can be 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 (but which use the *alias* of occupation) also embody support for the modernist developmental

[31] Reservations not filled, casualisation, threatening ‘teasing’ with memos, transfers and suspension orders, complaints about cleanliness and uniforms, faked unauthorised signatures etc.

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 an 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 entitled to 11 per cent of public sector jobs [32]. The vast majority - an estimated 96 per cent of households - were estimated to live on less than Rs 24,000 a year (£352 in 1997). 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); some have ironing shops or mobile stalls; some barbers have modern hairdressing saloons and 'sound services' (since their secondary occupation has been 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

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

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. Most of this work involves hard physical labour. There is a longstanding tension between vanniars and scheduled castes based on competition for employment [33]. 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'[34]. We will look at the biggest caste association, that of the vanniars, and at two caste-pure occupatioal or commodity associations: barbers and washermen, one commodity sangam (lorry owners) and will discuss the other associations with reference to our case material.

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 (aligned in 1997 with the BJP and then in opposition in Tamil Nadu). They dispose of even more insubstantial sums of money than the scheduled castes.

[33] See Radhakrishnan, 1996

[34]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 similar [35]. The currently ruling DMK party is hostile to the project of the Vanniar caste association [36] so the latter has turned 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 urban-rural which would require state mediation : 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 commodities traded through the public distribution system [37]. 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, when women may have their heads shaved. 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 town [38]. The sangam also organises

[35] Literally the party of toiling labour, resonating to, though formally different from, the 1952 ‘Toiler’s Party’ of the gounders.

[36] 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.

[37] 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..)

[38] 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

collective welfare for funeral expenses. By contrast, the Washermens' union targets the state to provide collective property (a washing shed), to enforce their reserved rights to wash hospital linen and for subsidised house sites and raw materials (none of which had been achieved by 1997). It also campaigns to be reclassified as a scheduled caste in order to benefit from reservations and educational policy (also not achieved).

Fridays and those with living fathers on Mondays) It is being resisted both by barbers and their now heterodox clientele.

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 involving many castes, though few in a given locality. This association regulates wages for employees. Lorry owners overload their vehicles, a practice which generates institutionalised crime and corruption. The association collects bribe money to press its campaign for the abolition of check posts within the state [39] (and thereby to quash the decentralised bribery of check-post guards and also a deal of police harassment based on the check-posts, which in turn provokes lorry owners to develop private forces for the security of drivers and loads). Pending success, it also campaigns for the regulation/systematisation of bribes and fines at check-posts especially those for overloading [40].

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 [41] 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.

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[39] 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-dictrict movement of commodities under the Essential Commodities Act; as well as to check on loads and road worthiness.

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

[41] 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)).

To sum up: Among the most backward castes in the town, caste is a male, economic institution 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 smooth. 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.

MBC Caste associations long predate commodity associations. The clearest difference between caste and commodity associations is that the former are the vehicle for the inverse-status campaign for a lower ranked classification in order to claim reserved public sector employment [42]. Both caste and caste-based occupational associations engage not only in insurance but also in redistributive activities which are integral to their roles and which are construed as expressions of solidarity, welfare or philanthropy. Though the transfers involved are usually small (smaller than the occupation-based welfare doled out by owners of firms), some have an 'international' reach as with the 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 their low incomes.

[42] As explaind earlier, it does not follow that MBCs lack upward collective aspiration in relation to society at large.

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 allied with the ruling and liberalising BJP-led coalition!). As for scheduled castes, the state is the political resource for the privately self-interested project for a pro-rural price structure and for preferential reservations. In neither case 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. Local MBC capital 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, these resources are recycled in political patronage, conspicuous consumption or economic investments.

4.3 BACKWARD CASTES

One third of the town comprises 'backward castes'. They are the most agriculturally landed and the most economically differentiated. While half these households subsisted on annual incomes below Rs 24,000 in 1997, some 3 per cent (1,500 people) belong to households bringing in more than Rs 1 lakh [43], and many made very substantially more than this [44]. Wealth, notwithstanding, these castes are currently eligible for 20 per cent of places in the state public sector [45]. 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,

[43] 1 lakh = 100,000

[44] There are *crorepati* in the back streets of the town.

[45] Or 30 % of the previous 69 % of reserved positions.

here they are further differentiated in status, forming roughly equally sized groups of five vegetarian castes [46] and three non-beef, meat-eating castes [47]. Equality in numbers does *not* carry income equality with it: 60 per cent of non-vegetarians BCs were 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, the urban business elite considers itself to be non-local in origin. Capital is being 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 district - making ornaments of worked gold and jewels and less exclusively running the pawn broking sector in and off the shroff bazaar, the C19th central business district.[48] 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

[46] Veera Saiva Chettiars, Tulluva Vellalar Agamudaiyan Mudaliars (both groups in trade), Jains (pawnbroking), Acaris (goldsmithing), and Karuneekars (former village accountants).

[47] Senguntha Mudaliars (weavers); Saurashtrians (silk merchants); Ahadudaiyan Mudaliars (cultivators and rice traders) and Vaaniar Chettiars (oilpresssers).

[48] Stanley, 2002. This is an example of a specialised industrial cluster that is found in most towns but which is not specialised by location.

wealth and the capacity (physically) to protect one's interests [49]. That caste is not a regulative force 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 noticeably more passive role in economic management than do those of the MBCs and the organisations of SCs.

[49] On this see Reiniche, 1996 for Tiruchengodu

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 right across South India in the cases of widely dispersed and/or migrant castes. Each is composed of members differentiated by both occupation and wealth. The structure of authority is loose [50]; 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 aspects of the others in relation to the 'model' provided by this caste.

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: Saurashtrians wish to be reclassified as a MBC and to systematise the bribe necessary to migrate to Chennai and take up reserved jobs there [51] and ii) preferential subsidised access to loans (for independent weavers). The association is a unit for inter-caste 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 professions [52] 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,

[50] 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.

[51] Said to be Rs 5-6 lakhs (£5,350-8,823)

[52] Medicine, law accountancy and engineering. There is one Saurashtrian teacher living in Arni but working elsewhere.

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 status[53], 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.

In sum: caste appears to have different kinds of significance at different points in the caste hierarchies and the market 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 protracted 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 and national) sometimes requiring organised bribery and fraud (particularly over taxation). 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

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

Non-Brahmin forward castes, unentitled to reservations, comprise some 10 per cent of the population: the karuneekars (erstwhile village accountants) and Tuluva Vellalar Agamudaiya Mudaliars (TVAMs), which, 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 purposes within the caste: for equipment, clothing, the provision of pensions and also 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 Assocation (which compensates for state failures by subsidising schools and repairs to infrastructure). Together, they act in three ways: i) self-organisation (Succeeding in the prevention of dumping by medical wholesalers; colluding against undercutting on prices; but making unsuccessful attempts to prevent sales of banned drugs and sales without prescriptions); ii) engagement with the state (streamlining 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 out 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 lived on less than Rs 24,000 per year and there were no declared lakhaires in 1997. Although brahmins are 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 anti-brahmin 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 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 de-skilled 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 accumulation. As professionals, they service it.

5. CAPITAL

Now we turn to consider collective action organised on principles other than caste, pre-eminent among which is 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) highly concentrated configurations of urban capital do not necessarily align together politically 'for themselves' to achieve economic goals;
ii) the phenomenon of disguised wage labour in the crowded substrate of petty production and trade.
iii) much of the business economy is trade-based, trade which is 'necessary but unproductive' in classical class schemas. [54]There are four approaches to this problem : ignore it; acknowledge that tendrils of production reach into the mercantile sector and that on account of its impurity 'commercial capital' can be treated as capital in the identification of class [55]; re-conceptualise class in terms of relationship to the means of distribution [56]; re-conceptualise economic stratification empirically in terms of actually existing groups of business [57] . There is little option for anything other than this last course of action here.

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

5.1. LOCAL BIG BUSINESS ASSOCIATIONS

[54] Harriss-White, 1996

[55] (Processing, storage (preventing deterioration) and transport (productively relocating exchange value)) Harriss 1981

[56] Leplaideur, 1994

[57] White, 1977

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. It is not merely that virtually every local, registered, legitimate, big business has its black, informal activities but also that particular sectors are 'very black': notably buses, cinema, liquor, finance and pawn broking. 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 quite normal to find private overloading, the under-declaration of ticket revenue, informal extensions of state-allocated routes (of which more later), the predatory capture of routes, poor standards of vehicle maintenance, unlicenced 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. They are how markets work.

Theirs 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 (at least) 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 with scant reference to state laws. In certain cases (such as gold and rice mills) physical security, without which market exchange and transfers of property rights cannot take place, is collectively organised. In this way, open competition in market exchange is reduced and rates of profit are 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 officials and 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 resources (loans, 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 of state to market and market to state. By such means, an elaborate and extensive collection of private tribute is developed. It ranges 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. Bus fares are capped by administrative fiat. Administrative corruption over time ensured a 'clearing response' type of

Figure 2: Economic Activity of Organised Local 'Big Business'

Sector	Date of organisation	Auto Regulation				Interaction With S		
		Inf	Physical	Price	Contract	Prices	Infra	State Trading
a) Jewels/Gold	1960	✔	✔		✔			
Rice Mills	1960			✔	✔			
Wholesale Food					✔			
Silk Mfg	1963			✔		✔	✔	✔
Buses	1989			✔	✔			
Cinema	1991			✔				
b) Chamber of Commerce	1989						✔	
Small Industries Assocn.						✔	✔	
				Linkages			**Infrastructure**	
c)								
Lions	1971			business/international				
Lionesses	1977			wines/international				
Rotary	1985			professional/public sector/ international				
Welfare Development Committee	1989			local ginger group			✔	
Town Welfare Society	1992			professionals, linked to Lions			✔	
Inner Wheel	1995			Rotarian wives/ international				
Consumer Protection Society				(state) business				

prioritisation of routes according to returns, net of wear and tear which matched the ranking of bribes. In the next phase, the state's role of discretionary rent-seeking was subjected to political capture. Politicians have inserted themselves as regulators and fund-collectors. Routes are doled out periodically in 'public' meetings of politicians and bus owners and according to the latter's **individual** roles in electoral and party political funding. Politicians command the administration and capture the private rents the administrators used to gather. Even more recently, the **collective** political investments of bus owners themselves have had returns reaped in the form of discriminatory policy changes timed to disadvantage the state's own public sector bus transport and to favour private owners. Officials also turn a blind eye turned towards primitive and illegal business practices. This is a more subtle form of corruption [58] in which the state subverts its popularly mandated development project to powerful economic interests. But political corruption may bypass the bureaucracy entirely, when the implementation of favours from corrupt alignments of business and politics is administered according to political command in a legal manner.

In the seventh aspect of trade association politics which bears on accumulation, 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 a specific request from a party. These resources are used to pacify and faciliate. '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 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 claims of high quality and specific attributes on the one hand and a less than highest class mass final market on the other.

[58] Theorised by Kahn, 1996 and by Roy 1996

Capital is far from dissolving or destroying caste [59]. While it might appear that caste is neither occupationally determining nor an entry barrier, in actual fact, control over the biggest local capitals is restricted to a narrow band of castes. Rice milling for instance is dominated by TVAMs and Veera Saiva 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 rather rarely as labour) while at worst caste is a more powerful social stratifier than class. Caste is also capable of constraining accumulation. It operates through the prevention of entry and 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.

[59] Mendelsohn, 1993 and Panini, 1996

To sum up with caution: the economic base of the town is far from being completely corporatised. Almost all private finance is unregistered and unorganised ('We avoid organisation to avoid the police'). Other sectors not regulated through associations are hotels (vegetarian eating places) one of whose owners told us: 'There is a Madras sangam which raids us for collective bribes to reduce sales tax', also 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. Caste reservations are completely missing from the political and economic agenda of the local capitalist elite. 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: between the collective and defensive corporate finance of politics and individual contacts and political-cum-financial relations combined with collective bribery. 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 its insecurity. The state harasses big business for good reasons (the prevalence of economic crime [60]) as well as for bad ones (the prevalence of opportunities for mutually beneficial fraud and corruption (liquor, gold, essential commodities, transport).

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

[60] B. Harriss-White 1996

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, see 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, happen to be 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 insodoing 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 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 who are 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 strikingly 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 this element of social entrepreneurship. The other, a registered organisation, is for the combined complaints of telephone subscribers [61], most of whom are consuming telecommunications products primarily for business. The political weakness of consumers speaks volumes about where power lies in this market economy.

5.3 NEW COMMODITIES AND SERVICES

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

At least a dozen new kinds of business sectors, replete with specialist firms, generally with small to medium capitals, have been created in the last decade of the 20th century. 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 skills [62] at the other, not captured by any particular caste. While *none* are officially organised, these sectors reveal the role of social institutions in the fixing of economic toeholds. Many start unlicenced 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 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 (running all the way from wind, rain and lightning to the pranks of 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 bribery to reduce the risks of state harassment. 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 regulative 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

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

credentialism in the marriage market or of screening for reservations underlie this trend as is very likely, it is nonetheless a major change in rural gender relations.

5.4 PETTY BUSINESS

We argued earlier that there is a class of urban business akin to peasant production (one person firms or small 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 extensively 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 (and are in some way clients to their creditor patrons) or very loosely covered by trade associations dominated by local 'big' capitalists is hard practically to pin down. At least we can conclude with some confidence that they are not organised and have no corporate economic project.

However, parts of the urban economy have not ever attracted any scale 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. What they have in common is 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 an effective political threat rather than a factor to be controlled. The numerous tailors have a registered association, run by men although the majority of tailors are women-homeworkers. Their output is controlled by agents for trading firms which, in some cases (children's ready made clothes, leather gloves), export internationally. There is a serious political issue about the returns to sweatshop labour compared with those from trade (especially export trade) which is pursued paternalistically without success by the association. Attempts are made to regulate and ration the distribution of orders for school uniforms. Their agenda of economic demands on the state echoes that of the business elite [63], yet again stressing the role of public infrastructure and spatial 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 guarantees returns. Soda 'factories' (producing and selling lurid, fizzy 'colour' from none 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. The new global lines are retailed from 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 vegetable sellers, they collectively organise physical security and their resistance to local government 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. Bank loans 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. But it is weak and unstable.

6. LABOUR

Although the town's workforce engulfs all castes, both genders, the territory of the town and the village hinterland to 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. It is based on neighbourhood and locality and organised by maistries

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[63] 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 and preferential housing quotas, protection from harassment and eviction.

(male or female foremen). There are remarkably few organisations representing labour: with the eye of faith there might be ten. The majority of these are for public sector employees (including pensioners). Others are of semi independent craft or skilled workers (electricians, handloom silk designers and job-working silk twisters) and few for wage labour (a small squad of marketplace coolies, 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).

This means that most of the town's wage workers (notably the SC and vanniar labour force in the paddy-rice sector but also the employees of trading firms throughout the town, all wage workers in the black economy and almost all female workers) are not organised at all. This large work force is either deliberately casualised in flagrant defiance of Factories Acts requirements, or it 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. By this means, employers control the distributive share: the relation between total wage costs and profits. [64]

[64] Profit is the residual claim to working family members.

Public sector unions (electricity board and post office workers, elementary school teachers, pensioners) are effectively part of the state. Yet they exert influence on wages policy. They campaign 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 for capital [65], 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 [66], co-operate to prevent and punish undercutting and organise collective life insurance. All these organisations work defensively and not always successfully to ban child labour, to resist the lengthening of the working day (pushed by employers in defiance of state law) and the performance of menial extra-contractual tasks [67] for employers. Weavers have been organised in a deeply compromising way by the ADMK. To illustrate: in 1994, weavers claimed 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 [68] 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 proportion of the other half). Another instance of workers in the large textile mill who are

[65] 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.

[66] Such exclusion may be 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.

[67] Though not to our knowledge against sexual harassment, alleged to be widespread.

[68] 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).

organised by the AITUC. [69] The union becomes active every three years in response to the cycle of wage settlements in the organised sector. Inadequacies of demand and the opposition of the local MLA to wage rises (who intervened independently to give political support to employers) have contrived to prevent any change in the terms or conditions of organised-sector labour since 1996. Work stoppages flare up as a result. So, apart from the opposition to communist unions by the alternating, ruling dravidian parties, it is clear that the primary target of organised labour is capital rather than the state and that labour has a clear oppositional agenda.

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

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 the rural (landless) labour supply, whatever its social origin. It is not that organisation has not been attempted. But its very organisation has fatally weakened the power of labour. There is a history of communist party organisation in the region, beginning with an 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 split, [70] so the trades unions each party created proliferated. Not only did this process of 'divide and rule' weaken the labour movement, but the political pendulum between the alternating Dravidian parties was also used to weaken those unions organised by communists [71]. Meanwhile, the Congress Party (which also split) organised labour unions and, despite the formalisation of caste redress in reservations policies, the lack of visibility of caste as an issue in labour politics 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 also gave a green light for a caste-based labour politicisation. Left and communist parties also started organising labour with a *caste based* (anti -brahmin) theory of exploitation. The local CPI(M) is not above campaigning on 'town-unity' infrastructural issues and is leaning 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.

[70] The former in 1964 and the latter in 1972.

[71] 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).

7. THE POLITICAL ECONOMY OF ACCUMULATION

We have explored the institutional 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 focussed on one single component of the 'social structures' which regulate markets in the interest of accumulation. This component is organised civil society. In Arni this comprises a number of multi-functional institutions and organisations which regulate both the economic and the 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 and try it against our hypothesis that organised civil society has evolved into a corporatist regime of social institutions that supports and regulates accumulation during this period of rapid growth 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 by several means involving the involvement of both capital and labour in the 'self government' of the economy. A corporatist regime rests on two pillars: an institutional framework for the regulation of the economy (which also ratifies a hierarchical concept of social relations and contains political and class conflicts); and an ideological framework to minimise divergence or conflicts between individuals and society, between capital and labour. Ideology and institutional framework together impregnate production relations and create the congruence between economy and society that is a feature of any corporatist regime. We conclude that this institutional framework in which markets are embedded and the dominant ideology are both corporatist. At least they are consistent with, and at most they actively shape, the social relations of production and trade.

The local economy has of late 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 among all social strata of an 'association fever' over the decade of the economic reforms - 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 case of 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 people [72] and contribute to the cross-class ideology of town unity.

[72] A Vanniar motorcyle repairer found it unexceptionable to belong to the Rotary Club.

Several principles of segmentation have led to a proliferation of types of organisation, an expansion of their scope and a diversification of their aims. The interests of culture and the practice of religion come to be organised in part through associations. These organisations evolve so that they reflect not only culture and religion but also political and business objectives - indeed the latter come to dominate the organisations. The urban economy cannot operate without them. They are the expression of self-government in the face of the selectively weak regulative capacity of the state [73].

There is a strong ideological element to these groups. Alongside an economic agenda (and an integral part of the practices of economic regulation 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. [74]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 segmented into social classes with conflicting interests, the town is not socially construed as such. Rather it presents itself at the ideological level and to some extent in practice as a unified body, composed of 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 were described to us by both). 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, (they 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

[73] Economists use the term 'state failure' but selective state regulation needs to be analysed in terms of the interests successfully served.

[74]They may be exaggerated in self-interested histories.

as businessmen (in hardware, sweets, textiles and recycling) and as representatives of the town (in the Chamber of Commerce) [75].

[75] 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). See also essay 3 where I argue that consensual inter-religious relations are most likely when the religious minority is relatively small.

A very crucial pillar of the ideology which describes the town as a 'unified body' is caste. In the case of the urban economy of Arni, caste 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 and social systems 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 occuptions. They also prevent all but a handful of those associated with this contamination from access to most 'clean' occupations, from access to 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 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 positive discrimination in 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 [76].

[76] As Reiniche observes (1996) for Tiruchengodu , so here, through endogamous kinship and the intergenerational transfers of economic resources.

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. The act of re-labelling recognises 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 while the range of occupations and economic inequality within the caste grows. There is then, even in the case of Arni, a distinct interplay between the economy and the 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 in the corporatist organisation of the economy. First, it provides an ideological backcloth for the corporatist 'project'. At the same time it generates (and is easily consistent with the formalisation of) the institutional structure on the back of which corporatist organisations have evolved. In this urban society, caste *still* supplies the hierarchical order entrusted to the state in the Italian case [77]. 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 corporatist project. We are not implying that because of the caste system local society cannot be otherwise than corporatist, 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 corporatist form of capitalist development on the other. In fact a corporatist 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

[77] 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.

that of the green revolution (triggered by a somewhat developmental state) and later by the unplanned effects of economic liberalisation and the exuberant primary cum primitive accumulation accompanying the paring back of a local state that has developed predatory qualities.

The corporatist ideological and institutional framework imprints itself on 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. Although divided by sector and by caste, the local summits of capital (gullied foothills in the national context) are not weakened by such divisions. Rather this structure may be understood as the hydra-headed alignments of a numerically small sector enabling it to maximise tactical advantages. Witness for example the ubiquitous attempts collectively to fix and control (via the state where necessary) the parameters of market exchange : those for raw materials, money, rates in derived markets and most particularly labour. The modalities of labour control include not only 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 productivity extensively and without a rise in mass consumption[78]. In so doing capital frequently flouts the laws regulating and protecting labour, but other regulative laws are flouted routinely or creatively reinterpreted by officials and traders such that laws are 'transformed beyond recognition'.[79] The ruling codes are collectively established business norms. At the same time accumulation is permeated with petty crime (adulteration, chicanery with weights and measures, labels and standards,

[78] Rather than intensively by means of new technology

[79] The phrase is from Kaviraj, 1988

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.. This is despite 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. Caste is becoming one of the instruments to regulate workers' participation in the economy, rather than to legitimate caste/class opposition.

There is therefore a sort of structural disequilibrium between capital and labour as far as class consciousness is concerned. On the one hand, 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 and 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 rare to find a woman lawyer or member of the police force. Those with other skills (such as computing) work in organised-sector firms in other towns (such as Vellore and Ranipet) but not yet in local business nor in local collective life except at the margins - in the sex-segregated international social service clubs. There the resources they handle are not abundant. Rather their role is to buttress the ideological legitimation 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 have been crushed by employers.

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 can be seen to 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 well 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 [80].

[80] 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 the town of Cheyyar over the siting of courts and colleges.

4) **State:** Apart from the local politics of small-scale, 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 inevitable (because of the state's formal economic roles which are both parametric and active). It is also extraordinary (because of its contrariness and complexity). The state in the town is empowered to organise, mobilise, mediate, protect, regulate and redistribute economic resources. Insodoing it redistributes economic power between the genders, shapes the fortunes of castes, creates and regulates classes and formalises locality. At same time its efficacy is shaped by the private social status of its officials [81]. 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 capacity. At its extreme, rivers of private tribute flow from the co-option of departments [82]. More quantitatively important than corruption is fraud (ranging from moonlighting through payments for illegal operation [83] and the theft of public sector property [84] to the serious evasion of taxes) in which benefits are shared between individual politicians and businessmen. Clearly, this is a collaborative state, although one thing its collaboration does *not* involve is control over the civil-social institutions described here.

[81] A 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).

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

[83] Sandalwood smuggling, liquor distilling

[84] Electricity, plunder from co-operatives, tapping of drinking water

Yet it is this state to which political appeal is made through caste and trade associations. There are seven aspects to this set of economic 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 (e.g. all associations connected with transport and haulage) while many other aspects of the state's regulation of markets are energetically contested); [85]

iii) direct market intervention (active state trading in raw materials or finished products, or the parametric regulation of access, the 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 ineligible castes);

[85] Harriss, 1984, 1985, Harriss-White, 1995

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', by 'collective payment' and other transformations of practice; outright evasion; diversion of private income and public 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 first 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 it may be understood as a sign 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 a business requiring 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 [86].

[86] The situation is ripening either for alienation and/or for an authoritarian response. With the strong caveat that we are dealing with different scales of empirical enquiry, we can contrast our finding with those of White et al (1996) for China. The two cases have in common the fact 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.

To sum up finally: 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 powerful support of an ideology based on transformations to the institution of caste. Due to the reinforcements of caste and 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. In this sense, the institutional framework of civil society is the outcome of social contradictions and conflicts, which are resolved 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
			(5963)

NOTES

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 Valu Added	
	Number	Percent				(1973 prices)	(Percent)		(1973 prices)	(Perce
Rice										
Mills	3	3.4	1958	24	298	894	7.3	43.4	130	8.
Wholesalers	2	2.3	1962	16	500	1000	8.2	15.7	31	2
Retailers	1	1.1	1967	5	26	26	0.2	1.7	2	0.
Other Foods										
Workshops	8	9.1	1967	5.5	69	552	4.5	19.3	154	9.
Wholesalers	3	3.4	1929	5	481	1443	11.8	50	150	9.
Retailers	11	12.5	1959	6.6	297	3267	26.7	9.6	106	6.
Nonfood agric. products										
Workshops	2	2.3	1946	6.2	50	100	0.8	8.8	18	1.
Wholesalers	1	1.1	1970	5	36	36	0.3	8.5	9	0.
Retailers	7	8	1955	5.9	71	497	4.1	6.9	48	3
Farm inputs										
Retailers	3	3.4	1964	15.3	330	990	8.1	21	63	4
Silk										
Factories	4	4.5	1952	62	376	1504	12.3	139	555	3
Other goods										
Workshops	9	10.2	1959	1.5	13	113	0.9	4.3	39	2.
Wholesalers	2	2.3	1954	1	45	90	0.7	3	6	0.
Retailers	11	12.5	1949	8	115	1265	10.3	13.6	150	9.
Fuel & energy										
Retailers	1	1.1	1969	1	108	108	0.9	2	2	0.
Transport	2	2.3	1955	7.5	9	18	0.1	6.3	13	0.
Other repairs & services	12	13.6	1954	2	9	107	0.9	5.6	68	4.
Financial services	6	6.8	1958	11	39	234	1.9	7.4	44	2.
Total	88	100		188.5	2872	12244	100	366.1	1588	10

ource: 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)	Av Va A (Cu pr
	Number	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	
Wholesalers	4	3.5	1957	18	4827	10476	13.2	134.1	291	2.4	2.8	
Other Foods												
Workshops	10	8.8	1970	15	210	1139	1.4	60.8	330	2.7	28.9	
Wholesalers	1	0.9	1946	20	1410	765	1	73.7	40	0.3	5.2	
Retailers	15	13.2	1970	10.7	535	4350	5.5	56.5	460	3.7	10.6	
Nonfood agricultural products												
Workshops	2	1.8	1958	20	222	240	0.3	51.6	55	0.4	22.8	
Wholesalers	1	0.9	1978	3	28	15	-	12.9	7	0.1	46.1	
Retailers	9	7.9	1969	16.4	1359	6633	8.4	60.8	293	2.4	4.4	
Farm inputs												
Retailers	3	2.6	1969	40	919	1494	1.9	46	75	0.6	5	
Silk												
Factories	8	7	1954	21	5061	21968	27.7	1763	7655	62.2	34.8	5
Workshops	3	2.6	1975	2.2	55	90	0.1	22.1	36	0.3	40.2	
Other goods												
Workshops	6	5.3	1967	2.2	36	117	0.1	14.1	46	0.4	39.2	
Wholesalers	1	0.9	1981	60	479	260	0.3	97.6	53	0.4	20.4	
Retailers	15	13.2	1973	11	645	5249	6.6	56.5	460	3.7	8.8	
Fuel & energy												
Retailers	3	2.6	1951	17.5	5080	8268	10.4	116.1	189	1.5	2.3	
Transport	1	0.9	1948	6	166	90	0.1	82.9	45	0.4	49.9	
Transport repairs & services	2	1.8	1945	5.5	24	26	-	12	13	0.1	50	
Other repairs & services	19	16.7	1965	2.2	35	361	0.5	11.8	122	1	33.7	
Financial services	7	6.1	1961	18	371	1409	1.8	228.5	868	7.1	61.6	
Total	114	100		334.7	28957	79214	100	3486	12306	100	474.5	9

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)

1973	**no. of firms sampled: 93,**			**work force: 664**		
	Family labour		**Permanent Wage Lb.**		**Casual Wage Lb.**	
CASTE	**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.