India Working
Essays on Society and Economy

By drawing on her extensive fieldwork in India, and on the adjacent theoretical and empirical literature, Barbara Harriss-White describes the working of the Indian economy through its most important social structures of accumulation: labour, capital, the State, gender, religious plurality, caste and the economic organisation of physical space. The author’s intimate knowledge of the country enables her to convey vividly how India’s economy is being socially regulated. Her conclusion challenges the prevailing notion that liberalisation releases the economy from political interference, and leads to a postscript on the economic base for fascism in India. This is a sophisticated and compelling book, by a distinguished scholar, for students of economics, as well as for those studying the region.

Barbara Harriss-White is Professor of Development Studies at Queen Elizabeth House, and Fellow of Wolfson College, University of Oxford. Her recent publications include Globalisation and Insecurity: Political, Economic and Physical Challenges (2001), and Sonar Bangla: Agricultural Growth and Agrarian Change in West Bengal and Bangladesh (with Sugata Bose and Ben Rogaly, 1999).
Contemporary South Asia has been established to publish books on the politics, society and culture of South Asia since 1947. In accessible and comprehensive studies, authors who are already engaged in researching specific aspects of South Asian society explore a wide variety of broad-ranging and topical themes. The series will be of interest to anyone who is concerned with the study of South Asia and with the legacy of its colonial past.

1 Ayesha Jalal, *Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective*
2 Jan Breman, *Footloose Labour: Working in India's Informal Economy*
3 Roger Jeffery and Patricia Jeffery, *Population, Gender and Politics: Demographic Change in Rural North India*
4 Oliver Mendelsohn and Marika Vicziany, *The Untouchables: Subordination, Poverty and the State in Modern India*
5 Robert Jenkins, *Democratic Politics and Economic Reform in India*
6 Atul Kohli (ed), *The Success of India's Democracy*
7 Gyanendra Pandey, *Remembering Partition: Violence and Nationalism in India*
In memory of Gordon White
India Working

Essays on Society and Economy

Barbara Harriss-White

University of Oxford
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Preface and acknowledgments

This book has developed from the Cambridge Commonwealth Lectures that I gave in 1999 under the title, 'India Working: Working India'. This was a cryptic label with two sides to it. First, there was 'India Working', in which the economy and society were imagined as pieced together as a watchmaker might assemble a watch – with the difference that the economy is an organic social machine with 'agents' that affect its own working. Second, there was 'Working India', an interaction between theoretical ideas about the economy and field evidence of it, applied rather as a stand-up comedian works a club – provoking responses from the audience and 'interpreting' them. There is an enormous amount of material 'from the audience' for this book. I sought to limit it by celebrating the contributions to our understanding of the economy made by what its great exponent in Africa, Polly Hill, called 'field economics'. Fieldwork on the Indian economy is carried out by surprisingly few economists, some anthropologists and students of politics, and many geographers. The project required an interdisciplinary approach and draws on anthropology, economics, gender studies, geography, politics and the sociology of law.

The result is a set of essays – which are just that – attempts and experiments. They are limited in their scope and none of them are to be considered complete, for doing justice to any of them would take several lifetimes.

I am very grateful to the Smuts Memorial Fund Trustees of the University of Cambridge for the honour of their invitation to give the Commonwealth Lectures, originally for 1998, and for the humane way they responded to the circumstances that delayed them by 18 months; and to Cambridge University Press, especially the CUP readers, and Mari-gold Acland for her patient support. At CUP, Paul Watt and Edward Caruso have seen the book through its production with expert efficiency. I am also grateful to the President and Fellows of New Hall, Cambridge, for making me a Visiting Scholar, and to the British Academy and Queen Elizabeth House, Oxford, for their grants towards research assistance.

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The project would not have survived its gestation were it not for more than a little bit of help from my friends and my family. Chapter 1 has been improved by information kindly provided by Graham Chapman and Anushree Sinha. Chapter 2 is adapted from a paper by Nandini Gooptu and me entitled ‘Mapping India’s World of Unorganised Labour’, published in the *Socialist Register, 2001: Working Classes, Global Realities*, pp. 89–118, and published here with permission from Nandini and from the editors of the *Register*. Jairus Banaji, Rohini Hensman, Leo Panitch and Ben Rogaly also helped give it shape; Gerry and Janine Rodgers supplied useful literature and Danny Sriskandarajah collected statistical information. I am also very grateful to Judith Heyer for many wide-ranging conversations about the Indian economy and rural labour. The draft of Chapter 3 on class was commented on by the following scholars: Venkatesh Athreya, Jairus Banaji, Jan Breman, John Harriss, P. S. Jha, Jos Mooij and Ben Rogaly. Matthew McCartney lent his very able brain to the project and was funded for this purpose by Queen Elizabeth House, but Conrad Barwa, Diego Colacei and Danny Sriskandarajah have also helped.

Chapter 4 on the State has been presented to seminars on Contemporary South Asia at Queen Elizabeth House, on Commonwealth History at Oxford, on the Anthropology of the Indian State at the London School of Economics, on South Asian Politics at the School of Oriental and African Studies, on the Informal and Exploited Economy at the Moscow School of Social and Economic Sciences, at the Centre for Development and the Environment at the University of Oslo, and the Centre for Development Research in Bonn. I am grateful for discussion to Venkatesh Athreya, Dan Banik, Elisabetta Basile, Sheela Rani Chunkath, Stuart Corbridge, Sarita Das, Hans-Dieter Evers, Nandini Gooptu, John Harriss, Sudipta Kaviraj, Mushtak Khan, Martin Lau, Jos Mooij, M. S. S. Pandian, Rathin Roy, Subir Sinha, Anasuya Sengupta, Teodor Shanin, S. Subramanian, David Washbrook and Andreas Wimmer, and the late S. Guhan, Indrani Sen and Gordon White.

Chapter 5 on gender has benefited from reactions from presentations at the Department for International Development, London; at Cornell University and Oberlin College (USA); from comments by Cecile Jackson, Karin Kapadia, Irene Tinker and Alice Thorner; from prices provided by Venkatesh Athreya and M. S. S. Pandian; and from data on livelihoods teased from my field notes by Elinor Harriss.

Chapter 6 depended on Pauline von Hellermann, who provided intelligent research assistance, and Arvinder Singh, who shared his research. I am grateful to them and to the British Academy for having funded them. Alice Thorner kindly let me have the run of her library and
disagreed with parts of the first draft. John Harriss was generous enough to give constructive criticism and let me see his paper, 'When a Great Tradition Globalises' in draft. Gunnel Cederlof, Nandini Gooptu, Patricia Harriss, Judith Heyer, Pierre Lachaier, Linden Moore, Ben Rogaly, Mary Searle Chatterjee and Pritam Singh were all good enough to react critically to the early version. I was glad to have responses from members of the Contemporary South Asia Seminar at QEH, Oxford, and participants at the Cambridge Advanced Programme in Development Economics Research, 2001.

Chapter 7 on caste summarises the first results of a much larger project on the political role of civil society in the regulation of business originally energised in conversations with Gordon White (see IDS Bulletin, 24, 3, 1993, 'The Politics of Markets'), and carried out in collaboration with Elisabetta Basile, whom I wish to thank for her friendship and intellectual solidarity. The draft also profited from responses by Neil Armstrong, Chris Fuller and M. S. S. Pandian. I wish to thank for their help with fieldwork: Paul Pandian, P. J. Krishnamurthy, M. V. Srinivasan and hundreds of citizens of Arni who spoke to us over the period 1993–97. Kaveri Harriss extracted details on caste from some of her parents’ field schedules from 1983 and 1973.

Chapter 8 on space involved Elisabetta Basile, Jo Beall, Claudio Cecchi, Graham Chapman, Sharad Chari, BiplabDasgupta, John Harriss, Doreen Massey, Kate Meagher, Khalid Nadvi and Anasuya Sengupta. They pointed me to literature, helped with data or commented on the early version. Lastly, the conclusions fetched helpful responses from Jai-rus Banaji, Bob Benewick, John Harriss, Rohini Hensman and Gilbert Sebastian. Roger Crawford scanned maps and diagrams and helped behind the scenes. Julia Knight made sure I had secretarial support when it was most needed. Imogen Hood and Maria Moreno helped prepare the typescript, and Maria and Kaveri Harriss consolidated the bibliography. Gilbert Sebastian drafted the index. I am, as A. K. Bagchi once put it, ‘non-incriminatingly’ grateful to them all.

In September 2001, the month of crisis in which this book was finished, my two daughters let me soak in work in so far as this was possible, and they willingly helped in the many practical and professional ways for which writers so often thank their parents, partner or copy editor. Thank you Kaveri and Elinor. In this final month I also discovered a tribute by Marc Galanter in his acknowledgements in Law and Society in Modern India. He says this: ‘Everyone who writes, dreams of a reader who reads one’s work with an intensity that matches its writing and who delights in friendly argument that reveals to the writer more than he knew was there.’ He was ‘extraordinarily fortunate’ to have such a reader and
friend. I could not put it better and my good fortune is even greater for I have been blessed with two. They are P. J. Krishnamurthy from Arni and Raja Annamalaipuram and Colin Leys in Toronto. Every draft chapter provoked great batches of reactions hand-written on foolscap airmail paper from P. J. K., with many more examples of the economy I am describing than I could include in the book. Colin Leys pretended to know little about India in order to draw this project out. He then insisted that it was readable and accessible to a wider audience than I had originally intended. I am deeply grateful to them both for the interest they took and the support they gave. The faults and limitations that remain are mine.
Maps, figures and tables

Maps

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# Glossary

## Indian terms

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<tr>
<th>Term</th>
<th>Meaning</th>
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<tbody>
<tr>
<td>Ajlaf</td>
<td>low-status Muslim</td>
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<tr>
<td>Amir</td>
<td>rich and educated Muslim</td>
</tr>
<tr>
<td>Arora</td>
<td>Hindu trading caste in Punjab</td>
</tr>
<tr>
<td>Ashrafi</td>
<td>high-status Muslim</td>
</tr>
<tr>
<td>Baniya/bania</td>
<td>Hindu trading caste</td>
</tr>
<tr>
<td>Benami</td>
<td>a transaction or property right made out in a false name</td>
</tr>
<tr>
<td>Bharat</td>
<td>India</td>
</tr>
<tr>
<td>Bhil</td>
<td>tribal people</td>
</tr>
<tr>
<td>Bidi</td>
<td>a country cigarette</td>
</tr>
<tr>
<td>Bidri</td>
<td>ornamental metal work inlaid with silver</td>
</tr>
<tr>
<td>Biradari</td>
<td>Muslim industrial/occupational ‘guild’</td>
</tr>
<tr>
<td>Brahmin</td>
<td>Hindu priestly caste</td>
</tr>
<tr>
<td>Caste</td>
<td>defined in three ways: (1) varna – pan-Indian status divisions (brahmin (priests)); kshatriya (warriors and rulers in charge of order); vaisya (landlords, traders, liberal professions); shudra (agricultural producers and performers of services); (2) ‘community’; (3) jati – a lineage/a subdivision of a caste, exclusive units for marriage and commensality (eating)</td>
</tr>
<tr>
<td>Chakkiliyan</td>
<td>scheduled caste cobbbers</td>
</tr>
<tr>
<td>Chettiars</td>
<td>a south Indian trading caste</td>
</tr>
<tr>
<td>Crore</td>
<td>unit of 10 million</td>
</tr>
<tr>
<td>Dalit</td>
<td>literally ‘the oppressed’ in Marathi, a category for low- and scheduled-caste people</td>
</tr>
<tr>
<td>Darzi</td>
<td>Muslim tailor</td>
</tr>
<tr>
<td>Digambara</td>
<td>one of two major Jain sects (sky-blue clad)</td>
</tr>
<tr>
<td>Gharib</td>
<td>(the) poor</td>
</tr>
<tr>
<td>Gounders</td>
<td>a strongly upwardly mobile south Indian agricultural caste</td>
</tr>
<tr>
<td>Grama sevak</td>
<td>village level worker (government official)</td>
</tr>
<tr>
<td>Harijan</td>
<td>literally ‘children of god’, Gandhi’s term for untouchable castes</td>
</tr>
<tr>
<td>Harijan pallar</td>
<td>ex-untouchable agricultural labouring caste</td>
</tr>
</tbody>
</table>

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Glossary

Harijan parayam ex-untouchable agricultural labouring and drum-beating caste
Havala money-laundering
Hindutva literally ‘Hindu-ness’, Hindu national identity
Jains a south Asian religion in the Hindu family
Jainmani the system of unequal exchange of goods and services between upper and service castes
Jatis caste; a kinship group defined by birth, endogamy, commensality and (especially for lowest castes) occupation
Jats north Indian dominant Hindu agricultural caste
Kabadi low caste re-cyclers in north India
Kaikkoolar south Indian weaving and trading caste
Kallars upwardly mobile formerly ‘criminal’ south Indian caste
Khatik north Indian sanitary workers
Julaha Muslim weaver
Lakh unit of 100 000
Lohana Sindhi merchant caste
Lohar Muslim blacksmiths
Madrasa Muslim religious school
Mahajan big trader
Mahavir janam Jain festival
Marwari business caste with its epicentre in Rajasthan, but which has dispersed throughout India, some members of which are Jain and some Hindu
Mazhabis Sikh scheduled caste
Mughal era time of Muslim emperors who ruled between 1526 and 1858
Mundy agricultural wholesale shop/wholesale market
Nadar highly entrepreneurial south Indian business caste, originally toddy tappers
Naickers south Indian agricultural caste (see Gounders)
Naidu south Indian agricultural and trading caste, originating from what is now Andhra Pradesh
Pannadi scheduled caste agricultural labour
Potthari Sikh merchant class
Qasab Muslim butchers
Ramgharias artisanal engineers
Ryotwari owner-occupancy land tenure system of small peasant proprietors
Sangam organisation
Sangh parivar family of Hindu nationalist organisations
Saurashtrians migrant weavers and silk merchants
Glossary

Shvetambar Jainism one of the two major Jain sects (white-clad)

Scheduled caste (SC) constitutional term for untouchable castes entitled to positive discrimination

Scheduled tribe (ST) constitutional term for tribal or adivasi people entitled to positive discrimination

Shia major Muslim sect

Sunna the custom of Mohammed the prophet

Sunní major Muslim sect

Suardeshi economic nationalism, ‘self-provisioning’

Toddy an alcoholic drink fermented from palm sap

Tulluva veļala agamudaiya mudaliars south Indian agricultural and trading caste

Unani Muslim system of medicine

Vaisya merchants, one of the four varnas or major social groups

Waqfs Muslim charitable organisation

Zamindari rentier landlords and tax collectors

Technical terms

adaptive efficiency loose definition of efficiency in terms of the flexibility of the norms and institutions shaping economic growth and development

affines people related by marriage (generally through the female line)

agnate relatives through the male line

allocative efficiency the maximisation of output from given inputs at a point where marginal costs equal marginal returns

chit fund a rotating credit association

clientelism a comprehensive relation of dependence upon a patron

cot-parcenary property rights equal shares in, or rights to inheritance of, a jointly owned property

liberalisation removal of restrictions to trade and investment

rent-seeking the seeking of private gains from public office

rurban pertaining to small towns and their rural hinterlands

sharecropping a form of land tenure in which land is rented out on the basis of a set proportion of the harvest

structural adjustment a set of reforms to ‘structures’ of prices, subsidies and exchange rates to bring domestic prices in line with international ones and therefore to change the structure of production

Exchange rates in the mid 1990s the Rupee was approximately 44 to the US$, 60 to the £. By 2002 the Rs was 50 and 66 respectively.
Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>APL</td>
<td>person/household above the poverty line</td>
</tr>
<tr>
<td>BJP</td>
<td>Bharatiya Janata Party</td>
</tr>
<tr>
<td>BPL</td>
<td>person/household below the poverty line</td>
</tr>
<tr>
<td>BSP</td>
<td>Bahujan Samaj Party</td>
</tr>
<tr>
<td>CITU</td>
<td>Confederation of Indian Trades Unions</td>
</tr>
<tr>
<td>CPI (M)</td>
<td>Communist Party of India (Marxist)</td>
</tr>
<tr>
<td>CPM</td>
<td>popular abbreviation of CPI (M)</td>
</tr>
<tr>
<td>CSO</td>
<td>Central Statistical Organisation</td>
</tr>
<tr>
<td>ECA</td>
<td>Essential Commodities Act</td>
</tr>
<tr>
<td>ENRON</td>
<td>a multinational power company</td>
</tr>
<tr>
<td>FCI</td>
<td>Food Corporation of India</td>
</tr>
<tr>
<td>FPS</td>
<td>Fair Price Shop</td>
</tr>
<tr>
<td>GVA</td>
<td>gross value added</td>
</tr>
<tr>
<td>IAS</td>
<td>Indian Administrative Service</td>
</tr>
<tr>
<td>IC</td>
<td>intermediate class</td>
</tr>
<tr>
<td>IIIFT</td>
<td>Indian Institute of Foreign Trade</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Office</td>
</tr>
<tr>
<td>IPS</td>
<td>Indian Police Service</td>
</tr>
<tr>
<td>IR</td>
<td>intermediate regime</td>
</tr>
<tr>
<td>IRDP</td>
<td>Integrated Rural Development Programme</td>
</tr>
<tr>
<td>IRP</td>
<td>Indian Republican Party (Dalit political party)</td>
</tr>
<tr>
<td>NCAER</td>
<td>National Council for Applied Economic Research</td>
</tr>
<tr>
<td>NDP</td>
<td>Net domestic product</td>
</tr>
<tr>
<td>NGOs</td>
<td>non-governmental organisations, also known as voluntary organisations</td>
</tr>
<tr>
<td>NIE</td>
<td>New institutional economics</td>
</tr>
<tr>
<td>NPE</td>
<td>New political economy</td>
</tr>
<tr>
<td>NSS</td>
<td>National Sample Survey</td>
</tr>
<tr>
<td>PDS</td>
<td>Public Distribution System (of food and essential commodities)</td>
</tr>
<tr>
<td>PMK</td>
<td>caste-based south Indian party (Gounders)</td>
</tr>
<tr>
<td>RSS</td>
<td>Rashtriya Swayamsevak Sangh</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNRISD</td>
<td>United Nations Research Institute for Social Development</td>
</tr>
</tbody>
</table>
Map 1.1  India