

1 *Markets in Modern India: Embedded, Contested, Pliable*

SEBASTIAN SCHWECKE AND AJAY GANDHI *

Introduction

From the outside, the market in India is often seen as an exchange arena bound by state-imposed rules.¹ Those within – buyers and sellers, producers and consumers, brokers and advertisers, financiers and debtors, police and inspectors – understand it differently. Such parties collude and compete in myriad everyday activities. These include those of accumulation and circulation, of production and speculation, and of arbitrage and management.

Involved actors, in short, experience the Indian market dissimilarly from the ways in which many planners and policymakers comprehend it. This market is best understood as an ensemble of practices and institutions. It has active and reactive patterns of economic and socio-cultural practices, flexible adjustment and coping mechanisms,

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¹ For an impressive argument on the treatment of markets and *the* market in economics, cf. Hodgson (2001). However, even approaches rooted in institutional economics, old and new, frequently highlight bureaucratic rule setting for markets, whether state-led or corporate, for instance Galbraith (1967). We do not contest the centrality of state or corporate planning for markets yet wish to point out how these are perceived by many Indian market actors as one among many elements shaping the structure of markets. This selective adherence and deliberate evasion thereby allows market participants to navigate framing rules in line with their different needs instead of merely adjusting to their seeming preeminence.

unforeseen contingencies and aberrations, and strategies of ambiguity and transgression. Transactional agents navigate gray areas and tacit understandings. They reproduce durable informal relations and customary practices. These dynamics only partially relate to state-led market-framing processes.

Today, India has an enormous, locally integrated and globally connected, and fast-moving economy. A corresponding interest in its commercial life has emerged with curious observers seeking empirical grounding and historical precision. Yet the sedimented streams of exchange on the subcontinent frequently remain elusive to academic inquiry. In spite of having spawned a large body of literature, Indian markets remain analytically opaque and underspecified.

Why is this so? For one, actually existing market histories and practices may misalign with conceptual categories. Writing on socio-economic processes in India has its own vocabularies. Privilege is, within mainstream economics, accorded to neoclassical conceptions cut and pasted to South Asia (Bhagwati & Panagariya 2013). In the broader social sciences, the cluster of keywords generated by this literature hints at reigning preoccupations. These include “informality,” the “nation-state,” “capitalism,” “modernity,” “tradition,” “rationality,” “efficiency,” “exploitation,” “neoliberalism,” and even varied meanings attributed to broad conceptions such as “embeddedness” (Chakrabarty 1989; Harriss-White & Jan 2012; Roy 2003; van Schendel & Abraham 2005). Assumptions of a unified, territorially bounded, and transparently readable market can render external or invisible – as historical facts and as everyday practices – the workings of finance and trade at the edges and interstices of this construct. These are commerce’s hidden corners and blind spots, of which we simply do not know enough, and which unfold at different altitudes of transactional practice.

This book’s collaborators see an opportunity here to offer new conceptualizations and analyses of markets that build on prior scholarship. Our approaches bridge a range of approaches in the social sciences and history. We analyze the knotty interdependence of legal, extra-legal, and outlawed markets. We emphasize the intersecting institutional, social, and moral dimensions that condition commercial life. We underline the braiding of community and capital, of socially embedded and legally enforced transactions. This focus accounts for complexity in how things are valued, advertised, circulated, and regulated. By doing so, this book

shows that Indian markets – contemporary and historical alike – have depth and scale, and express character and specificity. While we can observe a deepening of capitalist orientation and commodification, and radical transformations even in recent times, other segments of market activity rely on modes of operation existing in parallel to or even in contravention of these processes. To get at this complexity, this book offers conceptual rubrics and unexpected entry points for the range of audiences below.

First, within the broader study of modern South Asia, this book aspires to theoretical ambition, disciplinary plurality, and timeliness. We draw inspiration from other domains where the convergence of historical and ethnographic perspectives has proved productive: public culture, the nation-state, everyday life, ethics, and cities (Bates & Mio 2015; Breckenridge 1995; Fuller & Benei 2001; Mines & Lamb 2010; Pandian & Ali 2010). Yet this plurality of approaches has been lacking in the study of markets. This is a surprising gap, for transactional life suffuses Indian society – from daily rituals to national elections – and one that we address.

Second, beyond regional specialists, this approach to exchange is relevant to the broader global south. India, like countries in Asia, Africa, and the Americas, was shaped by shared configurations of colonial regulation and overlapping sovereignty. The themes we take up in this volume – around commerce's competing orbits, cultural anchoring, and plastic accommodation – will resonate with observers of other postcolonial societies.

Third, this book seeks to rejuvenate the comparative analysis of markets and displace the dominance of Euro-American templates. Classical thinkers such as Karl Marx and Max Weber, for example, took seriously the counterpoising of Indian and European commerce as a way to understand the past and future of global capitalism (Anderson 2010; Weber 1958 [1916–1917]). Yet many commentators since presume a Euro-American vanguard to which non-Western countries such as India either imitate or deviate (Ferguson 2008). Such a modular and teleological approach is untenable. If anything, recent crises suggest that ideas of Western capitalism's seemingly foundational rationality and prosperity are misplaced (Piketty 2014).

Contributors to this volume thus perceive capitalism's unfolding from fresh angles that, in turn, may facilitate reevaluations of markets in Europe and North America. Ours is one moment in a wider

conversation about the past, present, and future of global and local exchange (Graeber 2011; Parthasarathi 2011). This book seeks to reshape questions on markets that anthropologists, political scientists, historians, and heterodox economists will pose in future years. To detail this ambition, we now turn to the historical and social context of Indian markets, before describing thematic rubrics and individual chapters.

Background

India is a major world economy, in contemporary and historical terms. Well before the onset of European colonialism in the fifteenth century, the subcontinent was a key transregional hub for finance and trade in the Indian Ocean. The tentacles of Indian bankers and traders stretched to Central Asian bazaars, the East African littoral, and Southeast Asia's plantations (Amrith 2013; Gupta 2001; Machado 2014; Markovits 2000; Perlin 1993; Ray 1995; Rudner 1989). Through the colonial period, India remained a sophisticated entrepôt, dotted with nodes for collection and distribution (Bayly 1983; Chandavarkar 1994; Yang 1998). The subcontinent also endured as a manufacturing hub for commodities sent far afield, such as textiles, opium, and jute (Ali 2018; Dossal 1991; Farooqui 2006; Haynes 2012; Parthasarathi 2009).

This volume builds on earlier empirical work, using Indian markets as an entry point to broaden our general understanding of socioeconomic life. We flesh out the empirics of exchange and material aspects of commercial activity (Harriss-White 2003). Contributors provide historical texture to aspects of Indian law and regulation necessary to understand how markets unfolded in practice (Birla 2009; De 2018; Goswami 2004). They touch on moral, ritual, and cosmological notions that have been central to generating value and circulating things (Appadurai 1986; Bear 2015; Gell 2006 [1999]; Parry 1989; Raheja 1988). Finally, our writers delve into social concepts of trust, reputation, speculation, and reciprocity that underlie transactional life (Bayly 1983; Puri 2014).

We also seek coverage of newer aspects of commercial activity on the subcontinent, and links between historical and more recent changes. Since the 1990s and its integration with global capitalism, India's economy has radically transformed. Realms such as microfinance or

commercial medicine have become markets unto themselves (Kar 2018; Pande 2014). The shopping mall and the free trade zone are now elevated aspirational symbols (Cross 2014). Property construction and urban redevelopment are a major theater for commercial competition and collusion (Bear 2015; Searle 2016). The emergence of the entrepreneurial subject and the monetization of cultural selves attend these processes (Besky 2014; Gooptu 2013). Public culture and mass media, in marketing brands and in producing content, bolster this commercialization (Mazzarella 2003; Nakassis 2016). Speculative jockeying, illicit flows, and criminal capture increasingly mark domains of exchange (Abraham & van Schendel 2005; Appadurai 2015; Harris-White & Michelutti 2019). Indian markets depend on (and promote) concrete infrastructure such as energy and transport and cultural intangibles such as value systems. They encompass newly commodified things and ideas as well as formerly unmonetized spaces (such as the domestic realm) and selves (such as aspirational consumption and labor discipline) (Harriss-White 2005; Huws 2003).

This volume is a comprehensive response to such established inquiries and emerging conditions. It offers historical depth, empirical texture, and political focus to the analysis of Indian markets, taking the conversation further. Our venture entails a broad conceptual approach, bringing various disciplinary backgrounds into one discussion in order to emphasize the complexity of the topic we are studying. We now specify how this conversation is organized, and the overarching concepts that scaffold individual chapters.

Thematic Orientation

This book celebrates a plurality of approaches to markets and exchange in India. We encompass and validate a range of historical and social science understandings. The usual ambition of a state-of-the-art venture is to take a combative posture: to exclude and renounce flawed or incomplete ideas.

We take a different tack: this volume acknowledges and builds on productive streams of previous inquiry in the social sciences and humanities. In so doing, we recognize the situation of scholarship in the twenty-first century. A wide spectrum of concepts and methods inform social, economic, and political processes, no less than in science. Some of these approaches are grooved into old disciplinary divides, some

straddle them. The proliferation of newer keywords and subfields further fissions our conversation.

The authors in this volume offer robust frames for comprehension that promote an understanding of modern economic processes in India. Yet we do not subsume the book's constituent heterogeneity into a singular explanatory framework. Neither do we truncate the tension between overlapping labels and fluid readings. The reader engages with historians, anthropologists, geographers, and political economists on their own terms. Our contributors use concepts located or homed on their disciplinary planets and radiating across a shared scholarly galaxy.

In the following sections, we offer three thematic rubrics that organize this collective inquiry. The first is "embedded exchange"; the second, "contested jurisdiction"; and the third, "pliable markets." These should be understood as windows onto overlapping terrain rather than discrete molds of segregated content. Indeed, the friction between contributors' nomenclature and technique is deliberately left intact. In our view, theoretical discrepancy is not an obstacle to overcome. In the context of this book, it is a critical asset to cultivate. By doing so, we bring out the richness of discrete approaches to markets in India.

Embedded Exchange

The history of the social sciences offers us a vital arena of contest around the idea of embedding, beginning with modernity as an era and as an idea. Fields such as economics and sociology emerged with industrial capitalism, global colonization, mass migration, and the nation-state. In social science narrations, modernity was seen to have disrupted earlier certainties. Tradition was dissolved, custom was superseded, and culture was displaced.

This preoccupation in the social sciences with the extent to which socioeconomic processes are integrated and ingrained still reverberates. Twentieth- and twenty-first-century analyses revolve around it. Put simply, one of capitalism's effects is to extract value from production and surplus from labor. In so doing, it contrives to disembed the economy from society and politics. In Karl Polanyi's influential analysis, Victorian England's wage labor market manifests a rupture between capital and community (Polanyi 2001). In actual fact,

capitalism has only partially succeeded in this effort to disembed markets from society in some cases, meeting with resistance from various sources in others. Examples abound from around the world in which Polanyi's rupture was far less pronounced.

There is a long line of scholarship on India influenced by these debates. For example, one focus has been how exchange is interwoven – or perhaps synonymous – with social relations and reciprocities (Laidlaw 1995; Parry 1989; Raheja 1988). This entwinement is visible in work on the *jajmani* system, entailing the customary circulation of gifts between elites and dependents (Wiser 1936). Beyond this, there are other codified social practices that inform economic traffic and behavior in the region. Among them are institutionalized forms anchored in precolonial institutions, such as debt bondage and caste and gender differentials in labor arrangements (Bremner 2013). Land grants, such as *inam* or *waqf*, subject to religious jurisdiction and hereditary privilege, comprise another such expression. Analogously, one can examine semi-codified credit, insurance, and payment mechanisms, such as *hundi* or *hawala*, critical to transregional commerce (Martin 2009; Ray 1995). Such forms have exhibited a plasticity that was useful in Mughal-era commodity transfer, diaspora-led trade between the subcontinent and the Gulf, and in petty localized credit transactions. Customary payments and commission frameworks, such as *hafta*, *dasturi*, *dalali*, and *batta*, in evidence in the early colonial period, continue to inform brokerage activities and patron–client relationships. Reputational notions of trust and honesty, such as *abru*, *sakh*, and *vishwaas*, still condition commercial relations in Indian marketplaces (Bayly 1983; Rudner 1989).

Such a range of codified or semi-codified means and practices of organizing exchange – intersecting with regimes of agricultural and artisanal production – has been portrayed as central to the “bazaar economy.” This notion connects market nodes across the Indian Ocean to the subcontinent. The “rise and demise” of this bazaar economy in its specific South Asian context – theorized by Rajat Kanta Ray (1995) in terms of its gradual subordination to global capitalism in the colonial era with reference to world-systems theory – forms a consistent backdrop to historical studies of Indian markets. It is equally applicable to Polanyian ideas of the “Great Transformation.”

Observing practices of exchange in Indian markets, we can identify historical continuities in transactional grammars, as well as changes in

their meaning and applications in the encounter with global capitalism. These overlaps and evolutions have not been captured by the argument on the bazaar economy's demise. Even the growing predominance of a capitalist world order reserves roles and creates uses for historically sedimented and socially embedded conceptions underlying exchange. These, in turn, affect the dominant principles of order in the economy.

These durable examples of how exchange has always been tethered to social practices and customary forms underline why this volume emphasizes markets, exchange, and transactions. Such a focus is in contrast to the emphasis on production and consumption that marks most inquiry into the Indian economy. In our collaboration, we use exchange to think about relationships and reciprocities. The term "transactions" enlarges the frame of action to refer to processes of exchange that can be durable but fast evolving, and have complexly entangled actors, even in the context of enduring relationships. The transactional is a realm that encompasses material exchanges, including ordinary market relations; and also denotes moral obligations and informational transfers.

It is helpful here to review how social scientists have approached embedded exchange in India. In the anthropology of South Asia, Fredrik Barth and McKim Marriott notably contributed to thinking about transactional culture. In his 1959 monograph, *Political Leadership among the Swat Pathans*, Barth saw the interactions between Pakhtun chiefs, followers, and saints, including gifting and hospitality, as conscious exchange activities. Chiefs recirculated harvest rents to others in public feasts, as prestations, and as credit. Barth's "transactionalism" was a response to then-fashionable theories such as structural-functionalism and Marxism. In another work, Barth underlined the importance of nonmonetary reciprocal exchange between different Pathan *qoum* or groups. The perpetual swaps of services among segmented occupational groups could, Barth maintained, be seen as analogous to the Hindu *jajmani* system (Barth 1981: 27).

For our purposes, two points continue to be useful here for exchange relations on markets that have undergone significant transformations since this time. First, a society saturated by transactions – public gifting in Barth's terms but also commodified market exchanges – means a social dimension that is incomplete and unfolding. Society does not exist without the perpetual labor of exchange. Second, the transactional here is not reducible to material expediency. The labor of the

social yokes together the practical, the ethical, and the cosmological. The exchanges between leaders and others are entangled with expressions of generosity – a commitment to living with others and a publicized concern with their welfare – and with a past and future.

McKim Marriott is the other anthropologist of South Asia with a prominent focus on transactions as a fulcrum of social life. In the 1970s, he argued that South Asia “exhibits an elaborate transactional culture, characterized by explicit, institutionalized concern for givings and receivings of many kinds in kinship, work, and worship” (Marriott 1976: 109). For Marriott, matters of labor organization, status expression, public prestige, and political authority are not inscribed a priori but continually modified and refreshed through exchange. In other words, society does not exist as a passive externality or as a walled-off compartment but is constituted in and through exchange. An enduring and evolving set of relations is created and nurtured via transactions. This may include quotidian forms of communal exchange such as the sharing of food and drink. It also encompasses punctuated expectations and obligations: ritualized prestations, lifecycle gifts, and customary payments. The transactional realm’s temporal horizons are elastic, bringing a tool to market analysis that can be used beyond Marriott’s specifically South Asian emphasis (Appadurai 2015).

Other anthropologists have paid attention to this realm and have demonstrated how this rich universe of nonmarket exchange influences transactional grammars. In this literature, the back and forth of money, food, gifts, and substances is central to the dynamics of reproduction, boundary maintenance, and solidarity. Ethnographic studies of kinship and gender, for example, show how relations and relating are created through transactions. One repeated conception for articulating the import of both monetary as well as nonmonetary obligations on sociability is *lena-dena* (giving-and-taking). For example, Helen Lambert (2000) shows how relatedness, often seen as immutably fixed, can be actively modified by transactional means. Who is considered a relation may expand outside the boundaries of genealogy or blood via forms of reciprocal giving and taking.

This view is echoed in other ethnographies that describe customary forms of exchange. Gloria Raheja (1988: 222) shows that, in western India, the social idiom “to give from where one takes” rests on exchange both as a moral and material matter. Sylvia Vatuk (1972: 179) describes the incessant obligations of informal neighborly

relations in North India through the prism of *lena-dena*. Claire Snell-Rood (2015: 47), discussing women slum-dwellers in Delhi, notes their emphasis on mutual support – *sahara dena/lena*. Attention (*dyaan dena*), affection, care, and sustenance provided by friends and relations, constitute critical resources in a precarious environment. Indeed, giving-and-taking is intriguing because it moves our attention outside of sociological silos. The prevalence of such exchange suggests entanglements across religion and caste.

How does our use of the concept of “embedded exchange” build on and differentiate itself from such works? We do not merely denote how economic exchange is inserted or immersed in society. There are four dimensions of our usage worth elaborating.

First, we define embeddedness beyond the sphere of community or culture. Our contributors show how modern market pursuits are shaped by but not confined within durable lineages of caste, ethnicity, gender, or religion. This is important to flag, for the social science and history of India underlines endogamous communities as the locus of analysis. In such analyses, paternalistic codes, caste hierarchies, community solidarities, and patriarchal authority are reworked to serve modern capitalism (Chari 2004; Haynes 1999, 2012). Such scholarship shows how the Euro-American decoupling of capital and community is untenable in India (Birla 2009; Harriss-White 2003; Roy 2018).²

Ethnic and religious affiliation, proximity to states, and control over markets privilege certain groups, consolidate authority, and maximize rents and profit. This is not to invite a reading of Indian markets as privileging the collective over the individual, compared to the West. We do not invent an Indian *homo collectivus* to go along with *homo hierarchicus*. There is not a particularly “Indian” relationship between community and commerce. Community remains a locus of capital generation and accumulation on the subcontinent, although its importance is also coming under strain (Basile 2017).

At the same time, the individual must not be overlooked – and the rational, gain-maximizing and risk-minimizing individual of classical liberalism constitutes an example of a particular ideational structure of social embeddedness distinct in time and space. The social embeddings of markets in as well as beyond India do not

² For a review of recent scholarly endeavors to challenge this decoupling, cf. Virdee (2019).