1 Introduction: The Social Matrix of Accumulation

In this article we summarise the initial results of field research on one aspect of civil society which sprung from conversations with Gordon White about the politics of markets (White 1993). While the output of Gordon's work on the politics of civil society in China ran rapidly to six papers and a substantial book (White et al. 1996) and then flowed on into fertile intellectual distributaries: civil society and democratisation (Luckham and White 1996; Robinson and White 1998), the politics of social provision (Goodman et al. 1998) and the political conditions for effective developmental states (Luckham and White 1996), our work in India was small in scope, proceeded comparatively at a snail's pace and has generated but one paper (Basile and Harriss-White 1999)! Three strands of Gordon's work have been indispensable to the framework we use to examine the impact of the politics of urban organisations on accumulation in South India: civil society, the politics of market organisation, and corporatism. In this introduction, we will outline the framework of 'social structures of accumulation' (henceforth SSA) and weave in these strands.

While orthodox economics externalises the regulative environment, the school of SSA challenges the conventional double reductionism of capitalism to markets and of markets to the economic domain. It seeks to examine growth and change in capitalist systems through the complex of social institutions that 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 (Kotz et al. 1994). Institutions and their interrelationships evolve as a period of accumulation comes into being and is sustained, but the consolidation of this institutional matrix has the capacity eventually to undermine the very system it created. The motors of accumulation may include: institutions structuring labour and management and those managing demand and consumption; the character of industrial organisation; the institutions of finance; the role of the state and of political parties; social institutions of race and gender and the dominant culture or ideology. At the core of this ambitious intellectual agenda is a question about how this continually changing set of structures ensures or
undermines stability, by reducing class conflict, conflict within capital and conflict between concentrations of capital.

In this article, we use this framework to help answer the following question: within the set of institutions underpinning capitalist accumulation, what is the role played by organisations of civil society? In his political analysis of markets, White (1993:7) grants civic organisations a prominent role as shapers of the politics of market organisation. Here competition is subordinated to collective action for the purposes of endogenous regulation, yet these conditions 'protect the market position' of participants, through unearned rents, to the detriment of those excluded. The balance between positive (regulatory) and negative (exclusionary) effects of such organisations, White concluded, 'needs more thought and investigation' (ibid.). That is our purpose here. Beforehand, however, we need briefly to introduce and define other key analytical building blocks: civil society, caste and corporatism.

1.1 Civil society, caste and corporatism

White et al. define civil society as 'a sphere of free social interaction and organisation which is separate and independent of the State' (1996:1). But the term is heavily contested, depending on the terms of the juxtaposition of state to civil society (Keane 1988). To add relevance to our study of civic organisations and a new structure to the SSA, we need to draw from Gramsci (1975) the insight that 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. The Gramscian concept of civil society combines two spheres of human life: economic interests and ideology. The institutions which result (including those crucial for accumulation) are the outcome not only of social contradictions and conflicts but also of the ideological factors by which consent is gained and personal interests are imposed. Ideology then becomes a major component of the institution-building process.

Two aspects of Indian development – rapid social and economic change and an increasing social complexity – reinforce the relevance of a Gramscian approach to SSA. Caste, in both its ideological and its politically organised forms, is central to both aspects.

Caste is 'a specifically Indian form of civil society', characterised by both 'continuity and change' (Fuller 1996). The constraint of caste on Indian economic performance has long been debated. That economic liberalisation and more generally modernity will dissolve the caste system is now a common insight (Mendelsohn 1993; Panini 1996; Jayaram 1996), seeding hypotheses about determinants and consequences. Caste, legitimated directly from, and 'inextricably intertwined with' Hindu religion remains a foundation of Indian society. While castes contribute to the architecture of Indian civil society, each individual caste is a 'dynamic force in interest articulation' (Jayaram 1996). While 'modernisation' has undermined or transformed the organisation of caste, it has also revealed its 'tremendous flexibility' (Jayaram 1996). Caste groups have shifted ritual position due to the increasing contact of lower castes with the great Hindu tradition (Karanth 1996). The process whereby 'a low caste takes over the customs, ritual, belief, ideology and style of life of a high caste' with the objective of improving 'the economic and political position of the group' is called 'Sanskritisation' (Srinivas 1989:56). Sanskritisation in turn accompanies 'modernisation' by which is meant – very specifically – an increasing dissociation of castes from their hereditary occupations. The combined effect of modernisation and of the contested implementation of positive discrimination via the Reservations policy of the Indian government has been the emergence of a 'dual culture' (Karanth 1996; Radhakrishnan 1996), in 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.

The secularisation of caste in India has involved a separation between the Hindu religious sphere and the social-economic sphere. As Beteille suggests (1996:158), the caste system has been 'truncated': its future 'not with religion but with politics'. If modernisation has reworked caste, the question then is what kind of political society is currently being shaped by this transformed institution. The recent literature shows how caste plays a major continuity role as the economy diversifies. It is still possible to observe a caste-clustering in the contemporary distribution of occupations. But this clustering can be (and has been) explained by the distribution of skills and resources, by the imperfections of the labour markets affecting the control of individuals over information on economic opportunities, rather than with reference to the caste hierarchy per se (Panini 1996). In addition, liberalisation has revealed a deeply segmented social structure in which caste is
connected with networks of other civil organisations that comprehensively regulate economic and social life (Uphadhyay 1997; 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 has been eroded, but rather in social groups that are legitimated in economic terms (Fuller 1996).

We can now turn to our hypothesis: that the form of social regulation emerging from the secularisation of caste is corporatist. Corporatism is a type of control over relations between labour, capital and the state, which is based on a specific economic order that is compatible with authoritarianism (O'Sullivan 1988). The play between interest groups defines the associative order that governs social interaction and shapes the SSA. The role of the state may vary, and a common distinction is made in the literature between state and societal corporatism (reviewed in White 1996). In the first form, the state plays a 'directive' role and dominates its relationship with the associations and the relationships between associations. In the second form, theorised by Schmitter (1974) and Cawson (1985), associations are relatively independent from the state, which performs the role of 'interest intermediation'. The relationships between state and corporatist associations are based on political exchange. The typical corporatist political exchange involves more than one organised interest, and the form of corporatism is tripartite, as state, capital and labour are involved simultaneously. The state is not a neutral arbiter; instead it is the synthesiser of corporatist ideals and values, the repository of a vision of society in which the power of capital and labour is asymmetrically distributed and biased towards the former. As a result, in corporatism, civil society, political society and economy overlap (Mancini et al. 1983).

The neo-corporatist argument is highly relevant to our project on contemporary India. Organisations of economic interest may be created and/or controlled by the state for its own project of accumulation. Such institutions may not contribute to the democratisation of society. An alternative conception of the role of institutions of collective economic interest (business and trade associations), from that of narrow advancement to that of the mediation of potentially conflicting interest, is opened up. And attention is drawn in the concrete circumstances of South India to the relationship between caste as a means of organising occupation and its evolving relation to the state.

2 The Town

Our empirical material is of two types: a series of three field enquiries into the organisation of local urban capital, labour, commodities and into their politics by means of business histories obtained from random 6 per cent samples of commercial enterprises in 1973-4, 1982-4 and 1993-4 (Harriss 1991); and a systematic set of histories, gathered in 1997, of almost all the groups and associations with which the business economy of a small town is linked and in which it is embedded: market and political institutions, civil society organisations and associations.

The market town is Arni, located in northern Tamil Nadu and acting as a central place for more than a hundred villages. It is 150 kms southwest 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. 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 eleven revenue villages. In fact the population directly associated with Arni's urban economy is likely to approach 100,000; the census population being inflated by transients and by regular commuting from its ring of satellite villages (which resist incorporation into the municipality because of the increases this would make in local taxation - a situation which makes local urban government relatively chronically underfunded).

During the last twenty years the number of businesses visible to our census record in Arni has trebled. By late 1993 the transformation in its economic base over the previous decade had been nothing short of astonishing. A number of agricultural and 'traditional' artisan activities had declined significantly or disappeared altogether. Agricultural inputs firms had stagnated (as had agricultural production). The activities comprising the economic base ten and twenty years ago had consolidated their position: rice mills had doubled in number, as had food wholesaling firms and durable consumer goods retail units. Urban silk manufacturing units had increased by 50 per cent and spilled massively into the countryside. Deregulation had led to a threefold increase in fuel depots and increased urban and rural incomes had generated demand for a thirtyfold increase in businesses dealing in non-food agricultural products.
New businesses attest not only to the metropolitisation of economy and culture but to its rapid globalisation. Brand new telecommunications technologies have appeared: satellite and cable TV (and ways to poach it) and new telecommunications rental markets have spread throughout the urban area along with courier services, xerox and video libraries. The town can now give up to 20,000 ‘doses’ of cinema per day. The explosion of finance companies and chit funds—many not registered, many run with black money—, the appearance of insurance, stocks and share dealing services, specialised commercial agencies for corporate industry, architectural, accountancy and real estate professions attest to the emergence of sizeable 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 car and van hire businesses have responded to local piety curiosity and incomes (for tourism is inextricably linked with pilgrimages and shrine-hopping). Prominent expansions of hotels, bakeries and sweets stalls and booths indicate new patterns of commensality. 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 Ami.

The vast mass of businesses are family firms with small labour forces. The average number of livelihoods (7 to 8 per firm) has not changed much over the period 1973-93. The proportion of purely family firms (petty commodity producers and traders) has risen from 28 per cent to 35 per cent over the twenty-year period, while the proportion of family labour in the entire labour force has remained static at around a quarter. The composition of this work force has changed with the entry of female family members of all castes. The mills, however, have become increasingly ‘satanic’ over time, through the casualisation of their labour force. Casual labour increased from 23 per cent of jobs to 57 per cent between 1973 and 1993.

‘Forward caste’ control over business is stable in absolute terms and its apparent proportional decline masks the massive increase in the concentration of its capital. ‘Backward castes’ have gained ground as owners, while ‘most backward castes’ and ‘scheduled castes’ make up around 80 per cent of the casual labour force. Ten to 15 per cent of firms still only employ labour of their own caste. In the great majority of firms, workers form an emulsion of caste. In the nineties, the town has been swept by a new wave of ‘primitive’ accumulation in two senses of the term: though capitalist production relations have been long entrenched, each individual capitalist has to develop their own starting point for accumulation; and a significant element in these initial resources, even when acquired in the modern economy, is obtained in ‘primitive’ ways through economic crime, fraud and corruption (Harriss-White 1996).

3 The Politics of Accumulation in Amni

Our empirical material shows that Amni’s economy has lately been organised into a large number of private and state institutions (66), covering all aspects of social and economic life, and regulating it at the levels of the (male) individual, the household and the collective. Public service and public sector unions, together with some of the politically militant but numerically small service castes, were the first institutions to be created in the early part of the century. Over half have appeared since 1980, and 35 per cent in the nineties, based on new principles of organisation: new political parties, town level, cross-caste organisations, trade associations for new goods and services, organisations for scheduled castes and a handful for women. Many associations have a cross-class nature and (male) individuals participate irrespective of their class position. This is most obvious in the caste-cum-occupational associations but holds for others, particularly welfare and charitable organisations. Most crucially, the interests of culture and religion come to be organised in part through caste associations. Then such organisations come to reflect not only culture and religion but

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1 See Basile and Harriss-White 1999, footnote 19, p.16, for a discussion of caste nomenclature.
also political and business objectives. Indeed, the latter come to dominate the organisations, and the urban economy cannot operate without them.

There is a strong ideological element to these groups. Alongside a regulative economic agenda and claims from the state, practically every caste association aims to improve their own welfare and solidarity, reproducing within a caste an echo of the distributional rules that formerly operated between castes in this region. 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. 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’. It is worth stressing that the strength of ‘town-unity’ extends across religions. Of some significance is the role of Muslim businessmen, not only as Muslims but also as businessmen, as representatives of the town and as collective investors in (secular) educational infrastructure egregiousely neglected by the state.

A very crucial pillar of the ideology in which the town is a ‘unified body’ – and part of the SSA fabric – is caste, which to date is showing no sign of the erosion foreseen by Panini and others. Instead, caste is being selectively reworked to mean different things at different positions in the economic system of the town. Among ‘scheduled castes’ and ‘most backward castes’, caste remains a condition of hierarchy in which higher castes are repelled from low caste occupations, in which access to higher caste occupations is prevented and in which caste cannot even be used as an idiom in the organisations struggling for income and status. By contrast, among ‘backward castes’, caste is more a matter of difference, economically competitive and increasingly internally differentiated. Here we see the contradictions of practices signifying a rise in status on the one hand, and pressure on the state to lower status for the purposes of positive discrimination on the other. At the top, caste ceases to have a role to play in formal economic regulation, though it certainly does not cease to have a role in economic and social life outside that of the regulative group. So there is a distinct interplay between the economy and caste (and caste-based occupational) associations, 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 formal associations. For if castes are ‘truncated and secularised’ institutions which have lost their religious bearings, they are ineluctably vital as regulators of the economy. It seems that the sanskritising agenda of the caste associations has been sacrificed on the altar of the economy.

The interplay between caste and the economy may be differentiated, but it is consistent with corporatism. Corporatism, let us recapitulate, limits class conflict inter alia by involving both capital and labour in the ‘self government’ of the economy. It rests on two pillars, one institutional and one ideological. Together they impregnate production relations to generate the overlap between economy and society that is the distinctive feature of corporatism. In this, we think caste plays a triple role. First, it provides an ideological backcloth for the corporatist ‘project’. At the same time it generates, and is 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. Through caste, the link between ideology and institutions is particularly strong. The ideology itself, in distinguishing castes, is the source of the institutions – caste and closely-related, finely-defined occupational associations. 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. The corporatist ideological and institutional framework imprints production relations, the main features of which can be distinguished according to: (1) class relations; (2) gender; (3) the local territorial organisation of the urban economy; and 4) relations between the urban economy and the state.

3.1 Capital–labour relations
The town is organised according to the needs of ‘big’ local capital. However, ‘big’ local capital does not act in concert, but is divided by commodity and by caste. It is not weakened by such a political configuration. Rather, the latter may be seen as the

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2 An order entrusted to the state in the Italian case (Mancini et al., 1983).
hydra-headed alignments of a numerically small sector so as to maximise tactical advantages. Witness for example the ubiquitous attempts collectively to regulate and control, via the state where necessary, the matrices of market exchange in which these firms are embedded: those for raw materials, money, rates in derived markets and most particularly labour. The modalities of labour control include wage rates but also the means of increasing absolute surplus value (the terms and conditions of work, the length of the working day and week, the extent and periodicity of holidays, the use of female and child labour). Through this control, capital is able to transform labour productivity extensively and without a rise in mass consumption. In so doing, capital frequently flouts the laws regulating and protecting labour. At the same time accumulation is permeated with petty crime 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. Associations of low castes and workers' unions are no different from big commodity associations in this respect. There is no organised complaint or rebellion about working conditions, in spite of the fact that, as the major business associations reported, the town is close to full employment. A modern proverb has it that 'Caste is the strongest trade union', but even among low caste workers, caste is not organising 'labour' as opposed to 'capital'. In certain cases, 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, but extremely rarely for class identity. The commodity branding of many of the backward castes signals the relative status of the traders and the traded. But it carries no necessary implications for class position. Capital is blind to caste as it transforms the production and circulation of commodities. Caste has become an instrument to regulate workers' participation in the economy, rather than to legitimate caste/class opposition or to position people in a ranking of ritual status. There is then a sort of structural disequilibrium between capital and labour as far as class consciousness is concerned: the capitalist class has a strong identity that is reinforced by convictions about the duties of the local elites in promoting urban welfare, while labour has a very weak perception of its class identity due to the absence of political representation and to the pervasive presence of caste. But there are institutions other than caste which structure accumulation and with which caste is more or less entwined: gender, locality and the state.

3.2 Gender
While just under half the workforce is female, while a handful of businesses are managed by women, practically no business is owned by women, and corporate associational life is intensely male. Educated women, extremely few of whom are 'scheduled caste' beneficiaries of Christian educations and even fewer of whom are 'backward caste', have economic niches in clerical jobs in local government, medicine, teaching, and a toehold in the professions. It is very rare to find a woman lawyer or member of the police force. Those with other skills, such as computing, work in organised-sector firms outside the locality, on the outer periphery of Amis collective life. Their role is confined to buttressing the ideological legitimation of the business/caste elite through cross-caste and class philanthropy. Women are but tiny minorities in a few caste and trade associations and where they form an important proportion, their corporate affairs are managed by men, just as the interests of labour are frequently managed by capital. As labour, women are deliberately casualised and attempts to organise them are crushed. Urban civil society therefore tends towards the reinforcement of patriarchy in the market economy. By contrast, 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 administrative echelons.

3.3 Locality
There are two aspects of locality which shape the organisation of the economy. First, since the tidal wave of commercial capitalist expansion in the 1960s, the town has organised itself as a social unit across caste and to a lesser extent across class and gender. But the purposes of this unity have evolved from being socially redistributivist and legitimating, via the accretion of enabling and claiming activity, to substituting for the state. In its new, composite role, 'town unity' is pitted against the state as much as providing a crutch for it. The second aspect of the organisation of locality concerns its spatio-political dynamics. Those civil-social organisations which are not federated operate politically at the level of local municipal government, exerting vigilance on the local state and demanding infrastructure. But the
majority of civil social organisations are components of hierarchical federations with their apexes in state or national capitals. This has two further consequences: local organisations have access to higher levels of skill and resources in their political and economic projects; and 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.

3.4 State

The economic role of civil-social organisations is part self-regulative, but for the most part directed towards the state. The state in the town is empowered to organise, mediate, protect, regulate and redistribute economic resources. In so doing it redistributes economic power between the genders, shapes the fortunes of castes, creates and regulates classes and formalises locality. If it ever was a secular institution, it is definitely being desecularised in the current era. Its efficacy is being shaped by the private social status of its officials (Harriss-White, forthcoming). At the same time, it is also riddled with incompetence, arbitrariness and oppressive practices. Private interest and private discretionary power generates corruption. So also does the party-political capture of bureaucratic allocative power in rivers of private tribute based upon departmental co-option. More quantitatively important than corruption is fraud, in which benefits are shared between individual politicians and the local business elite. Clearly, this is a collaborative state. But one thing its collaboration does not involve is control over the civil-social institutions described here.

Yet it is this state to which political appeal is made through caste and trade associations. Seven aspects to this set of claims appear from our empirical material: (i) prices and subsidies to combat the unruliness of market exchange; (ii) regulation (particularly of urban space, while other aspects of the state's regulation of markets are energetically contested); (iii) direct commercial intervention (trading in raw materials or finished products, regulation of access, terms and conditions of finance and loans); (iv) infrastructure (not only physical infrastructure but also financial and social); (v) caste reservations and employment; (vi) collusion over control of labour; (vii) taxation. The sites, scales and political outcomes of these seven fronts for civic contestation vary. But as long as the state is embroiled in these struggles, and from our evidence its role is intensifying rather than declining over the decade of liberalisation, there will persist not only the well chronicled tension between political inclusion and economic exclusion, but also the less acknowledged tensions about the terms of political inclusion. These terms require the state to have an active redistributive role in the economy.

An increasingly restive political society with new, and newly assertive parties, with organisations representing lower castes and with the democratic formal structure of authority found in many organisations, does not necessarily mean that civil society is democratising. Instead, as electoral democracy deepens, a politics other than party-electoral politics is emerging in which caste rather than class plays the mobilising role. Electoral politics is suffused with caste competition and caste blocs. Party political alignment and caste compete as principles for votes. The town is at a stage in its political development when an increasingly caste-based electoral politics takes the shape of 'capitalist business', requiring private investment, employing labour 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.

4 Conclusion

So Ami's societal corporatist form of accumulation accords with Gramsci's concept of civil society. In Ami'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 important support of a strong ideology based on transformations to the institution of caste. Due to the reinforcement of caste, patriarchy and the rhetoric of town unity, economic interests and ideological factors overlap in exactly the manner Gramsci thought to be the essence of civil society. 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 hegemonic project of 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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