

MUSLIM MERCHANTS

THE ECONOMIC BEHAVIOUR OF AN
INDIAN MUSLIM COMMUNITY

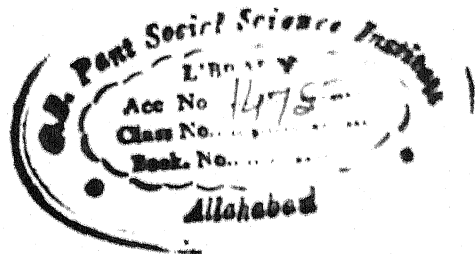
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FOREWORD

MUSLIMS CONSTITUTE THE SECOND LARGEST RELIGIOUS COMMUNITY in India. In actual numbers there are over sixty million of them. In some areas they make up a large proportion of the total population and are an important political voting bloc; at the same time their economic contribution to the society around them is quite considerable. Yet, social scientists—Indian as well as foreign—have given very little attention to them. They were much too fascinated with the caste system or the *jajmani* web. Obviously, to have a well-rounded picture Muslims and other minority groups must be studied. For us at the Shri Ram Centre it is a cause for some satisfaction that within a year we are publishing a second book on Muslims.

In this book Mr. Mines analyses the economic behaviour of a Tamil Muslim community of Pallavaram, just on the outskirts of Madras city. He went to the area with a thorough preparation including a good working knowledge of the Tamil language. He was able to establish excellent rapport with the people he studied and this has raised the quality of the book. The high degree of intimacy he achieves with the Muslim merchants and how well he understands their way of life will impress even the casual reader.

Mr. Mines clearly establishes the close relationship between the Islamic religious values, including the egalitarian social ethos, and the behaviour of Muslims as businessmen. Of course, religion is not the only factor that influences economic behaviour; other social, economic, and political variables are equally, if not more, important. The author points out that high-caste Hindus, for whom leather business was once anathema, have recently gone into that trade due to changed circumstances. Perhaps the changing socio-political environment of the country as a whole is influencing the behaviour of people of all religions.

During the colonial era most social scientists, *a la* Weber, tried to explain the economic behaviour of non-Western societies and their technological backwardness in terms of their

cultural values. In the past ten years the ratchet seems to have been reversed and many scholars have been at pains to discredit the Weberian view. They now try to prove that business communities such as the Marwaris, the Bohras, the Parsis neither lack in the "protestant ethic" nor fail in actual economic performance when real opportunities become available. Mr. Mines' work fits well into the new genre of studies. Although he does not go deep enough into the problem, he clearly demonstrates that the Muslim merchants of Pallavaram behave quite rationally in response to their peculiar business environment.

Perhaps the time has come for social scientists to bury the ratchet and to move on with *objective* studies of human behaviour. The sooner it is done the better will be our chances to find solutions to the myriad problems that we face.

ARUN JOSHI
Director

*Shri Ram Centre
for Industrial Relations
and Human Resources
15 September 1972*

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The author accepts full responsibility for the views expressed in this book and also for any omissions and commissions.

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A NOTE ON NON-ENGLISH WORDS USED IN THE STUDY

ALL NON-ENGLISH WORDS THAT APPEAR IN THE TEXT OF THIS study are italicized, except names of places. The convention of adding "s" to form the plural, as in English, has been adopted where appropriate for all non-English words.

Non-English words which are used frequently in the text are listed in the glossary at the end of the study. All non-English words are also explained as they appear, either parenthetically in the text or in footnotes. Both colloquial and literary terms of Tamil have been used where appropriate, transliterated into roman script. Urdu terms follow Pallavaram usage and have been rendered in roman script following local usage.

The name of the town studied has been retained in this book. However, pseudonyms have been employed for persons except in the case of a few public figures.

Chapter I

INTRODUCTION: THE SOCIAL FACTOR IN ECONOMIC BEHAVIOUR

THE RELEVANCE OF SOCIAL FACTORS IN THE ANALYSIS OF ECONOMIC behaviour is a much debated question. To what extent do social phenomena deter economic development¹ in India? Do social and psychological phenomena continue to prevent rapid development, even with intelligently devised plans of action? Some scholars think they do (see, for example, Weber 1958, Goheen 1958, Nair 1961, Kapp 1963, and Myrdal 1968). In looking for social causes for India's lack of rapid growth scholars commonly consider three phenomena. First, Hinduism is conceived of as having an other-worldly orientation which limits the worldly aspirations of entrepreneurs and discourages the seeking of worldly wealth. Indians are conceived of as having limited aspirations, narrow horizons, little or no foresight (e.g., Nair 1961, Myrdal 1968). Since Hindu world view and ethos is dominant in India, every religious community surrounded by its milieu is influenced by it. Jews, Muslims, Christians, Jains—all have been affected. The prevalence of caste among these groups is but one powerful illustration of this predominance. Second, as artifacts of the Hindu religion, caste and caste occupations are considered deterrents to "rational" economic behaviour. They prevent free response to new economic opportunities outside traditional occupational realms, and they are thought to discourage geographic mobility among caste members. Third, the joint family is considered a deterrent to rational economic behaviour, since it encourages nepotism instead of the rational hiring of employees. It reacts conservatively to change because family leadership is in the hands of

1. By economic development I mean "a process by which a population increases the efficiency with which it provides desired goods and services, thereby increasing per capita levels of living and general well-being" (Mellor 1966: 3).

an elder and prevents the rational handling of management problems in enterprise by mixing family finances with those of business. Besides, the joint family is not present in the industrialized West, and so it is thought incompatible with modern economic behaviour as are all extended kin ties.

It is assumed that these social and ideological phenomena are the main causes inhibiting India's economic development. However, hypotheses of this type, as Milton Singer (1966; see also Bellah 1963) has suggested, are largely hypothetico-deductive in nature and are presented apodictically. Little concrete behavioural evidence is ever presented to support the deductions. What is presented, is often highly debatable.² Thus, arguments regarding the detrimental effect of the joint family are based on a series of assumptions: The joint family is the traditional family structure occurring in pre-industrial societies and is adapted to a life-way associated with subsistence agriculture. In the West the strength of kinship ties weakened under the influences of urbanization and industrialization, which select for the nuclear family form. This is a form which is thought to adapt readily to rapidly shifting social circumstances characteristic of urban, industrial life-ways. The arguments hypothesize, therefore, that the joint family in Asia must dissolve if the processes of industrialization and urbanization are to come about as they have in the West. Yet no concrete evidence is presented to show why this must necessarily occur in India. In fact it is questionable that the joint family does break down. Summarizing research on the subject Mandelbaum (1970: 51) notes that there is no clear indication of any decline in the importance of the joint family in India's industrializing cities.

The lack of substantive supportive data for these hypotheses has led to a number of criticisms. Morris D. Morris (1967), for example, argues that no evidence has been uncovered which would support hypotheses that casteism or the Hindu value system actually affects India's economy. He notes that there is no set of Hindu values which are held throughout India.

2. Consider, for example, Nair's critique of Myrdal's *Asian Drama* (1969: 449-459). Nair, herself, has been guilty of presenting the kind of data she criticizes Myrdal for presenting (e.g. 1961).

Therefore they could not have any uniform effect on economic behaviour. As for the significance of caste, what evidence there is suggests that there are always people ready to respond to economic opportunities as they arise, although in recognition of Kusum Nair's work (1961) Morris concedes the possibility that what is observed are the "reactions of specific groups whose traditional value systems happen to be compatible with certain possibilities the market generated" (1967: 601). Even so, he concludes that superior explanations are probably to be found in more conventional economic analyses which take into account local circumstances pertinent to economic behaviour (*Ibid.*, 602). Such analyses are available and convincing (e.g., Dutt, no date).

Another strong critic of such socially deterministic arguments is Milton Singer. In a series of papers (e.g., 1956, 1958, 1966, 1968) Singer shows that those who emphasize the other-worldly orientation of Hindu values ignore the presence of a strong this-worldly orientation. In his interviews with industrialists in Madras, Singer finds that Hindu entrepreneurs do hold to concepts, such as *karma*, which have typically been thought to discourage rational entrepreneurial behaviour; but at the same time they hold to beliefs which are similar to the capitalistic spirit delineated by Max Weber (see Singer 1966: 500). What is more, these Hindus are successful businessmen. Their belief in *karma* does not interfere with their economic pursuits. Singer concludes that the significance of "beliefs, values and motives" can be determined only in the context of a particular social-economic situation in which the attitudes of the people are known (*Ibid.*, 501, 504). Hypothetico-deductive analyses fail to combine beliefs, values and motives with "concrete social and cultural contexts" (*Ibid.*, 501).

The second shortcoming of such analyses is that they fail "when deducing general tendencies, to specify conditions and magnitudes under which the conclusions are valid" (*Ibid.*, 502). Thus the caste system and ritual pollution have been described as deterrents affecting the free flow of labour in an open market. People will not seek employment unless jobs fall within their traditional occupational categories. There may be some truth in such statements. But Singer points out that many occupations

are not caste specific nor are they all ritually polluting. Caste and ritual pollution may have some dampening effect on Indians' responses to socially devalued or polluting occupations, but this effect is by no means uniform. Mechanisms, such as mental compartmentalization, enable caste members to accept occupations today which traditionally they have considered ritually polluting and so forbidden (see Singer 1968: 438ff). It is clear, therefore, that blanket statements about the influence of social and psychological factors on economic behaviour cannot be made. The degree of influence and the impact of these factors on behaviour as well as the conditions under which they affect behaviour must be carefully stated.

When the influence of caste on economics has been considered, it rarely has been defined in terms of the local social-cultural setting. Commonly the concept of caste used refers to the geographically nonspecific *varna* system. The *varna* system is an important ideological system, but it has little to do with caste at the local level where action takes place. Max Weber (1958) is guilty of such usage. More recently Richard Fox (1967) uses caste categorically in this manner. He groups all merchant castes in a north Indian town calling them *Baniyas* or *Vaishyas*. Yet in behavioural terms caste has little reality if viewed in terms of the *varna* system, as Morris (1967: 604) has correctly pointed out. Caste endogamy, caste occupations, and the ranking of castes are associated with a limited geographical area. It is in the local context that the behavioural influence of caste on economics must be analysed.

Basing his arguments on a known social context (Madras), Singer questions whether Hindu values have a detectable effect on aspirations. He finds that when economic opportunities arise there are always members of one caste or of several who respond to them, even if there are a few who do not. He also doubts whether the often-quoted hypothesis that the joint family system is incompatible with modern business and industrialization is valid. As evidence that it is not inharmonious, he shows that the authority structure of the joint family is consonant with modern industrial management. The management structure of many large-scale industries in Madras is based on the joint-family framework (Singer 1968).

Like most who have concerned themselves with the importance of social factors to economic behaviour in India, Singer is concerned primarily with Hindus and Hinduism. This is to be expected, since approximately 80 per cent of India's population is Hindu. But the remaining 20 per cent is also significant if one is to understand Indian behaviour.

Muslims form the second largest religious community, representing over 10 per cent of India's population. Despite their size, few scholars have concerned themselves directly with determining whether or not the economic behaviour of Muslims is different from that of Hindus. In general, observations about the economic behaviour of Muslims have been confined to brief notes. Such remarks, however, do suggest that some aspects of Muslim economic behaviour are distinct from those of Hindus and that the causes for these may be social in nature.

For instance, Scarlett Epstein (1962: 32ff) suggests that the success of Muslims as merchants in the village of Wangala, Mysore State, is due in part to their ability to react to the economic opportunities of shopkeeping. They can respond because they are social outsiders in the village and so are not restricted in their behaviour by village values and social pressures. Hindus, as social insiders, are not able to respond because of social pressures in the community. The agriculturally oriented value system of Wangala's Hindus denigrates shopkeeping.

Epstein's analysis of the position and behaviour of Muslims in Wangala is fairly typical. Muslims are viewed as occupying a peripheral position in India's predominantly Hindu society. Since Muslims are not caught up by the beliefs and values of Hindus or by the social conservatism of the Hindu village, they are better able to respond to new economic opportunities than are Hindus. However, little evidence is available which demonstrates that Muslims and Hindus are distinctive in economic behaviour.

The kinds of social factors which may affect Hindu economic behaviour also affect Muslims. Muslims, like Hindus, are divided into castes in most parts of India; and certain kinds of occupations are forbidden to Muslims just as certain Hindu castes are forbidden some occupations. Further, at least in Tamil Nadu State, Muslim subdivisions are loosely associated with particular

occupations; and the extended family is a highly valued as well as a prevalent social form. However, Islam is not other-worldly in its orientation. It is very much this-worldly and values a this-worldly asceticism in much the same manner as Old World Protestantism. The problem of whether Muslims are like Hindus in their behaviour or different is still open. There is no clear-cut evidence whether or not the differences in the orientations of Islam and Hinduism differentially affect economic behaviour. This must be determined in the context of a known social environment.

In this study I examine the social and economic behaviour of Tamil-speaking Muslim merchants in Pallavaram, an industrializing market town in Tamil Nadu State. Singer (1968) points out that the effects of the interrelationship of social factors and economic behaviour are mutual. These phenomena are closely integrated in a given social setting. My primary goal is to ascertain the interrelationship that exists between the Muslim Tamils' economic behaviour and their beliefs, values, aspirations and social structure. To do so is to present an ethnography of the town's Muslim merchants.

A secondary goal of this ethnography is to compare the social and economic behaviour of Muslims with that of Hindus and Jains residing within the same town. This comparison is an outgrowth of my primary concern: to present an ethnography. Do the values and the beliefs of the Muslims, Hindus and Jains differentially affect their economic behaviour? Have social phenomena been differentially affected by distinctive economic behaviour?

The third goal of this study is to determine how the interrelationship of social phenomena and economic behaviour affect the individual's view of new opportunities. Particularly, as individual wealth expands, what avenues of investment do Muslims see as open to them? The town is industrializing and merchants view industry as economically profitable. Yet they do not invest in industry. In fact there are very few Muslim Tamil industrialists in the whole State. The question is why?

The Muslim Tamil merchants of Pallavaram town make a useful subject for study in terms of these three goals. Industrialization occurs primarily in urban centres even in India where

industrial decentralization is emphasized. In the urban context, such as Pallavaram, new economic opportunities not associated with the traditional agricultural economy occur. The Muslim merchants of Pallavaram are located where they are confronted with new economic opportunities associated with industry. In Pallavaram we can see how Muslims view these opportunities.

The Muslim Tamils are characterized as being well integrated into the predominantly Hindu social milieu of the State. As the term suggests, they are largely Tamil speakers.³ They have no tradition of association with the north Indian Muslim empires, and they consider Tamil culture as much theirs as the Hindus. They do not think themselves alien to Tamil Nadu, nor do they view themselves as members of a displaced north Indian Muslim community. What is more, Hindu-Muslim relationships in Tamil Nadu have been prevailingly friendly. Expressions of religious communalism in the past seventy years are few and undeveloped. An example of the good relations which exist between Muslims and Hindus is the fact that Tamil Nadu is one of the few places where the Muslim League survived in the immediately ensuing years following the partitioning of Pakistan and India. There are no strong anti-Muslim organizations or sentiments which prevent the Muslims from pursuing their economic aspirations. The importance of social factors in the Muslims' economic behaviour can be determined, therefore, without considering religious communalism.

The Muslim Tamils are known throughout Tamil Nadu State as skilful, shrewd shopkeepers (see, for example, the *District Census Handbooks* for Madras State, *Census of India, 1961*,

3. Tamil-speaking Muslim is used throughout this study as a term of convenience to refer to Muslims who are natives of Tamil Nadu State and who belong to one of the four major Muslim subdivisions: the Rawther, Marakkayar, Labbai, and Kayalar. Certain members of these subdivisions, especially among the Labbais, have adopted Urdu as their household language during the past seventy years, although most remain illiterate in it. The adoption of Urdu is associated with a social movement to make Urdu the language of all Indian Muslims. This movement no longer has the popular support it once had. However, most Muslims in the vicinity of Madras city know at least a little spoken Urdu.

Vol. IX). The Muslims are one of the State's important merchant groups. Their prominence in trade is associated with their comparatively high degree of urbanization. Taking the Muslim population in the State as a whole, approximately 55 per cent⁴ live in cities and towns. It is only in the more backward, rural districts of the State, with the exception of Chingleput district, that Muslims are less than 50 per cent urbanized (Kanyakumari, 29%; Thanjavur, 35%; South Arcot, 38%; Ramanadapuram, 43%; Salem, 45%; and Chingleput, 47%). In all districts the percentage of urban Muslims is higher than the 26.7 per cent of the total State population which is urbanized (*Census of India, 1961*, Vol. IX, Part IIA, 1963, p. 121). Of these less urbanized districts, Chingleput is unique in that it surrounds Madras city district and encompasses considerable industry in its area. Pallavaram is one of several small towns in Chingleput which is experiencing rapid industrialization because of its proximity to Madras city.

Pallavaram has a Muslim population estimated at 10 to 15 per cent of the town's total (50,000). The vast majority of these Muslims are Tamilians, perhaps as many as half of whom are merchants or are related to merchants in the town bazaar. A few are merchants in Madras city, which lies twelve miles to the north. The town itself is a useful site for study because of its varied economy, two features of which give the town much of its character. In many respects the town is typical of market towns throughout Tamil Nadu State. With its surrounding houses, temples, shrines and mosques the market area represents one social and economic nexus of interaction. Along the main road on which the town lies, a large number of industries, some small and some quite large, have been located during the past

4. This figure was derived from the 1961 Census of India, *District Census Handbooks* for Madras State. With the exception of the Muslim population of Madras city the figure would be approximately 54 per cent. The figure for Madras city was derived on the assumption that the Muslim population has remained roughly proportionate in size since the 1931 Census. This percentage was 10.8. I rounded off this percentage to 10 and derived a very rough estimate of the population of Muslims in Madras city. I averaged this figure with the 1961 figures for the rest of the districts.

ten years. These industries, including several rock quarries, give the town its second aspect. It is an industrial town. Industry has boosted the town's population and has greatly influenced the bazaar, which is oriented to meet the needs of the large coolie population it has attracted. The rice lands which until recently surrounded the town lie fallow. The demand for housing space makes agriculture unprofitable. The proximity of a number of small industries presents the merchants of the town, whose wealth has expanded along with the town, the opportunity to observe new avenues of investment. In other words, the town has both traditional and new features reflecting the economic and social changes the area is undergoing. The juxtaposition of bazaar and industry gives one the impression of two economic systems operating side by side, influencing each other but with very little actual social integration.

The unit of study for this ethnography is the main Pallavaram bazaar and its merchants. Merchants falling within the full range of business, from the smallest street vendor to the largest merchant in the town, are considered. The merchant occupation is a diverse one. Proprietors have varied backgrounds, yet they all have had to make adjustments to their economic environment. The examination of the full range of business, from the very small to the very large, gives one an insight into the social and economic structure of the bazaar. Entry into the market economy, patterns of expansion, credit and the availability of loans, differential rates of return on capital investment, the diverse economic character of shopkeeping, social adaptation to the economy and the importance of religious beliefs and values, as well as aspirations bearing upon economic behaviour and potentials all gain perspective in such an examination. The specific character of all of these phenomena is important to an understanding of the merchants' economic potentials. Shopkeeping in Pallavaram involves a continuous effort on the part of most proprietors to expand their enterprises. Yet there seems to be a threshold which limits the continued expansion of small-scale enterprises. Beyond this threshold lies the realm of big business and small-scale industry. The nature of this threshold can be understood as a combination of social and economic phenomena in which social ties, values, beliefs, aspirations, edu-

cation, and capital requirements determine the initial social and monetary cost of beginning a new small-scale industry or a big business. The nature of this threshold is explored in Chapter VI.

Pallavaram and its merchants form the framework for an examination of economic and social behaviour. Pallavaram's bazaar is a known social and cultural context, as Singer has suggested it is necessary to study in order to avoid the shortcomings of hypothetico-deductive reasoning. Throughout this study an attempt is made to examine social factors, beliefs and values in the context of real behaviour. As much as possible I have avoided weaving hypotheses on the basis of ideological data alone in the manner that has characterized some other works dealing with the effects of Hinduism on economic behaviour.

Chapter II

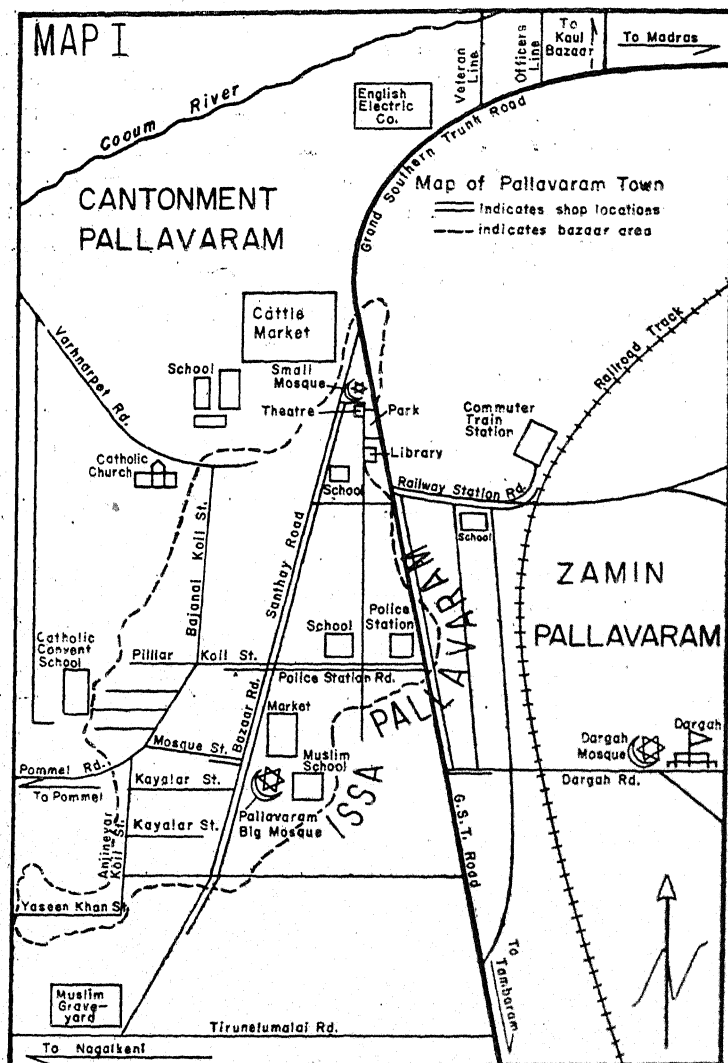
THE UNIT OF STUDY : THE PALLAVARAM BAZAAR

THE PHYSICAL UNIT

ONE CAN CATCH A COMMUTER TRAIN AT A NUMBER OF STOPS in Madras city and ride out to Pallavaram, which is the third to the last stop on the line. The commuter steps down near a residential area, not far from one of the lesser business areas. Walking along a dirt road from the station towards the main bazaar, he passes to the left of an old Hindu temple tank silted up from disuse. On the left under a banyan tree is a small Hindu shrine with *Nagakals* (votive tablets with a snake motif). Next to it is the beginning of a series of tea stalls. This temple is remembered by some as one of the old corners demarcating the town's boundaries. Another marker is thought to have been located not far from one end of the main bazaar on Kayalar Street. It is rumoured that the stone marking this corner was carried off by someone seeking a door stoop. The other two corners are forgotten.

Proceeding, the observer comes to a strip of blacktopped road and a small concentration of shops. There are few platform merchants in this area. The tempo of the street is leisurely. One sees the "College Bakery", shoe stores, provision stores, which deal in dry food-stuffs such as grains and lentils, the town high school, and, further up the road, a vegetarian restaurant and the Grand Southern Trunk (G.S.T.) Road. This is the main road leading from Madras south to Tiruchirappalli, two hundred miles away. When the commuter comes onto G.S.T. Road, he sees two or three buses stopped opposite to pick up passengers for Madras city. The city's huge wholesale and retail markets, which lie twelve miles to the north, are easily accessible. Along G.S.T. Road there are two petrol bunks, vegetarian and non-vegetarian restaurants, trucking outfits, motor repair shops, truck and automobile electrical shops, brick companies, hardware stores, the ubiquitous tea, *beedi* (country

cigarette) and cigarette stalls, lumber yards and a large number of industries, some small and some large. The Pallavaram area is an industrial site. During the past ten years numerous industries have been located here. Just off G.S.T. Road are the town park and the library, which has Indian magazines published in English as well as Tamil-language publications.



Police Station Road runs nearly perpendicular to G.S.T. Road. The police station is on the right. Houses line both sides of the street. Also located on this road are the town's Records Office, an Urdu elementary school and shops, which become more and more numerous as one approaches the intersection with Bazaar Road. Police Station Road is known for its pawnbrokers' shops run by Jains who have migrated from Pali district in Rajasthan. The street is also the location of one of the two formal banks in the town. Near the intersection the commuter encounters the first of the platform sellers, petty businessmen with their merchandise spread out before them in the dirt. This is a clear sign of the proximity of the bustling main bazaar. Santhay Road lies to the right. It leads back to G.S.T. Road and marks at their junction the northern end of the main bazaar. The end of Santhay Road closest to Police Station Road is lined with hardware shops, small tea hotels, and the working areas of *beedi* rollers. Further north is the Cantonment Panchayat office, the Jain maternity hospital, a health clinic, two schools and the grounds where every Friday morning a large cattle market is held. Houses follow one side of the road and at the extreme end is a walled-in compound which contains a few houses and the Pallavaram Small Mosque.

To the left of Police Station Road is the main bazaar of Pallavaram. Except during the hot part of the day, this street bustles with activity. Platform sellers fill the road selling fruits, vegetables, cloth, clothes, flowers, *chappels* (sandals), knives, hats, sugarcane, jewelry, shoe repair service and so on. These peddlers leave only a narrow passage along which traffic may pass. They sit under black umbrellas in the road and sun and yell out their advertisements and prices. No rent is paid for the use of the street. Behind them, sitting in their open-faced shops, are the merchants of the larger establishments. Most shops are rented. Many are little more than small, tile-roofed houses which have been remodelled for purposes of business. Others occupy part of the first floor of two and three-storey cement and brick buildings which are also used as warehouses and as dwellings.

Proceeding along Bazaar Road the shops quickly diminish

in number and the road turns from asphalt to dirt as it crosses over from Cantonment into Issa Pallavaram.¹ Houses appear for a time on both sides of the road and then there are open waste lands. Here are located a few of the several leather tanneries situated in the town, the *Id-gah* (Muslim festival place) and the Muslim graveyard. The road is rough.

The majority of Pallavaram's shops are found lining the few roads described above. Excluding Railway Station and G.S.T. Roads, they form Pallavaram's bazaar. There are occasional shops scattered here and there on almost every street of the town with the exception of narrow lanes; these are mostly *beedi* or tea stalls or small provision shops catering to the needs of the local residents of the immediate area. In no other area, however, does the volume of business approach the level of the bustling main bazaar.

RESIDENTIAL SUBDIVISIONS OF PALLAVARAM

The town of Pallavaram is divided into a number of named colonies. Many of these are small residential localities and do not always indicate neighbourhoods. Nor do they encompass all of the town's area. An examination of these colonies² does, however, give one some insight into the composition of the town's population and residential distribution. For the sake of brevity the named colonies of Pallavaram are listed:

- (a) *Veteran Line* and *Officers' Line* — largely dominated by company employed Anglo-Indian Christians. At least one Muslim family lives in this area. Location: Cantonment Pallavaram.
- (b) *Nizambet Colony* (including houses around the Small Mosque)—composed of forty-one households, dominated by poor Muslims, many of whom are *beedi* rollers. Chris-

1. At the time of this study (1967-1969) Pallavaram was divided into three administrative areas. Since then, with the exception of the Cantonment area, Pallavaram and some previously distinct locations have been organized into a single municipal unit. The new Pallavaram has a population in excess of 50,000 persons.

2. In Madras English the term "colony" is used to denote a neighbourhood or residential area within the town or city.

- tians and Hindus of Mudaliar and Naicker castes are also present. Location: Cantonment Pallavaram.
- (c) *Nehru Nagar* — composed of Fatima and Srinivasa colonies. The former colony is composed of seven houses all of which are occupied by Muslims. The latter colony has twelve to fifteen houses and is composed of a Muslim majority. Anglo-Indians occupy three to four houses. A few Brahmins also reside here. Location: Issa Pallavaram.
 - (d) *Rajaji Nagar* — composed of Gopal Colony, Raja Joseph Colony and Thevanthope Colony. The first and the last of these colonies are composed largely of Brahmins, many of whom are retired from or are currently employed in government service. Raja Joseph Colony is small, composed of four to five houses occupied by Anglo-Indians. Location: Zamin Pallavaram.
 - (e) *Kulathumoodu* — A Harijan (untouchable caste) area. Largely coolie labourers and peons, some of whom are employed in factories, reside here. Location: Zamin Pallavaram.
 - (f) *Bharati Nagar* — formed of Murugan Colony, Sarsawathi Colony, and Zamindar Colony. These colonies are occupied largely by Harijan, Brahmin and Muslim residents respectively. Location: Zamin Pallavaram.
 - (g) *Kamaraj Nagar* — occupied largely by Muslims who are menial office workers and *beedi* rollers. This is a *cheri* (slum). Location: Zamin Pallavaram.

The colonies listed above refer to the main residential areas designated by townspeople. They do not include all areas where families are living. One may list a few other areas which are distinct enough to warrant discussing but which are not known by any one name. Among these is Harijan Colony, which is located behind the town market in Cantonment Pallavaram. This is largely settled by poor Hindus and some Muslims, most of whom are coolies either in Pallavaram or in Madras. Houses are predominantly of mud and thatch construction in this area. Next to this colony is the fishermen's *cheri*, which is also in Cantonment Pallavaram. This *cheri* is predominantly composed

of Hindus of the fisherman (*Eruwar* and *Nathar*) castes. Two fish *mandis* (store houses) are located in this area. Kayalar Street³ is a Muslim-dominated area, although a few poor Anglo-Indians also live here. Several Muslim residents are self-employed small businessmen. Most houses in this section are in poor repair; a few are privately owned but most are rented. Many of them are organized in "lines" perpendicular to the road, with narrow passageways running between them. Vannaarpet or Washermanpet is situated to one edge of the town in the Cantonment. This is a colony of poor Hindus of the washerman caste, although Anglo-Indian Christians are also located here.

The last location to consider is the bazaar area. Merchants live as close to their respective places of business as they can. The houses of the merchants are usually of *pakka* (brick and cement) construction. They line the narrow alleys which lead off the main roads of the bazaar, and they lie behind or above the shops in the bazaar. Every inch of space is used; no gaps occur between houses. Population density is at its greatest in this section of town. Issa Pallavaram, which incorporates much of the bazaar, has a population density of 21,580 per square mile (*Census of India, 1961*, Vol. IX, Part IIA, 1963: 80).

In the bazaar area residence according to caste or religion is random. Of twenty-one streets and residential lines surveyed not a single street is occupied by members of only one caste or religion. The Kayalar Street, Mosque Street and Yaseen Khan Street are exceptional for their very heavy preponderance of Muslim households, but this reflects the high proportion of Muslims in the bazaar. Fifty-five per cent (182) of 331 households are Muslim. Muslims are one of the largest business-owning communities in Pallavaram and are one of the wealthiest groups in town. With the exception of Kamaraj Nagar, Muslims do not predominate elsewhere in the town. *Naickers*, *Harijans* and Brahmins are the majority in Zamin Pallavaram. Within the bazaar Muslims, Hindus, Jains, and Christians live intermixed. The absence of caste-determined residence patterns in the bazaar parallels Richard Fox's findings in Tezibazar, a

3. Kayalar Street actually refers to two parallel residential streets. These streets are referred to locally in the singular. For simplicity I follow the local Pallavaram usage.

north Indian town (1967: 301).

The residential areas and colonies listed above divide the town of Pallavaram into a number of social groupings. I found that many areas currently have or have had headmen who act as social leaders among their fellow residents. In some cases headmanship is a very informal affair. The headman of the Kayalar Street illustrates this. He has no sanctioned power either legally or economically speaking. However, he is thought of as a just and fair man by the residents of the area. At times of crisis or of dispute most but not all households will call upon him to give advice or to arbitrate. He is the acknowledged headman of the Kayalar Street. In contrast, the two Muslim brothers who are headmen of Kamaraj Nagar are the landlords of the area and hold their position of leadership largely because of this fact alone. While they are not popular men, they are able to make decisions affecting the social life of the residents. They organize and run, for example, the annual festival of the *Buddhusheed Dargah* (a shrine dedicated to the Muslim saint, *Buddhusheed*) which is located within the area; and they attempt to run the mosque which is also associated with their property. An opposition group composed of residents of the area has tried to supplant these men; so far they have not succeeded.

Not all residential areas within the town have the kind of social unity which is expressed by the recognition of headmen, even disputed ones. The bazaar area contrasts most notably with headman areas. As residents jocularly say, every merchant is a king. Social forces in the bazaar area are so diverse that no single man is accepted as the acknowledged headman. Leaders are found in a variety of areas—religion, economics, and politics — all of which have diverse requirements and which have attracted a variety of men. The political division of the bazaar into two separate administrative areas has accentuated its anarchic character.

THE ADMINISTRATIVE AND POLITICAL ORGANIZATION OF PALLAVARAM

The town is structured by political subdivisions as well as by residential areas. Pallavaram is divided into three administrative

areas.⁴ These include Cantonment Pallavaram, administered by a Cantonment Board composed of five military appointees including the Board president and seven elected members; Issa Pallavaram, administered by a panchayat of twelve elected members and a coopted woman member; and Zamin Pallavaram, administered by a panchayat of fifteen locally elected members, including a coopted woman member.

The administrative subdivisions of Pallavaram result from historical circumstances rather than from any natural social division of the town. Under the British, Cantonment Pallavaram was part of the native garrison stationed for the defence of Madras city (*Imperial Gazetteer of India* 1908: 370). The Cantonment boundary runs through the middle of the bazaar, so that shops on opposite sides of the street lie in different administrative areas. Many Muslims in Pallavaram trace their ancestors' origins to this native garrison. The Pallavaram Small Mosque was built to meet the religious needs of the Muslim troops. Today the Cantonment is still active and is the army headquarters for south India. Most active military use of the Cantonment is centred several miles to the north of the town.

Zamin Pallavaram was formed from the lands owned by absentee landlords, known as *zamindars*. The most recent zamindars of the area were the sons and daughters of the Urdu-speaking Muslim, Gulam Hasathulla Khan, whose father, Madhi Husain, purchased the land from the impoverished previous owner, Iswara Das, some time after 1911. Apparently Zamin Pallavaram was never a very profitable holding. The descendants of the zamindar live moderately in Madras city. Today much of the land of the subdivision is owned by private families. The area took on its present administrative status as a town panchayat in 1958 when Madras State initiated the present panchayat system of local government. The Issa Pallavaram Town Panchayat was founded at the same time. It incorporates the remaining area occupied by the town.

There appear to be no underlying social factors for the

4. See above. Pallavaram has been administratively reorganized since this study. The bazaar area is now divided into two administrative areas.

separation of Issa and Zamin Pallavaram. In fact, the two areas were united into a single municipal area in 1969.

The area which Zamin Pallavaram encompassed is large and socially amorphous; it encompasses nearby villages and the town of Chromepet as well as a large sector of Pallavaram. The area administered by the Cantonment Board similarly covers several towns and a few villages, but it does not represent a cohesive social unit. The Pallavaram sections of the Cantonment and of the zamindar area, however, comprise a single distinct social unit in the sentiments of the town's populace.

A general effect of this three-way division is that local leadership in the bazaar tends to be fragmented. The leadership of Zamin Pallavaram is distinct from that of the rest of the town. This reflects the area's social separation from the bazaar area, which lies within both Issa and Cantonment Pallavaram and whose leadership centres within the bazaar. Between these latter two divisions there is an overlapping of leadership. The president of the Issa Pallavaram Panchayat, a Muslim Tamil merchant, wields a degree of influence in the Cantonment through a number of candidates he has sponsored in the Cantonment Board elections. The highest elected post, the Vice-presidency, is held by one of his candidates, a Hindu of *Yadayar Pillai* caste.

Local-level politics become very much involved in State politics and members of the local boards have unofficial party affiliations. The D.M.K. (*Dravida Munnetra Kazagam*) and Congress (*Indian National Congress*) are the two major parties. Party distinctions again reflect the separation of Zamin Pallavaram Panchayat from the other town councils. Six of the Issa Pallavaram Panchayat members are D.M.K. members or are supporters of the D.M.K. and four are supporters of Congress. Four of the elected Cantonment Board members are D.M.K. supporters. In contrast, twelve of the fifteen members of the Zamin Pallavaram Panchayat are Congress supporters and two support D.M.K. However, the local M.L.A. who represents all of Pallavaram is a very popular film star and a member of the D.M.K. It appears that the Congress has the majority of support in Zamin Pallavaram and the D.M.K. has the majority of support in the bazaar area. The party associations of these two

areas reflect their social make-up.

NEIGHBOURHOODS AND COMPOSITION OF THE PALLAVARAM POPULATION

The heavy percentage of low-caste members on the panchayats and on the Cantonment Board is representative of the general caste composition of the town and of the general residential locations of the castes. On the Issa Pallavaram Panchayat there are three Muslims, three *Harijans*, two *Mudaliars*, an *Oddar* (earthworker), a *Chettiar* (merchant), a *Reddiyar* and a *Yadayar Pillai* (milkman). On the Zamin Pallavaram Panchayat seven are *Harijans*, five are *Naickers* and four, including the coopted female member, are Brahmins. No Muslim is a member. Data on caste for the members of the Cantonment Board are incomplete. However, what information is available indicates that caste representation is broader and in this sense more comparable to the caste composition of the Issa Pallavaram Panchayat than to the membership of the Zamin Pallavaram Panchayat. No Muslim, however, is a member.

Pallavaram is known locally as a town with a high percentage of low-caste residents. This is a distinction which, while largely based on impression, has validity. I am aware of only one Brahmin family living in the bazaar area of the town, while *Harijans* abound. Nevertheless, high castes are supporters of the Congress. According to the Zamin Pallavaram *munisippu* (town clerk) about three thousand Brahmins reside in the town. As a rule, what high castes there are reside in Zamin Pallavaram. Brahmins and *Harijans* are supporters of the Congress.

Many Brahmins in Zamin Pallavaram are employed as office workers and administrators in the new industries which have been located here during the past ten years. A few manage their own businesses and industries. For the most part Brahmins are recent arrivals. Many live in modern residences, peripheral to the older sections of the town. In terms of residential pattern, Brahmins do not live intermingled among low-caste residents.

Despite its Brahmins, Zamin Pallavaram is predominantly a *Harijan* area in the view of the *munisippu*. *Naickers*, who are a middle-ranking caste, are also very numerous. *Naickers* are

the numerically predominant caste in Saidapet taluk, the sub-district in which Pallavaram is located.

Muslims by far constitute the majority group in the bazaar, which includes Cantonment Pallavaram and over half of Issa Pallavaram. Of 331 houses surveyed 182 were Muslim. The *Naicker* caste occupies the next largest number of households, with thirty-three; they are followed by the *Mudaliars*, with twenty-one, the *Yadiyar Pillais*, with seventeen, the *Chettiars*, with fifteen, and Jains, with fourteen. All of these are middle-ranking groupings in the local system of stratification. Fourteen other castes account for the remaining forty-nine households. The absence of Brahmins and *Harijans* from the bazaar area and the contrasting heavy preponderance of Muslims helps distinguish the bazaar area as a social unit within the town.

Within the Pallavaram area there are four Muslim neighbourhoods. A neighbourhood is an area in which daily social interaction is most common among fellow residents. The chief criterion delineating the neighbourhood besides residence is a shared pattern of economic behaviour. Social outlook is also shared, most notably the aspirations of residents. In Pallavaram the largest Muslim neighbourhood encompasses the bazaar area, while it excludes Kayalar Street and the area around the Small Mosque. The bazaar has a social unity. Here is where the Muslim merchants live. They all attend the same mosque, the Big Mosque, which is administered by the more prosperous merchants. No non-merchant is on the governing board of the Big Mosque. The Muslim merchants of the bazaar attend each other's social occasions and frequently also those of fellow merchants of different religions. To be a Muslim merchant and not to be invited to a social event of a fellow Muslim merchant is a snub. All important Muslim leaders of the town live in this neighbourhood. No one leader, however, is recognized as paramount in the area. The bazaar has too many kings. Finally, there is a considerable number of kin ties interrelating Muslims of the bazaar.

In terms of aspirations and outlook, most of the Muslim merchants wish to improve their businesses. They wish their sons to become merchants; education is not emphasized as a means of improving one's family's economic condition, and

they deprecate the taking of employment in preference to seeking self-employment.

Adjacent to the bazaar is the neighbourhood of the Small Mosque. Members of the fourteen Muslim households in this area attend the Small Mosque and are largely employed, rather than self-employed. The administration of the Small Mosque is in the hands of old men, some of whom at one time were merchants of some import but who now have fallen on bad times. This is a lower-class neighbourhood than the bazaar, but it is not as low class as the untouchable slums.

One of the old men of the Small Mosque neighbourhood was a wealthy exporter of *lungis* (skirt-like garment worn by men) to Southeast Asia before World War II. When the Japanese occupied Southeast Asia he was left with sizable debts, which destroyed his business. Another elderly gentleman was an export dealer in hides and skins, and he lost his wealth in a similar manner. It is said that the *mutavali* of the Small Mosque was also once a wealthy man, but that he lost his money in his youth through intemperance. These old men often do attend functions within the bazaar area neighbourhood, but most Small Mosque residents do not. Class defined in terms of wealth and occupation distinguishes and separates the two areas.

The third Muslim neighbourhood centres on Kayalar Street. It has a headman. While a few Muslims who live here are merchants or businessmen, they all occupy rather peripheral social and economic positions within the bazaar area. As in the bazaar area neighbourhood, most Muslims in this area attend each other's social events, but they are often excluded from similar events sponsored by bazaar area Muslims.

The fourth Muslim neighbourhood is Kamaraj Nagar. Two Muslim brothers are headmen of this area. They act as the managers of the *dargah* (shrine of a saint) and of the mosque, which are located in the area. Residents attend each other's social occasions and jointly participate in religious events. Most are employed persons. Their social outlook emphasizes the value of education for improving their economic condition. In contrast to the residents of the other neighbourhoods who largely speak Tamil as their household language Muslims of Kamaraj Nagar speak Urdu.

Residents of Kamaraj Nagar do not usually interact socially with the Muslims of the bazaar area. This is partly because Kamaraj Nagar is geographically isolated; it lies about one mile to the west of the bazaar. But it is also due to the distinct kinds of economic behaviour pursued by residents of the two areas. Kamaraj Nagar's residents are clerks and peons, without the independence of merchants and without the status entrepreneurs enjoy. The residents of Kamaraj Nagar are on the average distinctly poorer than the Muslim Tamil merchants of the bazaar area.

Because the majority of Muslims living in Pallavaram reside in the bazaar area neighbourhood, the bazaar and all that is associated with it set much of the tone of the lives of Muslims within the town. The general prosperity of the Muslim merchants leads residents of Pallavaram to say that the Muslims are one of the three wealthiest groups in town.

THE MUSLIMS OF PALLAVARAM

Residing in Pallavaram are Muslims belonging to eleven endogamous subdivisions. The majority of the Muslims of the town belong to one or another of the four Tamil-speaking Muslim subdivisions, the *Labbai*, *Rawther*, *Kayalar* or *Marakkayar*. The Muslims belonging to the remaining subdivisions speak Urdu as their household language or, in the case of the *Moppilahs*, Malayalam. The Urdu-speaking Muslim subdivisions present in Pallavaram are *Shaykhs*, *Sayyids*, *Pathans*, *Isma'ilis*, including *Da'udi Bohrahs*, *Navayats*, *Wahhabis* and a catchall group, the *Daccanis*. In addition to these endogamous groups there is one family of Tamil-speaking *Chettiars* who converted to Islam, which does not belong specifically to any of these groups. And a few Muslims claim they do not belong to any subdivision.

A number of factors divide Muslims into subdivisions, although no interrelated set of factors can explain the structure underlying all the differences among these groups. It is apparent, in fact, that the Muslim subdivisions are not all the same kinds of groups. Nor are they caste divisions.

The first of the factors distinguishing the subdivisions is religion. All of the Muslim Tamil subdivisions are Sunnites. Most *Labbais* and *Rawthers* follow the Hanafi school of Sunniism.

and *Marakkayars* and *Kayalars* follow the Shafite school. The *Sayyids*, *Shaykhs*, *Pathans*, *Navayats* and *Daccanis* are also Sunnites, as are *Moppilahs*. The *Isma'ilis*, however, are Shi'ahs. There are very few Shi'ah families in Pallavaram, not more than four or five. No Shi'ah is an important merchant in the bazaar. Each of the Shi'ah groups has its own separate society and mosque in Madras city, although there is also a very small Shi'ah mosque about two miles from the bazaar near Old Pallavaram.

Wahhabiism constitutes another religious distinction differentiating among Muslims. There is only one extended family of *Wahhabis* in the town. The head of the family is a retired assistant postmaster and he presently runs a small shop manufacturing aluminium vessels. *Wahhabiism* is a puritanic sect of Islam which depends on the Koran alone as a guide to religious behaviour. In Pallavaram *Wahhabis* do not observe many of the religious practices of the other Muslims; for example, they do not perform elaborate or prolonged death ceremonies or elaborate marriage ceremonies. They do not frequent *dargahs* or observe the festival of "Last Wednesday" (a day commemorating the Prophet's recovery from a long illness) and so on.

Tradition of descent is another factor which distinguishes some Muslim subdivisions. *Sayyids* are direct descendants of the Prophet. There are very few *Sayyids* in Pallavaram. Those living in the bazaar have small businesses. One family is headed by the retired *peshimam* (leader of prayer) of the Big Mosque. In Pallavaram *Shaykhs* are considered to be descendants of the Prophet's followers during his lifetime. Whatever their actual origins, *Shaykhs* in Pallavaram are usually quite poor. *Shaykh* merchants are predominantly barbers, tailors and butchers.

The third factor differentiating some Muslim subdivisions is place of origin. *Moppilahs* come from Malabar and speak Malayalam. They run small tea stalls and tiffin (snack) restaurants. *Pathans* originate from Afghanistan, Pakistan and Kashmir and speak Pashto. The *Pathans* who live in Pallavaram leave their families in their places of origin when they travel south for business. Generally, *Pathans* are money-lenders. A few have petty shops. Most of the *Pathan* men live together in small groups outside the bazaar on the G.S.T. Road. This is a pattern

of residence not followed by other Muslim groups in the town.

The *Navayats* are the last group which appears to be distinguished primarily by its origins. The folk etymology of the name, *Navayat*, is much disputed (see D'Souza 1955: 12ff). In Pallavaram the common explanation is that it derives from a Persian term meaning "nine men". The *Navayats* are the descendants of nine Persians who came to India. Whatever their origin, *Navayats* are Sunnites of the Shafi school. In Madras city there are no special *Navayat* organizations, mosques or *mad-rassahs* (mosque schools). Pallavaram's few *Navayat* families come primarily from Meenambur, a town near Gingee in the South Arcot district of Tamil Nadu. One family is engaged in several small-scale fruit-vending stalls while the head of another is a landlord. Several of this latter family are employed in Madras city.

The three factors discussed above account for the existence of the Muslim subdivisions so far described. However, one encounters difficulty accounting for the Muslim Tamil groupings in terms of any one of these factors. A combination of factors are important. Muslim Tamils are all Sunnite. Most *Kayalars* and *Marakkayars* are Shafis, while *Rawthers* and *Labbais* are Hanafis. None of the Muslim Tamil groups is ranked, as Hindu castes are, in a hierarchically integrated system of stratification. None occupies a subservient or service status with respect to any of the others. All Muslim groups, and this applies to the *Moppilahs* and the non-Tamil-speaking subdivisions as well, interact socially on a basis of equality, although for religious reasons Sunnites and Shi'ahs do not freely interact. They all attend each other's celebrations and ceremonies and all readily eat together, sitting shoulder to shoulder. These are actions which are considered to be symbolic of equality.

The popular stereotyping of the four Muslim Tamil subdivisions illustrates the social reality these divisions have in the people's eyes; so too does the preference for endogamous marriages these groups demonstrate. Among Muslim Tamils, *Labbais* are stereotyped as the group least committed to business and the most interested in making social advances through formal education. They are thought to accept more readily than are any of the other groups the dependent status of the em-

ployee. In general Muslim Tamils stress independence as an ideal and envision self-employment as critical to its attainment. *Labbais* are less committed to this ideal than are the other Muslim Tamil groups. In these respects *Labbais* are grouped along with non-Tamil-speaking Muslims by members of the other Muslim Tamil subdivisions. Since *Labbais* in northern Madras have consciously adopted Urdu, a northern style of dress, and northern types of life crisis ceremonies, this classification with northern Muslims is strengthened. Whatever the strength of commitment to business, *Labbais* are the largest merchant subdivision in Pallavaram.

Rawthers are Tamil speakers. They are considered to be shrewd merchants specializing in businesses dealing in cloth, dried lentils, betel-nut, and cigar-leaf. They also have a reputation for moneylending and for extreme industry in their pursuit of the rupee. It is said that *Rawthers* and *Marakkayars* will travel anywhere for money.

Marakkayars are stereotyped as the wealthiest of the Muslim Tamil subdivisions. They are importers and, by reputation, smugglers. *Marakkayars* speak a variety of Tamil which contains a smattering of Arabic words. This is a trait they share with *Kayalars*.

Kayalars are rugged individualists, poor and fanatically religious. They are dealers in junk and secondhand goods. In fact, they are so closely associated with this occupation that secondhand goods stores in Madras city are referred to in the vernacular as *Kayalar stores (Kayalan kade)*.

Rawthers and *Labbais* consider the language of *Kayalars* to be uncouth and point with disfavour to *Kayalar* kinship terminology, which varies in certain key terms from those of the *Rawthers* and *Labbais*. *Marakkayars* share with the *Kayalar* these variations, which are outlined in Table 1. This terminological variation derives from regional differences in dialect. The speech of *Kayalars* and *Marakkayars* is associated with the southern Coromandel Coast from which region both groups come.

Among Muslim Tamils there is no prescription against marrying outside one's subdivision. In a limited number of cases, such marriages have occurred when considered socially advan-

tageous and have been accepted by all as tolerable if not completely suitable.

Table 1. Variation in Kinship terminology among the Muslim Tamil subdivisions *

	Labbai and Rawther			Kayalar and Marak-kayar		Standard Tamil
F:	appaa	appaa attaa	or	vaappaa (occasionally attaa)	vaappaa	appaa
m:	ammaa	ammaa		ummaa	ummaa	ammaa
eld B:	annan	annan		kaakaa	kaakaa	annan
eld s:	akkaa	akkaa		laattaa	raattaa	akkaa
GF:	taattaa	taattaa		appaa	appaa	taattaa

* Terminology not listed is essentially the same for all groups. F=father, M=mother, eld B=elder brother, eld s=elder sister, GF=grandfather.

Although a number of research methods⁵ were used to determine whether Muslim Tamil groups are stratified hierarchically, no ranking of groups is apparent. There is a tendency to consider the non-Tamil subdivisions slightly higher in religious rank than the Tamil groups, because they claim a longer Islamic ancestry. This, however, does not perceptively affect interaction. The ranking that does occur among Muslims is not caste ranking, but class ranking. It is done individually on the basis of economic standing, of education, especially reli-

5. Among the methods used to determine hierarchy were a status sociogramme similar to the one demonstrated by Goodenough (1965: 11-16) for Truk in which an ego ranks individuals identified by a single criterion such as caste or subdivision, age, sex, wealth, etc. Another method used involved informants arranging according to rank the names of Muslim subdivisions, which were written on separate cards. A third method involved ranking Muslim subdivisions in terms of a number of criteria all of which are recognized as giving status.

gious education, and of personal character. In this respect the *Kayalars* on the whole are ranked lower than are the other Muslim Tamil groups, because they are poor, uncouth and lack education. The other three groups, the *Rawthers*, *Marakkayars* and *Labbais*, are equal in rank. Among these groups the statuses of individuals are more variable. It is interesting to note that *Kayalars* form the only Muslim Tamil subdivision whose members live separately as a distinguishable group. They reside on Kayalar Street. They are not Muslim untouchables, since other Muslim groups do not recognize any rules of avoidance. A few *Rawther* and *Labbai* families also live in this area. Urdu-speaking Muslims also have an identifiable residential locality in Pallavaram, Kamaraj Nagar. This does not mean all Urdu-speakers live in this area; they are scattered throughout the town.

THE BAZAAR AREA

The main bazaar of Pallavaram is situated on two cross streets, Santhay Road, extending down Bazaar Road as far as Kayalar Street, and Police Station Road, extending about halfway down Pilliar Koil Street. Most businesses are located in this area, and the maximum concentration of business transactions takes place here. The bazaar is very crowded, but its physical structure is simple. Open shops line both sides of the streets while platform vendors crowd before them. A number of these platform sellers are transients. Some are regulars. They return daily, year in and year out, to the same location. Among the regulars, those who deal in cloth and sundries sell the same kind of goods throughout the year. Vendors of perishables, however, vary their goods with the season.

Subsidiary clusters of shops occur along Dargah Road and Railway Station Road. Business in these areas is much slower than in the main bazaar, but business is essentially of the same kind. In the main bazaar and in these areas businesses are oriented to meet the daily needs of the town's poor, labour population. Goods are of inexpensive quality.

A fourth bazaar area occurs along G.S.T. Road. Restaurants, soda and cigarette stalls, gas stations, and truck and automobile repair shops bespeak of a life on the road. Other businesses

seek sales from the surrounding region, including Madras. Brick and tile concerns, trucking operations, large lumber yards and numerous industries lie along or just off G.S.T. Road. Among the latter are the establishments of Woodward Gripe Water Co., Ltd., and the English Electric Company, both firms with widely marketed products. Very few businesses on G.S.T. Road are oriented to meet the daily household requirements of the Pallavaram public.

MERCHANTS AND SHOPS

There are approximately 490 businesses in the bazaars of Pallavaram; all but a few are independently owned. Businesses fall into seventy-four different types. In general the bazaar is characterized by retail, seller-buyer transactions. (See Table 2.)

It is easy to get the impression that businesses are subsistence oriented in India. Their apparent small size, their proprietors' appearance of poverty, their great numbers, and the obvious stiff competitive spirit of the bazaar all lead one to speculate that margins of profit must be small. Richard Fox's study of Tezibazar, a north Indian town, confirms this suspicion (1967). He found the prevailing attitude of merchants dominated by their efforts to make ends meet. Tezibazar is located in a very poor region of Uttar Pradesh State. Pallavaram in contrast lies in an economically dynamic region. And Pallavaram's economy is growing rapidly. The result is that Pallavaram's businesses are expansion oriented. Of course not all businesses in Pallavaram are expanding. Over half of the enterprisers are struggling to make ends meet on a day-to-day basis. But contrary to Fox's findings (*Ibid.*: 302-303), merchants in Pallavaram are extremely competitive and are speculative. As will be shown, the wealthier merchants invest relatively large sums of money with the aim of maximizing profits.

It goes without saying that some formerly wealthy entrepreneurs are now quite poor. These businessmen attribute their economic downfall either to their own or to their father's intemperate habits or to depressed times. Thus, Abdul, vegetable vendor, and his brothers lost the wealth their father accumulated because of gambling. Hussain, a *Bohrah*, lost his wealth and enterprise in another way. Hussain and his elder brother,

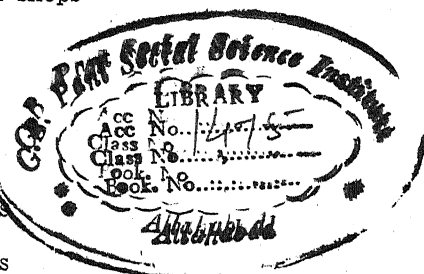
Table 2. Categories of businesses operating in the Pallavaram bazaar ranked by number of businesses in each category

Business category	Number of shops
1. Provision and ration shops	33
2. Vegetable stalls	32
3. Tailors	27
4. Barbers	27
5. Cigarette, beedi,* pan and nut stalls	23
6. Tea shops	23
7. Jewelry-goldsmith shops	19
8. Pawnbroker shops	19
9. Cloth stores	19
10. General merchant stores	16
11. Tiffin and sweets stalls	16
12. Cycle shops	14
13. Fruit stalls	13
14. Restaurants serving meals	13
15. Flower stalls	12
16. Brick works	11
17. Laundries	11
18. Meat stalls	10
19. Betel-leaf stalls	8
20. Fish stalls	8
21. Oil-cum-flour mills	7
22. Cobbler shops	6
23. Coconut shops	6
24. Firewood shops	6
25. Hardware	6
26. Timber shops	6
27. Soda dispensers	5
28. Aluminium, brass and stainless steel ware	4
29. Bakery	4
30. Kerosene dealers	4
31. Soda factories	4
32. Spice stalls	4
33. Watch-repair shops	4
34. Bangle (bracelet) shops	3
35. Cattle-feed stores	3
36. Clay-pot shops	3
37. Electrical-goods shops	3

Contd.

* For the meanings of unfamiliar terms, consult the glossary.

Business category	Number of shops
38. Gas stations	3
39. Photo shops	3
40. Printing shops	3
41. Tinker	3
42. Ready-made clothes shops	3
43. Banks	2
44. Bottle shops	2
45. Cement shops	2
46. Lorry businesses	2
47. Radio-repair shops	2
48. Scrap-iron dealers	2
49. Used-paper dealers	2
50. Western pharmacies	2
51. Audio services	1
52. Banana-leaves stalls	1
53. Box makers	1
54. Brass polishers	1
55. Brass works	1
56. Bus lines	1
57. Carpenters	1
58. Cheap books	1
59. Chit funds	1
60. Coffee-bean shops	1
61. Country-medicine stalls	1
62. Fortune-teller/astrologers	1
63. Garlic stalls	1
64. Goldplater stalls	1
65. Country (Ginger)-coffee stalls	1
66. Household goods	1
67. Job typist	1
68. Mattress and pillow shops	1
69. Oil stalls	1
70. Religious pictures stalls	1
71. Papermaker's warehouse	1
72. Snuff shops	1
73. Stationery shops	1
74. Wholesale cigarettes	1
Total	490



Iqbal, inherited a hardware store in Madras city. They ran the store jointly for a number of years. Hussain was very enterprising and interested in expanding the business. Iqbal, however,

was conservative. The two brothers argued, and eventually Hussain broke with his brother, taking his share of the joint capital. After the separation Hussain began a small plastic bag industry which he ran successfully for a number of years. His elder brother's business fared poorly and after some time went bankrupt. Because Hussain had never legally cut his ties to the hardware store, he was embroiled along with his brother in the ensuing bankruptcy suit and had to liquidate his own capital assets in order to meet the debts of the store. Today Hussain is employed in Madras city as a sales manager for a large cable company. He hopes soon to have enough money to embark again on his own enterprise. Having tasted penury, he is still enterprising and enthusiastic about business.

A number of hides and skins enterprisers have also lost their wealth and businesses. In general, they attribute their misfortune to the loss of their export markets during World War II.

Abdul represents a case of a merchant who has expanded his business from very small beginnings. When he first came to Pallavaram twenty years ago he sold rice in the street. His father at that time operated a small provision store in Uttukottai, a village in Chingleput district. When Abdul came there was a drought in Tamil Nadu State which was to last seven years. The prices of grains, especially of rice, were high. Rice sold for as much as Rs 3.50 a measure (approximately 2.2 lbs.), three-and-one-half times the cost of rice at the controlled rate in 1967-1969. Under these conditions Abdul's business flourished; and by 1956 he was operating a full-scale provision store concentrating in the sale of grains but also dealing in sugar, *jaggery*, spices and other drygoods. Abdul's store has prospered.

In 1954 Abdul joined the D.M.K. party, well before its meteoric rise to the position of the State's ruling party. Today he is the regional head of this powerful party. It is rumoured that his connections with the D.M.K. have enabled him to further advance his economic position. Within recent years he has built ten houses for rental in Pallavaram; he has purchased a used Fiat car, and he now also operates a truck on contract basis.

In 1958 Abdul ran for election on the Issa Pallavaram Panchayat and has held a position on that board ever since. In the

last election he controlled the votes of enough panchayat members to be elected its president. This post has enabled him to establish personal contact with the management of the Pallavaram quarries. Because of these contacts, Abdul has been able to extend credit to quarry workers with the guarantee of repayment. This has enabled him to build a large clientele dependent on him because of the credit he is willing to extend. Abdul is a highly respected and economically well-established man in Pallavaram. A street along which he owns houses is named after him.

Another wealthy Muslim merchant family which started from humble beginnings is the family of Iftiqar. Iftiqar tried unsuccessfully at different times to operate a number of enterprises in Pallavaram, including a provision store, a general-merchant store, a cigarette and *beedi* shop and a lumber business. None of these enterprises prospered. He then began a firewood business, and it flourished. At this time Iftiqar turned over his provision store and general-merchant stores to his sons, and he managed the firewood outlet himself. None of the businesses was very large, but with their combined earnings Iftiqar's sons expanded the enterprises. A few years ago his eldest son negotiated a deal with a government licensed dealer in alcoholic spirits (These spirits are meant for use in stoves, but in then prohibitionary Tamil Nadu State spirits were sold on the black market for illegal human consumption.) and began selling alcohol to the poor. Despite the fact that the family now had to pay out considerable sums in bribes to avoid arrest, they flourished economically. In 1967 the sons negotiated for and received quotas of sugar and wheat flour to open a bakery, the second in the town. Again their concern is the lucrative black market demand for sugar. They use only a portion of their sugar, which they purchase at government controlled prices, for bakery goods. A significant proportion they sell on the black market.

The pattern for expansion which this family has followed involves investment in new enterprises rather than the expansion of a single concern. Each new business is managed by another member of the extended family. In this manner the family has spread its resources over a number of enterprises and has

reduced economic risk associated with their investment. This is a common pattern for investment among merchants in Pallavaram. In early 1969 Iftiqar's family was seriously considering investing in small-scale industry. In this economic sphere, however, they had no experience, and so they were unsure about how to proceed or in what field of industry to invest.

The proprietors of the enterprises listed in Table 2 belong to more than thirty-eight major caste groups (I include here for the sake of simplicity endogamous Muslim subdivisions under the term "caste".) belonging to four major religions: Jainism, Christianity, Hinduism and Islam. The wide range of castes, from Brahmin to *Harijan* and including numerous Muslim subdivisions, suggests the highly diverse social basis of the business community in south India. There is no such thing as a single traditional business caste. (See Tables 3 and 5.)

Concomitant with the large number of castes represented in business in Pallavaram is the striking fact that in all but one of the fifty business categories listed in Table 2, which are represented by two or more businesses, more than one caste group is represented and frequently several are. The one business in this category which is represented by only one caste is that of pawnbroker. All nineteen pawnbroker shops in Pallavaram are operated by Jains, known locally as *Marwadis*, all of whom originate from Pali district, Rajasthan. (See Table 4.) With this single exception there are no monopolies in Pallavaram.

It is apparent from Table 4 that on the whole the larger the number of businesses of a category, the larger is the number of castes engaged in that category of business. A single caste is engaged exclusively in a single category of business in less than seventeen per cent of the thirty-eight castes engaged in business in Pallavaram. The few so engaged include the *Pandittars* and *Marattuvars*, who are traditionally barbers; *Acharis*,⁶ an artisan caste, *Pandarms*, flower sellers, *Vannaans*, washermen, and *Chakkalis*, leather workers.

6. The **Achari** caste is a single endogamous unit which, however, is divided by occupation into five categories: **Porkolar Acharis** (goldsmiths), **Tatchar Acharis** (carpenters), **Karumaar Acharis** (blacksmiths), **Kaltatchar Acharis** (sculptors) and **Kannar Acharis** (bronze workers). An **Achari** can pursue any of these occupations.

Table 3. Subdivision or major caste groups of merchants in Pallavaram by number of businessmen in each group

Caste or subdivision	Number of businessmen
1. Labbai, TSM*	46
2. Naicker, TSH	44
3. Naidu, TSH	30
4. Rawther, TSM	27
5. Jain, Marwadis	27
6. Harijans, TSH	26
7. Mudaliar, TSH	25
8. Nadar, TSH	23
9. Chettiar, TSH	23
10. Brahmin, TSH	18
11. Shaykh, USM	18
12. Nair, Malayalam SH	16
13. Achari, TSH	16
14. Pandittar and Marathuwar, TSH	16
15. Moppilah, Malayalam SM	13
16. Hindu, caste unknown	13
17. Devar, TSH	11
18. Kayalar, TSM	11
19. Muslim, subdivision unknown	10
20. Christian, caste unknown	10
21. Pillai, TSM	9
22. Daccani, USM	8
23. Vannaan (Salavaikarar), TSH	7
24. Chakkali, TSH	6
25. Pandaram (Tambirar), TSH	6
26. Sayyid, USM	4
27. Sharif, USM	2
28. Navayat, USM	2
29. Public enterprises	2
30. Nathar and Eravar, TSH and Malayalam SH	2
31. Pathan, USM	2
32. Gounder, TSH	1
33. Sembatavar, TSH	1
34. Isma'ili, USM	1
35. Aggarwal, Punjabi SH	1
36. Rajput, Hindi SH	1
37. Udaiyar, TSH	1
Total	479

*TSM: Tamil-speaking Muslim; TSH: Tamil-speaking Hindu; Malayalam SH: Malayalam-speaking Hindu; USM: Urdu-speaking Muslim.

Table 4. Business categories with five or more businesses represented in Pallavaram, showing caste distribution, business ranked by number of enterprises

Business category	Caste dominating in the category, ratio: caste re. presented/No. of shops ¹	Number of castes following the category
1. Provision store	Labbai, 14/38	12
2. Vegetable stall	none ²	11
3. Tailor business	Muslim, ³ 17/27	13
4. Barber shop	Pandittar and Marattuwar, 16/23	6
5. Cigarette and beedi stall	none	9
6. Tea shop	Malayalis, ⁴ 11/23	9
7. Jewelry and goldsmith shop	Acharis, 14/19	4
8. Pawnbroker	Jain, 19/19	1
9. Cloth store	none	6
10. General store	Muslim, 8/16	8
11. Snack shop	Devar, 9/15	7
12. Cycle shop	none	11
13. Fruit stall	Naicker, 5/13	8
14. Tiffin and meals restaurant	Brahmin, 6/13	5
15. Brickworks	Naidu, 6/11	4
16. Flower stall	Pandaram, 6/12	3
17. Laundry	Vannan, 7/11	5
18. Meat stall	Shaykh, 6/10	3
19. Betel-leaves stall	Harijan, 5/8	3
20. Fish stall	Harijan, 7/8	2
21. Oil-Cum-flour mill	Nadar, 3/7	4
22. Cobbler shop	Chakkali, 5/6	2
23. Coconut shop	none	5
24. Firewood	Nadar, 3/6	3
25. Hardware	none	4
26. Timber	none	3
27. Soda stall	none	4

1. The fraction in column two refers to the concentration of a single caste in an occupation. The top half of the fraction represents the number of shops operated by the caste listed. The bottom half of the fraction represents the total number of shops in the category.

Contd.

2. No one caste dominates in categories where "none" is indicated.

3. No single Muslim subdivision dominates; however, I feel the concentration of muslims in this field compared to Hindus is significant.

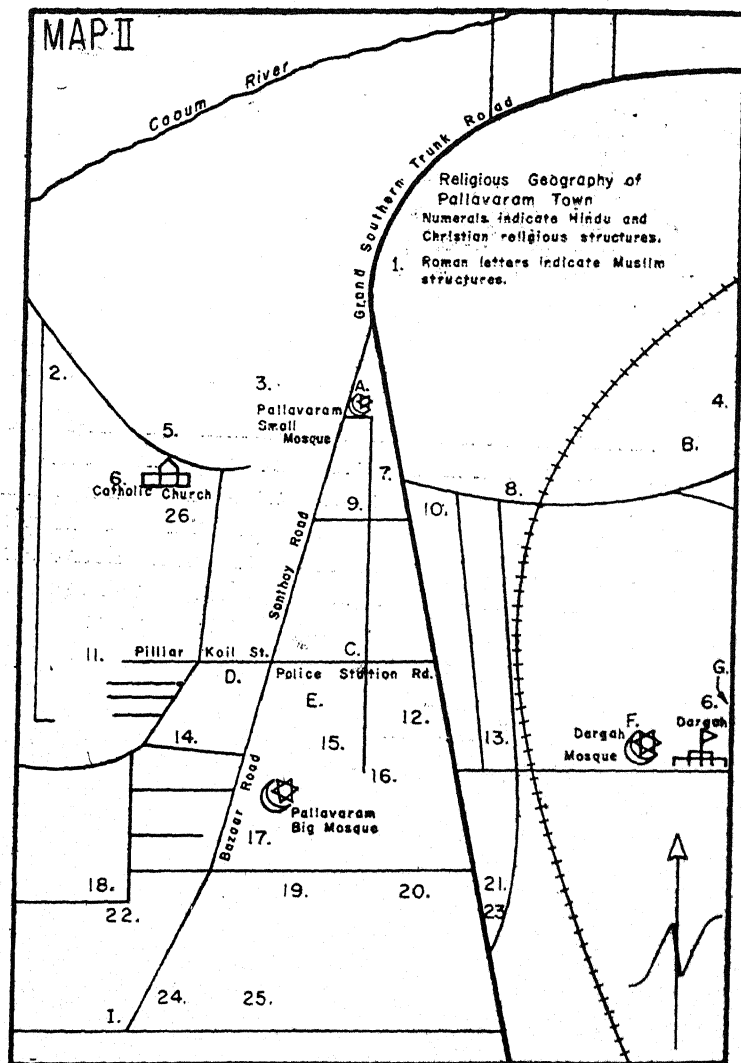
4. Malayalis are ubiquitous in this business category. Malayalis here are Moppilahs, a Muslim subdivision and Nairs, a Hindu caste.

Table 5. Muslim merchants by subdivision, ranked by number of businessmen in each subdivision

Subdivision	Number of businessmen
1. Labbai	46
2. Rawther	27
3. Shaykh	18
4. Moppilah	13
5. Kayalar	11
6. Undifferentiated Muslim	10
7. Daccani	8
8. Sayyid	4
9. Sharif	2
10. Pathan	2
11. Marakkayar	1
12. Isma'ili	1
13. Navayat	1
Total	144

Muslims predominate in four business categories: provision stores, general-merchant stores, tailoring and butcher shops. Taken as a group, Muslims are one of the wealthier merchant communities in the town. Their predominance in provision and general-merchant businesses reflects their relative economic success, since businesses of this type tend to be large. The prevalence of Muslims in the bazaar is evident in the wide range of businesses in which they are engaged, forty-six different types in all.

While caste monopolies of particular business categories are almost non-existent, it is significant that out of twenty-seven business types involving five or more enterprises twenty are dominated by single caste groups. This indicates that caste is



MAP II: KEY

- A. Pallavaram Small Mosque (Sunnite mosque)
- B. Jubba-e-Mubbarak (Shrine dedicated to Prophet's Jibba)
- C. Khader Awlia Jhanda Dargah (Shrine dedicated to Muslim saint)
- D. Mahaboob Subhani Dargah (Shrine dedicated to Muslim saint)
- E. Khader Awlia Nishan Dargah (Shrine dedicated to Muslim saint)
- F. Bhuddushaheed Dargah and Dargah Mosque (Shrine dedicated to Muslim saint and Sunnite mosque)
- G. Panja Mandabam and Mosque (Shiite shrine and mosque)
- H. Pallavaram Big Mosque (Sunnite mosque)
- I. Id-gah (Muslim festival ground)

- 1. Protestants' Prayer Hall
- 2. Ponniamman Koil (Hindu temple)
- 3. Bajanai Madam (Hindu festival grounds)
- 4. Tirusulam Isvaran Koil (Hindu temple)
- 5. Maariyamman Koil (Hindu temple)
- 6. Vinaayakar Koil (Hindu temple)
- 7. Perumaal Koil and Tiropadi Amman Koil (Hindu temples)
- 8. Paambu Saamiyaar Koil (Hindu temple)
- 9. Pilliar Koil (Hindu temple)
- 10. Jooti Raamaalingam Suvaami Madam (Hindu temple)
- 11. Pilliar Koil (Hindu temple)
- 12. Maataa Koil (Hindu temple)
- 13. Pilliar Koil (Hindu temple)
- 14. Kantirushadikal (Hindu temple)
- 15. Two Christian altars
- 16. Tandumaariyamman Koil (Hindu temple)
- 17. Arasamarattu Aavadayyaar Koil (Hindu temple)
- 18. Aanji Nayer Koil (Hindu temple)
- 19. Bajanai Koil (Hindu temple)
- 20. Murugan Koil (Hindu temple)
- 21. Maangaliyamman Koil (Hindu temple)
- 22. Periya Paalaiyattam Koil (Hindu temple)
- 23. Sekalkuum Koil (Hindu temple)
- 24. Old Periya Paalaiyattam Koil (Hindu temple)
- 25. Bajanai Koil (Hindu temple)
- 26. Catholic Church

a factor affecting free entry into the different business categories. Members of a caste which predominates in a particular category find it easier to enter business in that category and to establish the contacts necessary to succeed than do members of other castes.

Together with Jains, Muslims own almost all of the larger businesses in the bazaar. Thus, despite the fact that Muslim merchants are only half as numerous as Hindu merchants in the town, they predominate economically over Hindus in the bazaar.

THE BAZAAR AS A SOCIAL UNIT

The bazaar is by no means a closed social system. A large number of merchants have migrated to the bazaar from elsewhere in the State. These merchants maintain strong and active social ties with kinsmen and friends who reside considerable distances away. Despite the open-ended social nature of the bazaar, it has a social unity which distinguishes it from the rest of the town. The religious geography of the bazaar is one way in which this unit is apparent. The religious geography reflects the concentration of Muslim residents in the main bazaar. There are two mosques at either end of the bazaar. The two other mosques in Pallavaram are small. One is associated with Kamaraj Nagar; and the other is a little-used Shi'ah mosque located in Old Pallavaram. The mosques of the bazaar are in regular use, although the Small Mosque has a smaller congregation than does the Big Mosque. The majority of the Muslims residing in the bazaar pray on a regular basis in one or the other of these two mosques. On Fridays during the *Jum'ah Namaz* (collective prayer) the Muslim merchants close their shops.

The Big Mosque is attended by most of the Muslim merchants. Among the merchants are religiously influential men, *hajis* and *moulvis*, who, because of their wealth, travel, and education, are the most important men of the mosque's congregation (*jammah*). They are among the leaders of the governing Mosque Board, where jointly they share the responsibility as co-presidents (*moutavalis*) of the mosque. Only merchants from the Pallavaram main bazaar are members of the Mosque

Board. They are the main financial supporters of the Big Mosque. Muslim merchants gain merit in the eyes of God and prestige in the eyes of their fellows by giving large donations to the mosque and by supporting major structural improvements.

As a place of secondary consequence, the Small Mosque does not have such a socially important congregation. Its directors are jealous of the Big Mosque's significance. As a result, the Small Mosque has attracted to its membership some Muslim merchants who harbour disagreements and disputes with members of the Big Mosque's leadership. The two mosques compete with one another for membership. During the past two years, opposing interests in the Muslim community have invited different *Hafizs* (men who have memorized the Koran) from Delhi as competing attractions in their efforts to lure larger congregations.

Other features of the religious geography which illustrate the social unity of the Muslim residents of the bazaar are the presence of several *dargahs*, shrines dedicated to a Muslim saint. There are three of these located in the bazaar: *Khader Awlia Jhanda Dargah* on Police Station Road, *Mahaboob Subhani Dargah* on Pilliyar Koil Street, and *Khader Awlia's Nishan Dargah* in the market building. At each of these an annual flag raising ceremony is held (all three *dargahs* are dedicated to the same saint under different names). Two of the three are administered by merchants of the bazaar. The third is administered by a poor Muslim who built the shrine from money collected from both Hindu and Muslim merchants of the community. This kind of financial assistance from members of different religions is not uncommon in the community. It is offered in the spirit of neighbourliness and fellowship.

Dargahs are visited by Christians and by Hindus as well as by Muslims. They offer prayers to the saint or to God through the mediation of the saint or take oaths in his name. An annual celebration is held at each of the *dargahs*, sponsored jointly by the Muslims of the bazaar. In a fashion which is reminiscent of village custom, processions dedicated to the saint are organized, which snake along the main roads of the bazaar, sanctifying the Muslim residents and demarcating the area as

a social entity. Two or three of the wealthier followers of this saint give large public banquets to commemorate the saint's death anniversary.

All associated with these festivities is not harmonious, however, since several members of the Mosque Board consider activities related with these *dargahs* to be contrary to the orthodox teachings of the Koran and the *Hadiths*. Together, however, the mosques and the *dargahs* unite the Muslims in the bazaar in joint religious activities.

The *Id-gah* is the final feature of the Islamic religious geography to be considered. The *Id-gah* is the grounds where festival, or *Id*, prayers are held and, so, is an indispensable geographic feature to Muslims. The *Id-gah*, too, reflects the social integrity of the bazaar. It is located next to the Muslims' burial ground. On special occasions such as *Shab-e-Barat* and *Bakrid* the Muslim merchants pray at the *Id-gah* for the well-being of the dead. On *Bakrid* this is done as a congregation, and it is the merchant leaders of the Big Mosque who organize the worship that takes place. But the *Id-gah* is more than just an indicator of the bazaar's social unity. As a place it symbolizes the unity of all Islamic peoples. On *Id* (festival) days Muslims come as a congregation from throughout the area to the *Id-gah* to pray and to be reminded of their own mortality and their responsibilities as Muslims. The *Id-gah*, therefore, underscores the unity of the total community of Islam.

Muslims are not the only community who demonstrate social solidarity. The sect of Jains which predominates in Pallavaram does not attend temples and there are no Jain temples in the town. However, social unity is expressed among the Jains in religious terms. The largest pawnbroker in the bazaar is the acknowledged religious leader of the community. Jains meet at his shop to discuss religion with him and to decide what action to take on important religious occasions. When the head of the sect, Tulsi Achari, came to Madras city in 1968, they invited him and his followers to Pallavaram and arranged for their food and shelter. Another expression of Jain unity is found in their agreement to close their shops on important religious days.

Social unity is less apparent among Hindus. This is due to

the division of Hindus into numerous castes. There is little integrated cooperation in religious activities among these castes which might distinguish Hindus of the bazaar area from Hindus of other neighbourhoods. There are, however, about twenty temples located in the bazaar, many locally administered. This does suggest local interest but does not necessarily imply social unity. The lack of unity among Hindus is an expression of the Hindus' social diversity.

Where they have common interests, however, social unity is readily apparent. Thus, it is necessary for businessmen to be on good terms with their neighbours. The success of their businesses depends on it. As a result, on the occasions of marriage Hindus invite representatives from the important merchant families irrespective of caste or religion. This is a policy followed by Muslims and Jains as well, although Jains limit their interaction to the presentation of sweets in order to avoid the problem of feeding meat-eaters.

The bazaar's social unity is apparent in other manifestations besides religious geography and its associated behaviour. One such phenomenon is the Pallavaram Merchants' Association which was founded on 14 February 1961. One hundred and twenty merchants, constituting the majority of the larger businessmen in the bazaar, currently belong to the Association. The Association's main function has been to enforce a one-day business holiday each week. The holiday enables shopkeepers to spend a day away from their shops purchasing stocks without worry that their competitors will attract away their customers. Previously the Association also tried to regulate uniform religious holidays. The diverse religions of the merchants and their multiple ceremonial days soon resulted in antagonisms, and now such holidays are observed only once or twice a year on the most important Muslim and Hindu religious occasions. Otherwise communities observe their respective festivals independently.

The Association on a few occasions has been involved in settling disputes among merchants and has cooperated with the Big Mosque Board in settling a dispute between Muslim merchants and a Hindu landlord. The Association represented the merchants during the 1962 Chinese aggression, when they

collectively donated Rs 2,000 through the Association to India's defence. In 1969, at the death of Annadurai, Chief Minister of Tamil Nadu State, the Association again represented the merchants of the bazaar, when it sponsored a huge memorial dinner for the poor.

The president and secretary of the Association are important Muslim merchants and the treasurer is a Hindu *Chettiar* merchant. The preeminent position of Muslims in the Association reflects their strong economic position in the bazaar.

The Big Mosque Board is another organization which highlights the social unity of the bazaar. The Board is not just the manager of the Big Mosque (a similar but smaller and socially less important board manages the Small Mosque). An important function of the Board is the settling of disputes arising among Muslims. Muslims strive to present to the non-Muslims in the town an appearance of social solidarity and to avoid disputes reaching the courts. The Board helps to accomplish this. Domestic disputes, especially cases which may end in divorce, are handled by it. When divorce seems unavoidable, the Board submits recommendations to the Madras courts.

There are three other important associations operating within the bazaar area. These, however, extend the social ties beyond the bazaar. The first of these is the *Achari* (jewellers' and goldsmiths') *sangam* (society), which was founded four years ago to fight against what were considered to be excessive gold-control measures instituted by the Central government. This association is connected to a State-wide *sangam*. The second and third organizations are the local political associations of the Congress and D.M.K. parties. These political *sangams* encompass the whole of Pallavaram, including nearby towns. As in the *Achari sangam*, these groups have strong local bases in the bazaar, and in both cases merchants are among the leaders of the organizations.

Voluntary cooperation among merchants illuminates the nature of the bazaar's unity further. Numerous loan networks, which link small groups of merchants together, are among the most interesting signs of mutual assistance. Merchants have ties with a few others from whom they borrow small sums of money or to whom they lend without interest small sums for short

periods such as half a day. A few street vendors finance their operations with such loans. Men with larger enterprises also run short of cash and use such loans. A similar type of co-operation involves lending retail items to other merchants when they are out of an item which an old customer is seeking. The two merchants split the profit and the borrowing merchant retains a satisfied customer.

Marriage constitutes another unifying factor in the bazaar, particularly among the Muslims. Despite the diverse geographic origins of the Muslim merchants, a number of them are related by marriage. This is discussed in detail in Chapter IV.

In summary, several factors suggest a degree of social unity within the bazaar area, especially among Muslims. These factors include aspects of the religious geography and religious behaviour, the organization of mosques, the structure and operation of associations, economic cooperation, and patterns of marriage.

Chapter III

THE ECONOMIC STRUCTURE OF THE PALLAVARAM BAZAAR AREA

THE MAIN BAZAAR AND ALSO, TO A LIMITED DEGREE, THE BAZAAR'S supply sources form the known dimensions of the economic world of the merchant. The merchant is aware that the bazaar is not a total economy and that its structure represents only a small portion of the total economic structure to which it belongs. However, the merchant knows little about the rest of the economy. He is, for example, largely ignorant about farming as well as about importing and exporting, big banking and the general realm of industrialization. What the merchant knows and needs to know about the economy he learns through experience, and his knowledge is considered to be only as good as his success in applying it to the social and economic reality within which he operates. There is little question that the merchant's outlook on expansion of his enterprise, diversification of his business, labour, and desired rate of return on investment is greatly influenced by his knowledge of the bazaar economy and by his ignorance about large segments of the greater economy.

COMPETITION, ENTRY AND THE BAZAAR ECONOMY

When one enters the Pallavaram bazaar, one is immediately struck by the crowding together of shops and by the bustling throngs of customers filling the roads. Within the area of the bazaar crossroads there are approximately 250 shops and stalls which occupy the buildings lining the area and approximately 100 more or less permanent platform vendors who occupy, rent free, the streets immediately in front of the shops. The range of economic investment represented by these businesses is immense. The smallest seller has a daily stock valued at no more than one rupee with a total capital investment of not more than

ten rupees. There are several vegetable-platform and flower-platform businesses where the daily stock, valued at less than ten rupees, represents the total capital investment. There are many more with capital investments of less than Rs 500. Almost all such businesses are platform enterprises. At the other extreme, there are within the bazaar at least seven merchants each of whom has enterprises totalling Rs 100,000 or more in value. Three of these merchants are Muslim Tamils and four are Jains. At least twenty to thirty businesses have capital value of over Rs 10,000.

Table 6 illustrates the range of investments found in the bazaar. It also illustrates the kinds of business associated with the various sized investments represented. The table does not, however, present a statistical sample. It should also be noted that in almost all cases investments refer to operational capital. An indication of the intensity of business is evident in the rate of capital turnover. (See Table 6.)

As Richard Fox has noted in his recent book, *From Zamindar to Ballot Box* (1969), gathering data on capital investment and earnings from among merchants in a small town is very difficult. Proprietors will not normally discuss information of this kind with anyone. Fear of sales-tax officers, income-tax reviews and price-control officers, makes the wealthier merchants very reluctant to discuss such figures. Merchants also try to avoid any statements which might result in jealousy among their fellow merchants. It is acknowledged that resentful merchants will inform on one another's illegal activities to government agents. As a result of merchants' reticence regarding money matters in business, I was able to gather detailed data primarily from two sources :the poorer shopkeepers and a group of about twenty reliable informants among the wealthier merchants. The poorer merchants, being small, have little to fear from the government and so are willing to discuss their finances. They do not have to worry about being turned in to an income-tax officer for fraud. The wealthier merchants have to worry. I am certain on the basis of my own observations that the figures discussed in this chapter are representative of businesses as a whole within the bazaar.

Probably 80 to 90 per cent of the merchants in Pallavaram

Table 6. Sample businesses illustrating the range of capital investment in the Pallavaram bazaar area and the rates of turnover associated with these investments 1968-1969

Business	Working Investment ¹	Capital turnover ²
1. Ginger coffee stall ³	Rs. 3	daily
2. Flower stall	6-7	daily
3. Bangle stall	30	once a week
4. Snack stall	40	every 2-3 days
5. Vegetable stall	50-60	daily
6. Shoe-repair stall	60	twice a month
7. Fruit stall	100	daily
8. Fruit stall	100-150	every 2-3 days
9. Vegetable stall	200	every 2 days
10. Beedi stall	500-700	every 2 weeks
11. Soda stall	1,000	every 1-2 months
12. Tea restaurant	1,000-2,000	once a month
13. Provision shop	2,000	3 times a month
14. Snuff shop	5,000	every six weeks
15. Provision shop	5,000	once a month
16. Brahmin restaurant	8,000	every 2 months
17. Hardware and cement store	10,000	once a month
18. Pharmacy store	11,000	every 2-3 months*
19. Bakery store	13,000	every 2-3 months*
20. Provision store	15,000	every 2 months
21. Cloth store	20,000	every 2-3 months
22. Jewelry store	30,000	every 2 months
23. Jewelry store	35,000	every 2 months*
24. Cloth store	50,000	every 6 months
25. Jewelry store	100,000	every 2 months
26. Pawnbroker	100,000	every 3-1/2 months

1. The term "working investment" refers to the cash value of stock and cash on hand in an enterprise. The working investment represents almost all of the "capital" investment of a business enterprise in the bazaar, since fixed capital costs are by comparison negligible.

2. Capital turnover refers to the length of time required for sales to equal the value of the working capital.

3. The term "stall" is used to refer to platform businesses, and "store" or "shop" is used to refer to businesses which pay rent and are housed in buildings.

*An asterisk indicates my own estimate.

have shops representing investments of less than Rs 10,000. More than half of these have businesses valued at less than Rs 1,000. For most businesses with small investments such as these, capital is embodied in commodities. Fixed capital in the form of shops, equipment, electric fixtures and employee costs is small except in a few enterprises such as restaurants and bakeries, where fixed costs in the form of equipment, plates and cooking utensils are high.

Investment turnover for businesses of similar financial class is fairly uniform. Exceptions occur among enterprises of less than Rs 1,000. The sales of enterprises with a working capital between Rs 1,000 and Rs 10,000 equal investments every one or two months. The sales of enterprises with a working capital between Rs 10,000 and Rs 100,000 equal investments every two to three months. Variations in turnover, in so far as they occur, are due largely to the nature of the businesses involved, since some items sell more rapidly than others. Enterprises representing investments of less than Rs 1,000 vary in their turnover from once every day to once every two weeks, a variation much greater than that found among the larger businesses. This greater relative variation is associated with slow turnovers for some small businesses which return less than a subsistence wage to their operators who are but rarely the sole earners in their families. The bangle stall (see number 3, Table 6) is certainly of this type. This platform stall is run by a woman in an effort to supplement her husband's irregular and meagre income. It is financed solely on credit. Her stock is limited and sells slowly. She clears only a few rupees a week.

It is difficult to assess the rate of return and the profit that merchants receive on their investments. Most shops in the bazaar do not have a fixed markup on the items they sell. Merchants feel that fixed prices drive the customers away. Sales are arrived at only after a period of haggling. These debates between shopkeeper and buyer often take on the appearance of heated disputes. However, this is all in appearance and joking is as often a part of the bargaining. After the buyer pays for an item, it is common for him to continue the debate by asking the shopkeeper for ten paise to buy a cup of tea. Without fixed prices the merchant's concern is to return a profit. What he

considers a minimum return varies from item to item and occasion to occasion. A merchant will sell low if he thinks he will gain a new regular customer by doing so. But usually he will keep in mind a minimum margin of profit which takes into account both his own needs and the prices of his competitors. Anything above this minimum if he can get it is satisfying, but usually he will not go below the minimum. Merchants keep an eye on competing prices by quizzing their competitors' customers.

The majority of shopkeepers appraise their profits on a daily basis. Profits fluctuate considerably. Such fluctuations are due largely to the cycles of the bazaar. All of the larger shops are open six days a week from about eight in the morning until ten at night. On the seventh day, Tuesday, they close, and merchants attend to purchasing and other errands in Madras city. Until 1961, when the Pallavaram Merchants' Association was founded, all shops stayed open seven days a week. Tuesday was picked for closing because it is considered inauspicious, a bad day to conduct business. The small shops, *beedi* stalls, vegetable and fruit vendors and restaurants are open seven days a week. With the exception of Tuesday, all days in the main bazaar are busy, especially in the mornings and evenings; Sundays and Mondays are hectic. Sales on these days are often twice to three times normal daily sales.

Villagers from the surrounding area do shop in Pallavaram, but the bulk of consumers is constituted by the wage-earning coolie labourers who work the quarries and factories of the town. Coolies receive their pay during the first week of each month and during this week sales for the month are at their highest. Each succeeding week brings a decline in sales as the wages of the coolies are spent. The merchants characterize this monthly cycle: each month has a paper (money) week, a silver week, a copper week and a pauper week. Pauper week is lively for the pawnbroker, as people pawn their clothes and cooking utensils in order to eat. Otherwise it is a dull week for business.

The other seasonal business cycle corresponds to the yearly cycle of festivals. New clothing, special food and new jewelry are purchased on festive occasions in greater amounts than nor-

mal. The jewelry business is especially good during the marriage seasons. Cloth, bangles and cosmetics, meat and provisions are in high demand during the numerous festivals of the year, especially on *Deepawali*, *Pongal*, *Bakar-Id* and *Ramzan*. Vegetable and fruit merchants, of course, are also affected by seasonal changes. This is especially true of fruit vendors. During the grape season a small vendor may maintain a daily stock of only Rs 50 while during the mango season his stock value typically climbs to Rs 1,000 or Rs 2,000.

Generally the rate of return on small investments, those below Rs 1,000, is very high. Fruit and vegetable vendors make profits averaging between four and twenty per cent per day on a working capital investment of from Rs 100 to Rs 200. A profit of four to twenty rupees a day is average. Monthly incomes are around Rs 100 to Rs 300 but are occasionally as high as Rs 500. This is a good wage compared to that which unskilled uneducated labourers receive. One vendor has a portable radio, a sign of lavishness which the investment-conscious larger businessmen disdain. The smallest platform vendors, such as most of the flower sellers, shoe repairmen and the occasional old man or woman trying to keep body and soul together, earn from Rs 1 to Rs 4 a day or between Rs 30 and Rs 100 a month. The smallest platform concern in the town, operated by a wizened old woman, makes only fifty paise a day or about fifteen rupees a month. On this she manages to live, much to the awe of everyone. A subsistence wage for a single person is Rs 70 to Rs 100 a month. This is what coolies in the bazaar receive.

Given the high rate of return to cash investment that small-scale enterprises have, one wonders why wealthier merchants do not invest in them. They would seem to offer a higher rate of return than larger investments. The explanation is that the return to capital associated with small business is largely a wage return to the owner-operator. An investor wishing to run a number of small shops would have to employ managers at between Rs 100 and Rs 300 a month. Hence, after the investor paid his managers' wages he would be left with no profit.¹ In contrast,

1. "Profits" is used here and throughout this chapter to refer to the total value of returns minus cash invested,

although the rate of return is slower on larger investments, a large proportion of the return is in the form of real profit. Wages represent a small part of the total return to the investment. The observer can tell when a merchant is earning a profit or only a wage by noting whether the enterpriser's business is housed in a shop or whether the business is run on a platform.

Shops valued at between Rs 1,000 and Rs 10,000 also bring high rates of return. The rate of return experienced by the larger shops of the bazaar is not as great as that experienced by the platform sellers. Still, profits range as high as 140 per cent of the invested capital per year. For medium-sized businesses, ranging in investment from Rs 10,000 to Rs 30,000, profits are from thirty per cent for year for a cloth shop to sixty to seventy per cent for a jewelry store, a bakery and a pharmacy. Income on such enterprises is between Rs 6,000 and Rs 15,000 per year. Figures on investments of approximately Rs 100,000 indicate a still slower rate of return on capital, between twenty and twenty-four per cent per year. Incomes are between Rs 20,000 and Rs 25,000. Within the bazaar there are only about seven merchants with investments of Rs 100,000. However, there are at least twenty and possibly thirty merchants within this area who make an annual profit between Rs 6,000 and Rs 15,000. It is worth noting that, except for the smallest enterprises, the range of incomes described here compares well with the findings of Richard Fox regarding merchant incomes in the small north Indian town, Tezibazar (1969: 149). However, compared to the shops in Tezibazar, platform shops in Pallavaram are on the whole more lucrative.

Pallavaram has an expanding bazaar. According to the local merchants, this growth has occurred largely in the past ten years as a result of the influx of coolies to work the quarries and factories which have opened during this time in the area. Of 138 responding shops in the bazaar, it was found that 52.8 per cent had begun within the past ten years and slightly over twelve per cent were begun during 1968-1969. In contrast to the situation in Tezibazar, businesses, once established, tend to be fairly stable. In Tezibazar businesses are often shortlived. In Pallavaram, in contrast, almost half (47.2 per

cent) of the 138 businesses surveyed in the bazaar have been in existence for more than ten years and 30.4 per cent have been operating in the main bazaar for twenty or more years. The majority of the larger shops, representing investments of more than Rs 10,000, were begun twenty or more years before. At least five were founded within the past five years. The reason for this contrast is Pallavaram's healthy economy. New businesses are more viable in an environment of expanding demands. Tezibazar's economy in comparison is static and is characterized by a subsistence orientation. Entry into the bazaar economy is fairly free for small businesses with less than Rs 1,000 investment. The main restricting factors are the limited demands of the predominantly poor customers and the stiff competition of already established vendors. Entry into the bazaar economy on a larger scale, however, is more restricted. Again the demands of buyers are confined largely to fulfilling the daily needs of subsistence. An electrical-goods supply store which was opened in early 1968 was still doing very little business when I left in February 1969. Such a business, the established merchants of Pallavaram felt, is doomed to failure because there is almost no demand for such items among the predominantly poor clientele; and the few interested customers go to Madras city where they have a greater selection.

Another factor inhibiting entry into the bazaar is cash credit needs. Credit is difficult to initiate. It is important to secure contacts with wholesalers in Madras city. Without established ties wholesalers are unwilling to sell stock on credit. Credit contacts can be established by working for a relative or other employer before starting a business, or by gradually buying more and more on credit.

The quota system is yet another restricting factor affecting entry into the bazaar economy. Numerous items sold in the Pallavaram main bazaar are in high demand but in short supply. Manufacturers combat shortages by establishing a limited number of local agencies with fixed quotas. Such quotas are valuable both because they are financially profitable and because the products attract customers. The government attempts to control the prices of numerous high-demand articles, especially items such as cloth, cement, and certain processed food-

stuffs such as baby milk. It also tries to restrict the movement of food grains, confining legal movement to very small regions. Similarly, the use of new gold by jewellers is outlawed except by licensed goldsmiths. According to one local goldsmith, taking into account bribes, a licence costs about Rs 100,000 to procure.

Sales taxes also restrict entry. Merchants feel that they cannot afford to pay the sales taxes they legally should, since they do not add sales tax to the consumer's price.

The government maintains a number of agents to police its regulations. Merchants are continuously being caught and fined for one or another breach of the law.

Despite restrictions on free entry into the bazaar economy, it is not impossible for individuals to open small enterprises and then by thrift and shrewd business practices to expand the size of their concerns. This in fact has been the pattern of growth for a number of the town's larger enterprises. Not uncommonly, expansion is associated with some illegal practices. Thus, all provision merchants in the town procure most, if not all, of their rice stock illegally. The smaller merchants are occasionally caught and fined for transporting rice across control boundaries, but the largest merchants have systems of procurement, which include bribery, to avoid seizure. One general-goods merchant with diverse economic interests has made large profits through the sale of illegal liquor and black-market sugar. This merchant has a special quota for sugar supposedly to meet the requirements of the bakery he operates. He protects his liquor trade by bribing local members of the police force. A wealthy pawnbroker has done quite well participating in gold smuggling. And, of course, all of the jewellers who make gold ornaments handle black-market gold. Surprisingly, however, there are very few merchants who specialize solely in the black market. Most merchants are involved in the black market out of necessity. A jeweller without gold is a man without business, so he must procure black-market gold. Cloth merchants pay more than the government-regulated wholesale price for yard-goods, because, if they do not, they cannot procure many kinds of cloth. But for most businesses the black market is not attractive in and of itself, and merchants do not make the greater

share of their profit playing it.

All merchants feel that a successful business must involve some black-market dealings. However, expansion of businesses is not usually a result of black-market windfall profits but is the result of thrift and business acumen combined with the highly profitable illegal practices encouraged by the restrictive economic environment. The variable rates of return to investment one finds in Pallavaram are due in part to such restrictions.

There is no collusion among merchants in pricing, and competition is open among merchants selling the same items. This is true even of items which must be procured illegally. Thus, competition among rice merchants is very strong and the rate of profit on a measure of rice, about 2.2 pounds, retailing during pre-harvest time in 1968 at Rs 2.60 is about fourteen paise or about 5.4 per cent. Similar competitiveness drives some products off the market. Until spring 1968, general merchants sold "Modern Bread", a Central government product, almost exclusively. Then a local bakery began producing loaves at a lower retail price. Within a month all the retailers of "Modern Bread" had ceased to stock it, because it could not compete in freshness and cost. However, as the quality of the local product deteriorated some months later, merchants again began to carry "Modern Bread". Merchants keep pace with the pricing of their competition by asking shoppers how much they paid for items purchased at other shops and occasionally go below their profit margin in hopes of gaining a new customer when they see shoppers going from store to store obviously seeking the lowest price.

THE SCARCITY OF MONEY, CREDIT AND LOANS

Credit is crucial to business. The larger shops of the bazaar make a large proportion of their stock purchases on credit; and, according to some merchants, some make all stock purchases in this fashion. Merchants do not maintain credit ties with all their wholesalers but with only two to a half-dozen. When purchasing on credit, merchants pay a price markup. In the cloth business, mill goods, which may wholesale for cash at Rs 2.50 a metre, sold on credit for between Rs 2.90 and Rs 3.00 in

June 1969. Credit is extended for up to three months. Thus, cloth merchants pay between forty-eight and sixty per cent extra per annum for credit. Not all wholesalers, however, raise their prices on stock purchased on credit. As a result, merchants attempt to pay cash for items for which they will be charged higher prices and buy on credit items for which there is no extra charge. The cloth business offers an example. Handloom goods are in lower demand than mill goods and wholesalers do not charge interest for their purchase on credit, but they do demand payment within a period of three months. One cloth business, valued at approximately Rs 20,000 at any one time owes a little more than Rs 10,000 or half the business's estimated working investment to its three main wholesale suppliers. Several businesses are reputed to purchase on credit even more heavily than this.

Although Madras city is the main source of supply, Pallavaram's merchants also purchase many goods where they are produced. In this manner they avoid paying the big city's markup. Some provision merchants bring *jaggery* (brown sugar) directly from North Arcot district, where there is heavy cane production. Rice also is not bought in Madras city but is purchased clandestinely from the rice mills in Pallavaram's hinterland. Cloth merchants purchase small amounts of handloom goods from such nearby handloom centres as Kancheepuram. But goods from more distant sources such as Ammaapet in Salem city are usually purchased through wholesalers in Madras. One cloth merchant, while visiting his native village in Madurai district, made arrangements with a relative to have a popular style of handloom sari, which was manufactured in that district, shipped to him directly at a significant savings of about ten per cent. Not all merchants are able to purchase their commodities at their source. A merchant needs personal contacts in order to be able to do so. Shopowners who purchase from the producers are able to sell their goods cheaply and still make profits which are substantially higher than their less well-connected competitors. They attract new customers and their business is brisk.

Besides needing credit to buy stock on time, merchants, even the larger ones, require sources from time to time which will

advance cash on short notice for varying periods of time. Perhaps the most common reason for obtaining a loan is the necessity, at times of buying a greater proportion of goods on a cash basis than a merchant can afford. For example, a tobaccoist in Pallavaram has a weekly need for one to two day loans of two to four hundred rupees to purchase his tobacco stocks. The amount which he pays in cash is more than he has on hand. Often the demand for a quick loan is a result of an opportunity to purchase stocks at a lower than normal price. Typically this occurs among provision merchants, who normally purchase from two or three wholesalers but will buy on a cash basis from temporary sources when they find a bargain. Another common demand for loans occurs when business is slack, as during the inauspicious month of *Aadi*, the fourth Tamil month. During such periods wholesalers demand payment on credit already extended and extend new credit less freely.

There are a wide range of loan sources available to Pallavaram's merchants, although cash is scarce. Bank loans against collateral are available, but merchants in Pallavaram do not procure them largely because it takes up to six months to clear the loan and business opportunities usually demand immediate action for the merchant to benefit. In addition, banks demand more collateral for the size of loan they will advance than do pawnbrokers who are willing to give more money relative to the value of the pledge. They may even lend large sums of money on the basis of a merchant's social credit alone. The one thing recommending bank loans is their low interest rates. However, merchants cannot take advantage of these rates, since their loan needs are small and immediate.

If they can, merchants prefer to borrow without interest from their own close relatives. But preference is not enough, and the majority of merchants in Pallavaram do not have relatives to whom they can regularly turn for loans. Close friends and neighbouring merchants are the next preferred sources of loans. These are the most common sources for fairly regular, small cash loans. It is a common pattern for merchants to establish borrowing or lending relationships with two or more merchants in the town. Some of the better-established businessmen may

have more than a half dozen reliable relationships of this type, some extending beyond the town. Merchants joined in such agreements do not necessarily enjoy similar economic conditions, so loan relationships are not always reciprocal. Merchants do not always borrow from men to whom they are willing to lend. In addition, wealthier merchants lend money locally but will not borrow money locally. They follow this pattern in order to prevent others from learning about their financial state. In return for the money they lend, these wealthier merchants receive a largely undefined loyalty and respect from the merchants they aid and gain prestige in the eyes of their peers. The amount of money commonly involved in such transactions varies from five rupees lent to platform vendors to between Rs 200 and Rs 300 and less frequently to sums of Rs 500 to Rs 1,000 to the larger merchants. One pawnbroker lent Rs 40,000 in this fashion.

In all cases no interest is charged for these short-term loans made between merchants. Cash borrowed like this is returned within an afternoon or at most within a week, as agreed at the time the loan is made. In all cases borrowers are expected to repay promptly. If a borrower is slow in repaying, no one wants to lend to him again. The benefit of this system of co-operative loans to merchants is it gives them ready sources of cash, allowing them to meet entrepreneurial contingencies with flexibility. Since the cooperating merchants have different kinds of businesses and have different requirements for cash, they all extend their working capital a small but functionally significant amount through such a cooperative system.

Loans of this kind are of the social-credit type, since no concrete collateral is required to underwrite them. Such loans occur only among established businessmen who find it in their own interest to pay back loans when they say they will. Commonly, cooperating merchants are close associates in other spheres as well, such as religious activities. They are frequently close friends, in the same age group and their shops or platform businesses are often near one another's. Caste and religion, while they are important for structuring values, are not total barriers against cooperation among merchants who differ in these respects. For example, one group of merchants focused

around a fairly wealthy Muslim cloth and sundries merchant, who lends but does not borrow money locally. There are eight participants: six Hanafi Muslim merchants, two of whom are converts from Hinduism, one *Wahabi*, and one Jain. Another cooperating group is composed of a *Naidu*, a *Naicker*, two *Acharis* and a *Chettiar*.

Related to this system of cooperative lending are numerous private chit-funds² in which a large number of the poorer merchants participate. Chit-funds are an important source of cash among these businessmen. Chit-funds are of two types, publicly registered chits of which there are none in the Pallavaram bazaar and private chits, which are numerous. I shall describe the latter. A man in need of cash will organize a chit. He will call together a group of men who have a similar need for cash. They agree to contribute cash at regular intervals to a common pot, called the chit. Intervals may be a week, a month or a year depending on the size of the chit and the sum being contributed each time by participants. At the established interval one of the participants will receive the chit. Participants bid against one another in order to determine the order in which they will receive it. Thus a man who wants the chit right away will bid high in order to secure it. His bid is subtracted from the chit before he receives it, and the bid is distributed among the other parties. Everyone continues to contribute to the chit until each has received it. The organizer of a chit-fund gets the money first without bidding, plus his share of everyone else's bid as long as the group lasts. There are a few individuals in Pallavaram who earn their living as chit-fund organizers.

The working of a chit is best understood through an example. In a Rs 100 chit there may be, say, ten participating members plus the organizer. Each week each member will deposit Rs 10 with the organizer, and those who wish to bid on the accumula-

2. Embree (1939: 138-147) describes a similar system of cooperative loan societies found traditionally in a Japanese village. Harper (1961: 171-172) describes chit-funds as an aspect of village economics in the Malnad of Mysore State. He considers chit-funds fairly recent innovations, which have experienced some decline in popularity.

ted Rs 100 will congregate. During the early weeks of a chit the bidding may be quite high, and someone may have to bid Rs 10 or Rs 20 to win the chit. The highest bidder has the value of his bid deducted from the Rs 100 and receives the remainder. He cannot bid again but must continue to pay his Rs 10 a week for the remaining weeks of the chit. The sum that was bid is divided among the remaining nine members and the organizer who, by tradition, receives the first Rs 100 without bidding. The last member of the chit to win the Rs 100 also receives the chit free.

Private chits such as these are considered risky; nevertheless, a large number of merchants in Pallavaram participate in them. The greatest risk is that the organizer will abscond with the value of the chit after everyone has made his deposit. A similar danger is that participants will not complete their payments once they have won their bid. As a result, merchants prefer to join chits where the organizer and others involved are known and reliable. Still it has happened in Pallavaram that seemingly honest organizers abscond, and commonly merchants do join chits of small value where the other participants are unknown.

Chits are not particularly profitable despite their popularity. But they are one source of cash for merchants with a gambler's spirit and no established sources of credit. This explains their popularity among the bazaar's poorer merchants and the lack of interest among the wealthier. Small merchants feel that the profit they obtain by adding the value of a good-sized chit to their working capital exceeds the cost of winning the chit, especially in the long run. Poor shopkeepers who are high credit risks feel that the cost of a chit-fund is actually low compared to the interest rates they must pay for cash from other sources.

Pawnbrokers and moneylenders are another source of cash. Most moneylenders do not deal in large sums of money, but pawnbrokers occasionally do. Proprietors of large enterprises resort to them for cash as a last resort. Borrowing of any type, but especially from these sources, is done secretly to prevent other merchants learning about the transaction. One prominent jeweller told me that asking for a loan is shameful and consequently embarrassing. The wealthier merchants in Palla-

varam are particularly reticent about taking loans. If debts become known, they are thought to reflect ill on the debtor's reputation for economic solidarity and independence, both highly valued states. As a result, debts also damage the merchant's public image.

The proprietors of the most successful establishments in Pallavaram are able to obtain loans from pawnbrokers locally and in Madras city without pledging valuables as collateral. Pawnbrokers claim they charge on loans the officially sanctioned ceiling rate of two per cent per month established by the government. Merchants exclaim, however, that the actual rates charged are usually higher. Pawnbrokers skirt punitive sanctions by falsifying their receipts.

Proprietors of small shops and platform vendors borrow from moneylenders and pay varying but astronomically high rates of interest. One such merchant borrowed Rs 100 for a period of one month. Ten rupees were deducted from the amount he received. In addition he paid the moneylender Rs 3.33 daily for the month. In other words, he paid about eleven per cent interest for one month, 132 per cent per year. In a similar manner a leatherworker borrowed Rs 60 for one month and made daily payments of Rs 2.30 against his loan; he paid about fifteen per cent per month or 180 per cent per year. A tea stall owner borrowed Rs 20 for a twenty-day period, paying back Rs 1.10 daily over the period. Thus, he, too, paid an interest rate of fifteen per cent per month or 180 per cent per year.

Pawnbrokers and moneylenders are, as their names suggest, different kinds of enterprisers. Moneylending is mainly handled by individuals engaged full time in this occupation. In Pallavaram moneylenders are predominantly Muslims of the *Pathan* subdivision, although an occasional Tamilian Muslim is also involved. The general attitude of Pallavaram's Muslims towards moneylenders is one of "live-and-let-live", and moneylenders are allowed to attend the mosques despite their occupation. However, Muslims who are merchants usually do not intermingle socially with them. The moneylenders' clientele is composed mainly of employees of the numerous factories located in Pallavaram.

Moneylending is by no means the monopoly of full-time

entrepreneurs. Most merchants, Muslim and Hindu alike, are approached now and again by platform vendors and proprietors of small shops who are seeking loans. On such occasions merchants often advance small sums, sometimes without interest. The demand for such loans is more than merchants can handle. In order to curtail requests they commonly charge interest on loans made to persons with whom they have no previously established borrowing relationships. Muslim merchants do this too. They are not concerned about the interest, which amounts to little, but are intent upon keeping down the number of demands for loans. Muslims feel this kind of interest-taking does not conflict with the precepts of Islam, since they are not charging interest to make money.

Mortgaging is a final way merchants raise money. It is used as a last resort and, since few merchants have property to mortgage, it is an uncommon practice. Only one merchant in the town acknowledges ever having taken a mortgage. He mortgaged his agricultural lands in his native village in order to help finance a pharmacy. He mortgaged because his half brothers would not cooperate with him in the use of his lands. This merchant considered this mortgage deal to his advantage, since as long as his brothers thwarted him his land returned no profits to him.

Mortgages are considered poor business ventures, and merchants are reluctant to underwrite them. At one time several merchants underwrote mortgages but, for the following reasons, they no longer do. First, mortgages tie up money for long periods of time, thereby reducing investment flexibility. Merchants feel that they can earn better returns on their money. Second, merchants perceive mortgages as a gamble involving a potential court case, especially if the terms of the mortgage are not legally defined and officially registered. Muslim merchants also add to these reasons their own rationalization. Underwriting a mortgage involves taking interest with the aim of making money, which is forbidden by Islamic law. In fact, however, the one merchant who underwrote a mortgage in 1968 is a Muslim. As with other religious proscriptions, this one carries little weight when a merchant sees an economic advantage. In order to answer his critics, this Muslim argues that

the economic return on a mortgage is not interest.

SHOP ORGANIZATION

In the Pallavaram bazaar most shopkeepers rent their shops. A survey of the bazaar shows that 195 of 226 respondents, or 86.3 per cent of the merchants, rent their shops and only thirty-one or 13.7 per cent own their building. This contrasts with a much higher ratio of house ownership in the bazaar area. In a survey of nineteen streets which demarcate the main living area of the merchants, out of 250 houses surveyed, 133 or 53.2 per cent were owned by the occupants. If Muslims are compared to the separate Hindu castes, they form the largest house-owning community. They own sixty-four or 48.1 per cent of the 133 owner-occupied dwellings. Among the Muslims, the *Labbais* and the *Kayalars*, both Tamilian groups, are the main householders. They own twenty-four and twenty-two houses respectively. The ownership of shops is also concentrated in Muslim hands. In the shop survey noted above, Muslims, as a group, owned sixty or 30.8 per cent of the 195 rented shops and 29.0 per cent of the thirty-one owner-operated shops. However, if Hindus are taken as a totality, they are by far the larger shop and house-owning religious group compared to the Muslims. However, considering the relative population size the Muslims have proportionately more owners than do Hindus. This reflects the Muslims' relatively strong economic status in the bazaar. Among all groups, including both Muslim subdivisions and Hindu castes, the *Labbais* are the largest shop-owning subdivision. They own fifty-four shops for rental or for their own use. The Hindu *Mudaliars* are the next largest shop-owning group. They own forty-two shops and stalls and they rent 20.5 per cent of the leased shops. The Jains, who own 12.3 per cent, are third. The Jains are also the third largest house-owning group in the bazaar. *Mudaliars*, however, own very few houses and in fact one family owns most of the shops possessed by this group. Most *Mudaliar* shopkeepers are poor. Of twenty-one *Mudaliar*-occupied houses surveyed, only three are owner-occupied. Muslims are an economically successful community in Pallavaram. The shops they own are among the biggest in the bazaar, and, as a community, they are among the

wealthiest.

Why is it that merchants do not own a higher percentage of the shops in the bazaar? There is no question that shop buildings are valuable. Merchants say that shops return a higher rent for floor space than houses, and most merchants list shops as one of the best investments available and a better investment than houses. In addition, the continual growth of the main bazaar has made shops increasingly more valuable. Herein lies the problem: demand for shops to buy and to rent exceeds supply. Shop owners do not want to sell the shops they own. There is also little room for building new shops. Further, shopkeepers do not feel they can afford to buy shops. They need their cash to operate their businesses and do not have surplus enough to invest in buildings. Rentals enable them to maintain larger working capitals. Small shops rent for about Rs 30 a month, while larger shops rent for between Rs 50 and Rs 110 per month. It is not uncommon for landlords to demand one or two years' rent in advance when a merchant first agrees to a lease.

In Pallavaram shop organization is simple. In all but a few instances shops are operated and managed by the men of a single family. Women do not usually work in or manage shops, unless the family is short of male members and cannot afford to pay an assistant. Among the platform vendors, however, a large number of businesses are managed by women. A few are proprietresses, and some assist their husbands or fathers. The presence of a woman in a shop in the capacity of worker is decidedly lower class.

Most of the merchant families operate a single enterprise. Only fourteen families operate more than one; they manage a total of about thirty. All but two of these fourteen families are Muslim. Ten of these businesses are run by four families, which have now legally partitioned their holdings. Despite the separation, the management structure of the enterprises reflects the influence of the joint family. Agnatically related males look after the shops.

Business partnerships outside the family are absent in Pallavaram's main bazaar. In general the merchants' sentiment is opposed to partnerships involving anyone other than one's close

agnatic relatives. Partnerships are notorious for conflicts of interest, suspicion and intrigue. Put frankly, partners do not trust one another and for good reason. This sentiment extends to shop assistants as well. Merchants make the best of what amounts to a difficult problem, for the sad truth of it is, kinsmen all too frequently are not to be trusted either. More than once while I was in Pallavaram a hapless kinsman of a shopkeeper was caught in the act of stealing from his benefactor and employer. Such occurrences are dealt with quietly to avoid any loss of prestige, often with compassion. An acquaintance faced with this situation severed all connections with his wayward kin but first helped financially to set up a small enterprise for the relative. The assistance had a "now-you-are-on-your-own" quality to it, reflecting the disappointment of the shopkeeper.

If a shop is to be run well, more than one worker is needed. Only very small shops are run by a single individual without assistance. Such shops must often be left unattended while the proprietor runs errands. As a result, most shopkeepers have at least one boy assisting them. Seventy-six per cent of the shops in the bazaar have at least one assistant. Shops commonly have from one to five persons working in them in addition to the owner. The largest shop in Pallavaram has twenty.

Ideally a shopkeeper's first choice for an employee is his own relative. In fact only 53 per cent of the shopkeepers have at least some kinsman in their employ. The number assisted only by relatives is proportionately high. Twenty-five per cent hire relatives only. But the ideal of hiring relatives is obviously not as common in practice as one might have expected from shopkeepers' verbalization. Forty-seven per cent have at the present time only non-relations working for them.

A common management pattern is for brothers or for father and sons to operate a shop together. At least one of these persons is present in the shop at all times to handle sales and to supervise any employees they may have. Boys begin working in their father's shop on a regular basis when they are eight or nine years old. Many Muslim Tamil merchants feel it is better for boys to work than it is to play until they grow to manhood. They believe that a boy who is running about, enjoying himself lacks discipline; he becomes lazy and does not learn the hard reality

of the value of money. Merchants want their sons to come home from school, if they attend one, and help in the store. In this way a boy learns business.

When a merchant does not have brothers and sons to assist him, or when his requirements for help are more than his copartners are able to meet, his next choice for a shop assistant is still a kinsman. Again it is the cohesiveness of family loyalties that the merchant is trying to preserve. One merchant expressed it this way: "When we employ relatives we are in a sense helping ourselves because they are of our family. Besides, if everyone were to employ their poorer relations, then there would be no beggars." When close relatives are not available, merchants turn to persons from their native village, or to former neighbours. Persons from one's native village are classified as a kind of relative. They are spoken of as *sondakaarar*, the same term of reference used for close relatives.

After fellow villagers, the next choices of merchants for shop assistants are friends, people recommended by friends, and fellow Muslims or caste members. Muslims, in particular, are eager to hire fellow Muslims. They feel Muslims are less apt to thief because of their fear that ultimately God will punish them.

Merchants always prefer a close relative in charge of their shop if they themselves are not able to supervise its operation. This handicaps merchants who wish to expand the number of shops they own, since they must have relatives who are willing to work for them.

Shop assistants are usually young, ranging in age from about eight years to the mid-twenties. The salary of untrained assistants is small. It amounts to no more than a rupee a day without food, or a rupee or two a week with food. Commonly, Muslim shopkeepers feed their assistants three meals a day, usually the same meal they eat. Similarly Muslims allow kinsmen working for them to sleep in their house, and they give them discarded clothes. The assistant is treated much like the shopkeepers' sons. The fact that he is an employee and not a copartner is not lost track of, however. Cold reality dictates that the assistant's position is secure, if not lucrative, only so long as he proves loyal and hardworking. A shop assistant is a depen-

dant in every sense of the word. Some exceptions to this characterization exist. A few trusted employees are paid substantial salaries and maintain their own separate households. Such employees hold managerial positions second only to their proprietors. These salaried men are hired by shopkeepers who do not have mature sons. Some of these hirelings are treated as adopted sons.

Despite low salaries, numerous young men eagerly seek employment as shop assistants. They view the work as a training period or apprenticeship which enables them to learn the ins and outs of a particular business, become acquainted with wholesalers and develop perspective on business opportunities. Shop assistants ultimately want to start their own businesses. Their experience while employed helps many to achieve their goal. The period of apprenticeship is a time for making valuable business contacts and developing an eye for perceiving business opportunities.

Shop assistants work for a single employer for varying lengths of time. Some work for a year or two at one shop, then leave. Others work for the same employer for ten to twenty years. It is these employees who are most apt to fulfil their wish to start a business of their own. In return for years of loyal service their employers often help by giving them a large sum of money. This sum of money is best described as part of an employee's salary which is held in trust during his employment. A number of factors go into the decision about how much the worker should be given. In addition to consideration of length of employment the two most important factors the shopowner takes into account are how hardworking and how faithful (judged in terms of trustworthiness and obedience) his helper has been. Judgements are subjective, and employees have no definite idea how much they will receive when they terminate employment. They hope for the best. All employees who have carried out their obligations faithfully for a year or so expect a lump sum above and beyond their normal salary when they quit.

Many merchants give severance pay with the explicit intention of helping their former employee to begin a business. One Muslim merchant with business investments worth Rs 30,000 gave a young man of twenty-one, whom he had clothed, fed

and housed since infancy, Rs 500 to help him start a small business although this lad had repeatedly embezzled money from his employer's business. Such a sum was considered a generous gift, since the young man could have been thrown out without a rupee. This same shopowner by contrast gave another assistant Rs 2,000 after many years of faithful service. It goes without saying that only the keepers of the larger shops can afford to give lump sums of this size. Nevertheless, most merchants, even if their businesses are small, will give gift-payments of this kind in amounts they can afford. Thus, an employee at a tea stall who was leaving after one year of service expected approximately Rs 100 when he left to pick fruit in his home district.

The desire of shop assistants to begin their own businesses is intensified by two conditions. First, very few shop helpers make a wage sufficient to enable them to marry or to achieve economic independence from their employers. Second, well-paying job alternatives do not exist. The jobs available to uneducated, unskilled labourers are extremely limited and low-paying. Many platform vendors earn higher wages than unskilled factory workers, for example. Alternatives are further limited by the young age of boys when they become shop assistants. They have little time to learn other trades. Most receive little formal education, and their shop work trains them only in business skills. Only one merchant in Pallavaram has a son with a college degree. He has a bachelor of science degree in mathematics. He, too, is a merchant, although he is aware that when he graduated alternate forms of employment were open to him. In general, shopkeeping breeds shopkeepers, since apprenticeship as a shop assistant limits one's training to business and leaves little chance for learning other skills through formal education or other forms of employment. This channelling of training in business is peculiar to merchants. Families whose members have a history of past employment outside business are receptive to the idea of seeking jobs wherever they can find them. Muslim shopkeepers, however, are opposed to seeking other employment if they can enter business, partly because of the economic potential of business and partly because they feel that working for another encroaches on their individual free-

dom and conflicts with their Islamic values of equalitarianism. If one has to work for another, at least one should pick a trade which offers some hope for independence. Shopkeeping is just such an occupation.

Merchants' attitudes about the importance of education and their own low educational achievements help confine businessmen to their chosen occupation. Most merchants, especially those with the larger enterprises, are literate. However, their formal educational training tends to be below a level which would give them skills helpful in seeking potentially more remunerative employment. Very few merchants have studied through S.S.L.C. Most have little more than one or two years of formal education. Merchants feel they need no more. Business does not require it. It does require practical training.

GOVERNMENT AND THE BAZAAR ECONOMY

I have discussed in some detail the internal nature of Pallavaram's bazaar economy. The bazaar economy is also influenced by external agencies. I shall conclude this discussion, therefore, with a brief account of the most important of these, the government. Pallavaram's merchants speak of the government as if it were a unitary thing. In fact, the activities of the government are administered at the State and local levels as well as at the national level. Merchants feel government activities in the bazaar are a nuisance, and complain that their presence constitutes a restrictive force. Aside from the Pallavaram Merchants' Association and the Big Mosque Board, which are internal to the bazaar, the government agencies are the strongest regulative forces operating. The government is most directly involved in regulation of sales tax, income tax, professional tax, property tax, price controls, gold control, control of black-market activities and the handling of employee's rights.

Merchants try to avoid each of the taxes and controls listed above, since from the merchant's viewpoint they interfere with business profits. Income tax is paid only by the larger merchants, and they pay as little as possible. Typically, merchants haphazardly keep two accounts, one for the government income-tax officers and sales tax officers and one for their own records, so they can more or less accurately keep track of daily sales,

outstanding accounts, costs and profits. Generally, account-taking is somewhat makeshift, not altogether accurate and illegal. Merchants are required for sales-tax purposes to give receipts for merchandise purchased. In fact, however, none of them does so except upon request. They consider it too much of a bother. It is time-consuming (and time is of the essence when business is brisk) and most customers have no use for receipts. Besides, they rarely charge sales tax on a formal basis anyway. At inventory time one can see merchants making up dummy receipts to satisfy government eyes. Naturally, they always underquote sales and shop income.

Income tax officers do not usually come to Pallavaram. Sales tax officers, or STO's as they are called locally, however, make unannounced checks on the quantity of business being conducted by individual stores. They do this by counting money in the cash box and comparing this with what the merchant has reported as his average daily sales. If the STO finds more money than the reported averages suggest there should be, an investigation is made, and the merchant may well be fined if found guilty of deception.

Price control officers, gold control officers and government officers checking the conditions of workers also make spot checks within the bazaar. Word quickly spreads when they enter the bazaar. Jewellers hide their bullion or send it home, cloth merchants hide goods with government regulated prices and so on. Together the merchants present a united image of innocence to such agents. The public image is one of unity. This, however, may mask many underlying bitter feuds. Jealous and competing merchants occasionally secretly inform on one another when an opportunity arises. To combat the merchants' fraud several officers may make raids simultaneously. Officers who check the working conditions of employees also have a difficult time, since most shop assistants, at the instruction of their employers, will not answer the investigators' questions. The shopkeepers, themselves, simply state that all their employees are close relatives and so are not subject to workers' rights under the laws. Few shop employees work under conditions which would pass government inspection.

Chapter IV

SOCIAL ORGANIZATION, BUSINESS AND THE RURAL-URBAN CONTINUUM

NUMEROUS ANTHROPOLOGISTS (E.G., MARRIOTT 1955, SRINIVAS 1954, Lewis 1958: 160-162) have convincingly shown that all Indian villages exist in a network of economic and social ties with numerous other villages. In the literature interest has also been shown in the economic, political, ecological and cultural character of cities and towns in India (e.g., R. L. Singh 1957, 1955, K. Singh 1961, Rowe 1964, Neale, Singh and Singh 1965, Hazlehurst 1966, Fox 1969, Lynch 1969). Still, an understanding of urban social structure is just developing (e.g, Pocock 1960, Rowe 1964, Lynch 1967, Hazlehurst 1966, Woodruff 1960). It is apparent in Pallavaram that there is a close interrelationship between the economic and social structures of the town. The town is integrated into the social web of the surrounding area, and the economic behaviour of merchants is affected accordingly. Several questions arise, therefore, with respect to the bazaar economy: To what extent is economic behaviour affected by social structure? To what extent do the merchants adapt social structure to their economic needs? What is the relationship that exists for the shopkeeper between the rural and urban social structures? In other words, what is the nature of the social framework to which one category of town-dweller, the merchant, belongs in a nation which is predominantly rural?

THE FAMILY IN BUSINESS

In the Pallavaram bazaar businesses are family concerns almost without exception. This is a pattern of ownership typical of small-scale mercantilism everywhere and seems to be nationwide in India. Hazlehurst (1966) and Fox (1969) both found this to be a characteristic feature of small-scale business enterprises in the north Indian towns they studied. The reason for

this pattern of ownership is simple. The merchants' world view is realistic: no non-family members can be trusted when it comes to money, but family members are bound by feelings of loyalty, filial duty and a joint interest in the family's economic fate and so can be trusted. Partnerships without this basis prove intolerable, because they lack a basis for reliance. As we have seen, the pattern is similar for employees. If the employer-employee relationship has a kinship basis, it is good. If it does not, there is no basis for trust. Partnerships are more common in small-scale industry than in business (Berna 1960: 48). They are formed out of necessity. For example, when a financier lacks the technical knowledge needed to successfully operate an industry, he may take a technician as his partner. Nevertheless, distrust divides such unions and even in industry partnerships are shortlived (*Ibid.*).

The households of merchants in Pallavaram are of two types, nuclear and joint. The nuclear family is composed of a man, his wife and their unmarried and as yet unemployed children; the joint family is composed of two or more employed and agnatically related males and their wives and children. The men of such households typically are father and son(s). There are only a few cases of brothers maintaining the joint family after their father's death. Much less common is the single man or woman operating a small shop. A sample of 197 shops in the bazaar reveals 84 or 42.6 per cent are operated by joint families and 57.4 per cent are operated by single individuals or by nuclear families. All of the larger enterprises are operated by joint families. Among the joint families 61.9 per cent are composed of two married working males and their families, and 15.5 per cent are composed of three married working males and their families.

The existence of joint families among merchants is encouraged by the significantly larger tax exemption they receive compared to nuclear families.¹ It is also encouraged by the pattern of business management the wealthier merchants follow. Businesses are expanded by opening new shops, and not by enlarging the original business. Merchants diversify their businesses

1. See Fox, 1969, p. 171, fn.

in order to reduce risk, and diversification follows a pattern of establishing enterprises of different sorts. One Muslim merchant family, for example, operates two general merchandise stores, a provision store, a firewood shop, and a bakery. Another Muslim has a large provision store, a lorry concern and several houses for rental. A third has a general merchandise store and a cloth shop. Each of these concerns needs management and assistants. The joint family in each of these cases provides the key personnel. The joint family is ideal for meeting these needs. Its members are reliable and trustworthy, and the joint family provides the basis for a chain of command. The eldest agnate acts as general manager for all enterprises, and younger agnates are managers of particular enterprises. They answer to their elder. Singer (1968: 426) notes the adaptability of the joint family form to the management needs of large-scale industry. The joint family does not hinder rational management, because large-scale industrialists can afford to attract and train qualified managers from among their affines or distant kin when they are lacking in the immediate family. Shopkeepers, however, are more restricted by their limited funds. They cannot as readily attract qualified relatives. A very few shopkeepers in Pallavaram feel the limitations resulting from dependence on the joint family because of the pressing need for relatives to manage additional shops. However, most enterprises in the bazaar are too small to feel this limitation. The joint family structure is one of the most important phenomena interrelating social organization and economic organization within the bazaar.

Most of the merchants within the bazaar live close to their place of business, which allows them to return home to eat and to take the customary afternoon nap, while keeping a close eye on their shops. Merchants rarely commute to their stores from homes located outside Pallavaram. They live in the town. Further, merchants who have migrated to the town are usually accompanied by their families. This contrasts with the general Indian pattern. It is a common practice for India's urban migrants to leave their families behind in the village, where maintenance is cheaper than in a city. The village is a cheaper place to live in Tamil Nadu as it is elsewhere in India. But

for cultural reasons the Tamilian migration pattern is for men to be accompanied by their families (Gist 1955, Woodruff 1960). Tamilians place a value on families staying together. Economic considerations do not seem important, since even *Adi Dravidas* (untouchables) follow this pattern. Non-Tamilians in Pallavaram follow the general pattern for the rest of India. They leave their families behind. *Moppilahs* who are characteristically engaged in tea and *beedi* stall enterprises leave their wives and children in Kerala and return to visit them once or twice a year. Similarly, *Pathans* leave their families in north India and return home for occasional visits.

THE MERCHANT AND NETWORKS OF SOCIAL ORGANIZATION

The places of origin of Pallavaram's merchants are quite diverse. Of the 140 shopkeepers responding to a question about their place of origin, 88 or 63 per cent of them come from towns or villages other than Pallavaram. Sixty-eight per cent of the non-Pallavarans come from towns and villages more than fifty miles away. They come from throughout Tamil Nadu, a sprinkling from outside the State, a few from distant places.

Although many merchants have left their native places to come to Pallavaram, a significant number have come to the town because they have relatives who have preceded them. These are relatives with whom they stand in a relationship of economic independence. They are not coparceners. Of the 136 shopkeepers, 73 or 54 per cent have relatives conducting business within the town; and of these 73 shopkeepers, 60 per cent have two or more relatives engaged in separate businesses. Successful business requires economic opportunities, so often opening a new business involves a move to a new town. Individuals often go where they have relatives. Typically such a move is encouraged by a relative who already lives in the town to which the move is to be made. He invites his relative to come. Or the merchant selects the town because the presence of a helpful relative makes the move easier. His anxieties about migration are partly assuaged by the knowledge he has someone to turn to in times of need.

There are several advantages to opening a shop in a town

where a relative is in business. The relative knows the nature of consumer demands in the town and can give advice about the kind of business which will succeed in the area. Merchants try to learn as much as they can about enterprise in the town they contemplate moving to. They interview local merchants to find out what businesses are most likely to be successful. They observe what enterprises are underrepresented. And they look for the availability of good business locations. All of this information-gathering is made easy if a trustworthy, helpful relative lives in the town and can assist. Second, if the shopkeeping relative is a socially well-established resident, he can lend social support to his kinsman. Although relatives are usually the first source of loans to which merchants turn, most of them are not able to lend very much. So, if the newcomer needs a loan, his kinsman can help by vouching for his reliability. Social credit loans are frequently underwritten in this way. Relatives cooperate closely with each other even if they are operating competing shops. Abdul and his brother-in-law are cases in point. They are competing cloth merchants on Bazaar Road. Despite this, their personal relationship is warm and they often cooperate with one another in the purchase of cloth which must be bought in larger quantities than is convenient. Buying it together enables them to share the cloth and to reduce their individual cash layout.

Given the divergent origins of merchants, one may expect that kinship ties among shopkeepers would be limited. In fact, the overall pattern is one where a businessman is related to only one or two families in the bazaar, if he is related to any. In other words, while kinship is important to merchants, as we have seen, it is not the mechanism by which social solidarity is achieved in the bazaar. However, there is an important exception. The Muslims of the bazaar's leadership clique, composed of nine families, are all related to one another, primarily by marriage. Members of this clique originate from different places in the State. They have consciously established among themselves a network of official relationships in order to reinforce their already existing ties of mutual support. The Wahab family has recently joined this clique.

The members of the clique are all Muslim Tamils of the *Lab-*

bai subdivision except for the Wahab family who are *Rawthers*. Wahab married into the clique three years ago after his family had resided in Pallavaram for twenty years. His marriage is notable for several reasons. First, intersubdivision marriages are infrequent, and in this case the alliance represents the importance placed on aligning the family with suitable affines. A befitting *Rawther* girl was not to be found in the town when the marriage was arranged. Second, Wahab's father arranged the marriage in order to establish a kinship basis to the social ties he has with the wealthy business families the clique claims as its members. This is important to him because it creates a network of supportive kin to whom he can turn in times of crisis, and it also helps reinforce his own leadership position as a successful businessman and religious figure in the town. Third, the marriage established the Wahab family as natives of the town. Although this *Rawther* merchant and his family had been living in Pallavaram for twenty years, they were still considered newcomers. The town had not become their "native place". Until the marriage Wahab's family arranged its marriages with families from their native village or from adjacent villages where the family was "known". The Pallavaram marriage indicates, therefore, Wahab's family's changing status in the town. The family has become accepted. The marriage also signals a shift in the family's allegiance from its native village to Pallavaram. Shortly after the marriage they sold their village house. The family's transition from village to city was complete.

The members of this Muslim clique form one of the main loci of power in Pallavaram. One of their number is the most powerful political figure in the town; he is associated with the popular DMK party and is president of the Issa Pallavaram Panchayat. Other members are leading figures in the Pallavaram Merchants' Association. And several belong to the governing board of the Pallavaram Big Mosque.

Not all of the wealthier Muslims of the bazaar belong to this clique. There are a few wealthy families which are not on friendly terms with the clique, and a few which are relatively recent settlers in the town. Among these merchants are *Rawthers*, *Marakkayars* and *Kayalars*. The clique, itself, is divided by factionalism. The main division is between a segment known as the

"Youth Group" and the "Elders". The Elders represent the main leadership force among the Muslims of the bazaar. The Youth Group would like to usurp their control, and is composed mainly of the young men of the clique and their non-clique allies.

Hindu merchants living within the bazaar are not so closely integrated by kinship as are members of the Muslim leadership clique. The number of endogamous castes represented among merchants precludes kinship as an important integrator of Hindu merchants. The only caste with an important kinship basis in the bazaar is the *Achari*. Most *Acharis* are part of one large kin grouping. One family supplies leadership for their community. Unlike the Muslims, *Acharis* do not have an economically or socially dominant position in Pallavaram. Kinship does not unite the Hindu merchants, but special economic and political interests often do join portions of the merchant community in common effort.

Except at an obvious level, there is little significant correlation between kinship groupings and the kind of business operated. Close relatives operate similar types of shops because they share the same kind of early business training experience. When this common experience is lacking, there is no correlation. Thus members of the Muslim leadership clique have many different kinds of businesses.

The joint family is the most important kinship unit relevant to the Muslim merchants' economic behaviour. All living males and certain females of the joint family are coparceners until such time as they either die or legally separate themselves from the other members of the family, taking with them their rightful share of wealth or debts, whichever the case may be. The coparceners of a joint family potentially include the grandfather, father, father's unmarried sisters and brothers, if they have not partitioned earlier, brothers, and their children, both male and female.

When a Muslim Tamil dies his sons and daughters inherit his share of the joint family's assets. According to the interpretation of Muslims in Pallavaram, women have a right to a share of their father's assets equal to one-third the share of one of their brothers. Among Muslim Tamils, therefore, sisters and daughters are coparceners in the joint family. Muslim Tamils

say in theory a woman receives her share of family wealth in the form of dowry. The English term, which is used by Muslims, is misleading, since it does not emphasize that the girl is receiving her share of the family wealth. Variations on this practice are observed by some Hindu castes, including certain sections of the *Naidus*, who call this gift of wealth *siirtanam*. *Siirtanam* is usually a gift of movable wealth given to the bride by her parents; however, if the parents are wealthy, houses and land may be given as well. In practice, among Muslims dowry is settled in consultation with the groom's family, not just on a basis of the bride's share in her family's assets. The settlement is often less than she has a theoretical right to. Not many families feel a married woman has a right to a further share of her father's wealth at his death. There is no consistency among Muslim Tamils regarding this practice. Most Muslim merchants feel that a sister has a right equal to her brothers to demand the partitioning of joint property. Hindus, on the other hand, by custom do not give women this right, but they do recognize their modern legal claim to do so. In addition to their inheritable wealth Muslim women also receive at marriage valuable gifts from the groom's family, largely in the form of jewelry and other presents not including cash. This practice is also followed by some lower-caste Hindus, who refer to this practice by the term *parisam*. *Parisam* is a form of bridewealth. It belongs to the bride. Her natal family does not receive a share.

Muslims theoretically allow the children of coparceners to marry. That is, patrilateral parallel-cousin marriage is permitted. Among Muslim Tamils, however, matrilateral cross-cousin marriages are the preferred form of marriage and FsS-mBd² marriages are prescribed. Genealogies collected from merchants indicate such marriages are more common than parallel-cousin marriages.

Often when I asked Muslims whether patrilateral parallel cousins could marry, their first reaction was to say no. On second thoughts they would say that such marriages were allowed but undesirable. Parallel cousins, they would note, are like siblings. They are called by the same terms and may be raised in the

2. FsS-mBd=father's sister's son-mother's brother's daughter

same household as brother and sister. Given these conditions, marriage is considered unthinkable, just as it is unthinkable between real siblings.

Among Hindus, the coparcener unit is an exogamous group called the *pangaali*. Muslims occasionally use this term, also, to refer to the social unit formed by coparceners. For Hindus the *pangaali* is the core of an agnatic sublineage composed of the living males of a joint household. For the Hindu the *pangaali* also has a religious dimension lacking among Muslims, which links together male members for certain religious and ritual purposes. For example, if a *pangaali* member dies all co-members are ritually polluted. Death does not pollute Pallavaram's Muslims. Many Muslims are not familiar with the term *pangaali* although all Hindus are. This ignorance is indicative of the limited scope of this kinship unit among Muslims. For them the *pangaali* corresponds to the joint household, while among Hindus religious and ritual obligations unite in the *pangaali* men who have partitioned. A Hindu's rights and duties in his *pangaali* do not cease with partition as they do among Muslims.

The lineage in Tamil Nadu is known as the *vamsam*. Muslim Tamils recognize such a unit, but it has no social importance in Pallavaram. However, in the extreme south of Tamil Nadu *vamsams* are significant social units among certain Muslim group. A *Rawther* from Ramanadapuram district indicates that there *vamsams* are named, exogamous and ranked groups. Certain Muslim *vamsams* in Ramanadapuram have titles which include Hindu caste names. A clear sign that the Muslims belonging to them are converts to Islam to whom caste distinctions still have some relevance. The occurrence of Hindu names among Muslim Tamils is extremely rare. Except for the Ramanadapuram Muslim I never encountered such usage. Unlike the Christian population of the State, Muslim converts soon forget their former caste affiliations. Former caste distinctions cease to play a role in governing Muslim social interaction. Converts worship, interact and marry without concern for caste. *Vamsams* are patrilineal.

Muslims living in Pallavaram who come from Dindigal and its hinterland in Madurai district distinguish a kin unit which is similar to the *vamsam*. They call it the *vahayyaraa*, the Tamil

equivalent of "etcetera", or *kudambam peer* (family name). As this latter term suggests Muslim lineages are referred to by family names. Typically, the family name designates a place of origin, an incident in the life of an ancestor or the former occupation of an ancestor. *Aattumiiran vakayyaraa*, *Paalapattiyaan vakayyaraa* and *Seemartaa vakayyaraa* represent examples of such names. *Addtumiiran* refers to the founder of a *vakayyaraa* who, people say, once ate a whole goat single-handed. The name reflects the legend. *Paalapattiyaan* refers to a village, and so on. Some names are humorous, some are straightforward and descriptive. The *vakayyaraa* name is a common means of identification. When a person's identity is sought, knowledge of his *vakayyaraa* name reveals his family connections. His identity as a representative of his kin grouping is made apparent. *Vakayyaraa* fission takes place when the joint household partitions.

The *vakayyaraa* differs from the patrilineal *pangaali* kin unit. Every person belongs both to his mother's and to his father's *vakayyaraa*. It is not uncommon for individuals who know a woman's *vakayyaraa* to refer to her children in terms of her family name rather than the father's. Most often, however, when a person is asked who he is, the question is meant to elicit the father's *vakayyaraa*, not the mother's. Greater emphasis is placed on the father's name than on the mother's. As a result, the family name usually refers to an agnatically related grouping similar to the *pangaali* — but not always. Not all *vakayyaraas* are patrilineal. One *Labbai* family from Vellore, North Arcot, uses the family name of the household head's wife's father, who was in his day a very important man in the Muslim community of Tamil Nadu State. The *vakayyaraa*, therefore, is a cognatic grouping with a patrilineal emphasis similar to the bilateral kin units described by Leach among the Sinhalese (1960: 116-126) and classified as quasi-unilineal by Murdock (1960: 7-6).

The economic relevance of the *pangaali*, *vamsam* and *vakayyaraa* is they define the property-owning units among Muslim and Hindu Tamilian merchants. The *vakayyaraa* group usually corresponds to the extended, joint family, *pangaali* to a ritually related group of coparceners among Hindus—to coparceners among Muslims. Unlike the *pangaali*, the *vakayyaraa* is not an exogamous group. The lineage or *vamsam* is the most exten-

sive group. This group is not significant among Muslims in Pallavaram and is not a property-owning group. All of these groups contribute to the structural expression of the joint family, which forms the managerial basis of business in the Pallavaram bazaar.

The paternal side of a Muslim Tamil's family has more economic importance than the maternal side, but it too is important. If the maternal side is wealthier and has greater fame than the paternal, it is common for the family to stress its connections with it. As in the example given above, the maternal side will be their claim to fame. A man ideally is supposed to have a close, emotionally positive relationship with his maternal kin. They are supportive and often provide him with a bride. The mother's brother is referred to by the same term that is used to denote father-in-law, *maamaanar*. It is the mother's brother's daughter (*morce pennu*) whom one has the culturally prescribed right to marry. Muslim Tamils say that this right is so strong they could force such a marriage against their *maamaanar's* wishes. If a father is unable to educate and support his son, many feel it is the mother's brother who has the responsibility to do so.

A similarly close relationship which falls outside the agnatic group is that between a man and his wife's brothers. Under certain circumstances this relationship may develop economic overtones. Brothers-in-law go out of their way to assist one another. Among merchants they often help one another in business. Their relationship is dominated by mutual support.

MARRIAGE AND BUSINESS

Among the factors considered in arranging a marriage are occupation and economic status. Muslim shopkeepers are interested in binding, through marriage, families following similar professions and occupying similar economic statuses. Class, but not caste, is of fundamental importance in arranging a marriage. From an examination of six genealogies of Muslim Tamil merchants in which complete data on 226 marriages are collected, it is found that in 157 or 70 per cent of the marriages the grooms are businessmen. A high percentage, 60.7 per cent, of the marriages occur between relatives. Usually the exact nature of the

relationship involved could be traced. Classificatory cross-cousin marriage (mBd-FsS)³ is common. Patrilateral parallel-cousin marriage (msd-FBS)⁴ is uncommon for the reasons noted earlier. Although economic considerations are important in arranging a marriage, they are not the sole cause for the high incidence of marriage among kin. This pattern of marriage is sociological characteristic of the Dravidian cultural area. Muslim custom in this regard is influenced by Hindu tradition. Hindus marry kinsmen in order to be guaranteed of their ritual purity, which is affected by pedigree and conduct (see Barnett, mimeo, p.7).

The reasons which Muslims give to explain their preference for marriage among relatives focus attention on knowing the prospective spouse and his family with whom they are forming the alliance. Marriage constitutes a joining together of families among the Muslims. Therefore it is important for them to make marriages which are as beneficial as possible. In order to do so, they need an intimate knowledge of each other. Such knowledge is most easily obtained when the two families involved in making arrangements are related. To be sure of selecting a suitable spouse the bride's family wishes to know about not only the groom's wealth, economic potential, and education, which are fairly easily learned, but also about his religiosity, his personality and his physical appearance. It is the groom's family which actively seeks a spouse, however. They are looking for a girl whose family has commensurate status with their own, who has shown herself to be proficient in the Koran, who has similar religious practices as the groom's family, who has essentially compatible ritual customs, who cooks in the manner the groom's family does, who has a pleasing personality and, ideally, some beauty.

Both families are concerned with the other's reputation as a family. Wealth does not always make a suitable spouse. For example, the family of Miilakaary Kaaraan has been seeking a bride. They are a family which has experienced bad days but which now has considerable affluence. Nevertheless, they are having a difficult time finding a bride, because it is known that

3. mBd-FsS=mother's brother's daughter-father's sister's son.

4. msd-FBS=mother's sister's daughter-father's brother's son.

their money comes from trading in illegal liquor. Muslims feel it is much harder for relatives to hide their shortcomings, because of the grapevine of kinship, than it is for strangers.

Shopkeepers breed shopkeepers. This is apparent not only in the preference merchants show for establishing alliances with other merchant families, but also in the large numbers of sons who follow in their father's occupational footsteps. About 70 per cent (111 of 159 respondents) of Pallavaram's businessmen have fathers who were in business before them. Among these 111 businessmen 54 per cent are involved in the same kind of business as were their fathers before them. Forty-six per cent are engaged in enterprises different from those of their fathers'.

Muslims have a very positive attitude about the business occupation. They feel a merchant performs a *sunmath*, an act of religious merit, because the Prophet was a businessman. In this respect Muslims differ strikingly from Hindus, other than *Chettiars* and artisans. Hindus generally consider shopkeeping as a lowly occupation. It involves hard, often dirty work and is certainly thought inferior to white-collar jobs in the city and to agriculture in the village. Muslims, however, do not share this view. They prefer business even to salaried employment which pays more than they might earn, because of the freedom from supervision it gives. A merchant, they say, is independent. He does not take orders. Even in the villages Muslims prize the mercantile occupation. A Hindu agriculturist would consider marriage with a merchant a sign of loss in status. But Muslim agriculturists do not. They marry their daughters to businessmen. A businessman is not only a suitable spouse among Muslims, but also a desirable one because his occupation is relatively lucrative.

MERCHANTS, SOCIAL NETWORKS AND THE RURAL-URBAN CONTINUUM

Merchants, especially Muslim merchants in the Pallavaram bazaar, are socially integrated through their numerous daily interactions, through ritual activities, through common political and social interests, through kinship ties and through the several social organizations to which they belong. Kinship has a limited importance to this social integration. But kinship

networks are not restricted to the Pallavaram urban area. Most merchants are involved in a structure of kin ties which has three important foci. One of these occurs in Pallavaram itself, where its character is defined by the extent and nature of the merchant's kinship bonds within the town. The two others involve the merchants' connections with their relatives who live in other towns and in other villages. Any one of these foci may be of greater or lesser importance to the merchant, depending upon where his kin reside and how actively he maintains his relationships. Most merchants experience this double, sometimes triple, geographic orientation in their kin ties. I have already discussed in this and in preceding chapters the nature of social ties within Pallavaram. Therefore, I shall discuss here only the ties which extend the social network of the merchant beyond the town and the ties which in effect establish the social context in which the society of the bazaar exists in predominately rural Tamil Nadu State.

There is no question that Pallavaram is not a separate and distinct social entity. The social structure of the bazaar exists in a web of ties linking relatives in Pallavaram with kin in other urban centres as well as in villages. Indian cities have large migratory populations. Villagers form a high percentage of these populations. However, interestingly enough, in the bazaar the majority of linking ties are not rural-urban in nature; rather, they connect merchants with kinsmen in other urban centres. A relatively high percentage of the merchants of the bazaar claim to originate from a town or village other than Pallavaram. Of 140 responding shopkeepers, 88 or 63 per cent indicate they are not natives of Pallavaram. Only 26 per cent of the merchants claim a village as their place of origin. This indicates that merchants are usually not new to cities. The social ties of most merchants are not with kinsmen residing in the rural areas but with relatives in other urban centres.

Kin ties are important to merchants. Their importance is not diminished by widespread dispersal of relatives. The majority of merchants (85 per cent) have maintained regular contacts with their native places by returning home at least once during the past five years. Most merchants return home annually. Nearly 70 per cent return to native places fifty or

more miles away, a distance which makes going and coming, if not difficult, at least not an easy day-to-day affair. Muslim Tamils return to homes located throughout the State. Several Urdu-speaking Muslims and Jains return to places located as far away as Rajasthan and Kashmir. Merchants maintain ties with their native places in which they have close relatives residing; and two-thirds of the merchants who keep up regular connections own or have close relatives who own either a house, even if only a hut; or a small amount of land in their native village. Those who have not returned regularly to their native places are either on bad terms with their relatives residing there, have no close relatives residing there, or have no relatives who own any property there and do not own any property there themselves.

The reasons given by merchants for returning to their native places vary. Many merchants have several purposes in returning. The most common reasons given are: to see relatives, to attend life crisis ceremonies, to attend festivals, to visit an ailing relative, to go on business (at least one merchant was a partner in business with a man residing in Rajasthan), and to make an ordinary social visit and experience a change in daily pace; in other words, to take a vacation.

Intra-village marriages are customary in south India. At first glance it does not appear that Pallavaram's Muslim merchants follow this pattern. For in the abstraction of 138 marriages from three genealogies of Muslim Tamil merchants, it is found that only 53 marriages or 38.4 per cent have occurred between people from the same native place. In my opinion this data are misleading. Most marriages are, if not between persons of the same locality, at least between persons who are related and who have their relatives concentrated in one or two "kin centres". A kin centre is a locality, town or village, in which a substantial concentration of one's kinsmen reside. Because Muslim Tamils are mobile, a person may have two or three localities with such a convergence of kinsmen. These are his kin centres. The data derived from these 138 marriages suggest a concentration of marriages within a limited region because 97 or 70 per cent of the total marriages occurred either in the native place of *ego* or in one kin centre other than *ego's* native

place. Thus, Muslim merchants return approximately 70 per cent of the time to a kin centre for marriage. Only thirty per cent of the time do they marry elsewhere.

Data from six extensive genealogies indicate that merchants represented in each genealogy are scattered in an average of seven different towns. The range for the six genealogies is from three to thirteen localities. The distances among towns in which different kinsmen are scattered varies from the distance between Rangoon and Pallavaram to just a few miles.

Thus we can say that related Muslim merchants conduct their businesses in a number of localities, usually where they have other relatives engaged in business as well; but they do not tend to marry within the town in which they are conducting business. They go to a locality which acts as a kind of centre for kinsmen. It is misleading, however, to interpret this to mean that Muslims marry brides who normally live in these centres. It sometimes happens that neither the family of the groom nor of the bride resides in the kin centre. However, the bride and the groom may both consider the centre to be their "native place". What happens is that at yearly festivals, or at occasions such as life-crisis ceremonies, men and their wives return to their kin centres, meet kinsmen and friends, sometimes for the first time in years, hear news about their relatives and fellow villagers, display their successes in conspicuous consumption, learn about who is marriageable, exchange gossip, and make arrangements for the marriage of their children. It is not uncommon for the bride's family to hold the wedding at the kin centre, where a maximum number of kinsmen can attend, even though the bride's family is not a full-time resident there.

I visited some *Rawther* villages in Madurai district near Dindigal where the majority of houses are vacant except during one important annual festival. At that festival time large numbers of Muslims who are merchants in towns all over Tamil Nadu State return to arrange marriages, to observe the first hair-cutting ceremony of their children, to perform *Khatna* (circumcision), to give feasts, or for other events. People renew friendships, old disputes arise, factional divisions continue, and newly successful individuals make efforts to raise the social

status of their families. In other words, the native village of these merchants, many of whom have been living elsewhere for generations, is a focus of social interaction among kinsmen normally living in separate localities. Once a year these villages form a nexus in the network of social interaction for its absentee native residents.

Kin centres such as these (and they are common in the State) act quite literally as the stage on which Muslims symbolically act out the social drama of their lives. During the annual festival the quintessence of the Muslims' social lives is presented for the view of the people most important to them, their relatives. Families put on their best showing. These occasions provide important arenas for attempts at social mobility. Everyone is engaged in assessing and reassessing social status, and families are awarded or not awarded according to how they are evaluated. A good marriage arrangement moves a family up. Indifference to a family's feasts or to a search for a spouse indicates a poor assessment. The symbolic importance of the kin centre as a stage for establishing social status demonstrates the significance of kinsmen to Muslim merchants. It also shows that the bazaar neighbourhood, a territorial unit, does not provide the sole or even the most important framework against which social status is judged. Networks of kinship, a social unit, provide this framework. Since the Muslim merchants' kinsmen do not live all in the same locality, the annual festival provides the opportunity for families to attempt status moves and to be judged. Muslims who have no special reason for returning to their kin centre might stay away for years until they have some purpose for returning.

The importance of kin centres to Muslims illustrates the limitations in viewing the Pallavaram bazaar as a social unit. At times, in some contexts the bazaar has an integrity of its own. Merchants are concerned about their status in the bazaar. At other times it lacks this integration. Merchants also fret about their status among their kinsmen, a grouping with a wide territorial identity. Muslim merchants achieve their status in two different contexts, among their neighbours and among their kin.

Most of the year Muslim merchants live in the town or city

where they are conducting business. During the year, in addition to maintaining ties with relatives in the kin centre, merchants retain close social contacts with relatives living in surrounding towns. If a death or some other life crisis occurs, messages are sent to the households of all close relatives. If they live close enough they will come with their families. Minimally, each household sends one representative. A number of ceremonies are performed throughout the year to which relatives are invited—ceremonies such as *puu poodutal*, a girl's maturation ceremony, or *maktab*, a boy's first Koran lesson, are times for close relatives to gather together. At such times kin travel between towns in order to participate. People do not feel as obliged to attend simple ceremonies as they do rites of major importance.

Relatives of merchants conducting business in the towns surrounding Madras city also cooperate with each other when they go into the city to conduct their stock purchasing. Thus, in addition to the rural-urban ties of Muslim merchants who originate from villages, the majority of merchants in Pallavaram's bazaar have ties with kinsmen residing in other urban centres.

One may ask to what extent the social ties of merchants indicate a social structural rural-urban continuum. The highly urbanized nature of the merchant community indicates social connections between the urban and rural sectors are not as extensive as one might have supposed. Only one-quarter of the merchant population retains close contact with the rural sector, whereas most merchants maintain bonds with relatives in other urban centres. The geographically widespread ties of merchants correlate with the mercantile occupation, which results in the scattering of relatives throughout the State as individual households go out to seek their fortune. Thus, while a social-structural continuum between the rural and urban sectors exists, it is not the predominant feature characterizing the merchant's network of ties. The characterizing orientation is urban-urban. The urban-urban relationships of merchants are not qualitatively different from their rural-urban ties, however.

There is strong evidence that the social structures found in the rural and urban sectors of Tamil Nadu State are in large measure the same. As we have seen, the social ties which bind

people are the same whether the people bound live only in the rural or urban sectors or whether they live in both. Pocock (1960) hypothesizes that in India rural and urban social structures are the same. While this is probably going too far (given the prominence of voluntary associations in Indian cities and their corresponding absence in the countryside), the evidence of this chapter supports at least a part of Pocock's suggestion that caste and kinship continue to have the same fundamental structural importance in India's towns and cities as they do in the rural area. Disregarding popular beliefs about Western urbanization which hypothesize basic differences in rural and urban social structures, there is nothing surprising in this; for as yet there is no evidence that either caste or kinship weakens in importance in the Indian urban context. In fact, in India the city has traditionally been a social centre reflecting the social order of the greater society (see, for example, Rowe 1964). Evidence certainly supports the fundamental importance of kinship in structuring the ties and behaviour of the merchants of the Pallavaram bazaar.

Chapter V

ASPIRATIONS, UNIQUE BEHAVIOUR AND VALUES IN SHOPKEEPING IN THE PALLAVARAM BAZAAR

ALTHOUGH THE MUSLIM TAMIL IS TYPICALLY DESCRIBED AS sharing the same cultural heritage as the Hindu Tamilian and as following customs similar to those of the Hindu, this is a gross oversimplification. It is true that the Muslim Tamil is better integrated into the Hindu cultural and social milieu than is his counterpart elsewhere in India, for the Muslim Tamil's cultural heritage is largely Tamilian, with the exception of his religion; and religious communalism is minimal in Tamil Nadu. Relationships among the religious communities of Tamil Nadu are peaceful and friendly. But Muslim Tamils vary among themselves in their customs and social organization and differ from Hindus. As we have seen in Chapter IV, the kinship organization of Muslims has distinctive features which contrast with the kinship organization of Hindus. The *pangaali*, for example, is a corporate agnatic sublineage among Hindus, involving social, economic and religious rights and obligations. Among Muslim Tamils the *pangaali* is not always a recognized kin grouping. When it is, it is simply a male coparcenary group. The members have no ritual or religious obligations towards each other, and it is not a sublineage. It is composed of male members of the joint household. Further, the influence of Islam affects the rights of women, the structure of property ownership, and of inheritance and differentiates Muslim Tamil custom from the general Hindu patterns. Numerous other cultural and social phenomena are peculiar to the Muslims in Tamil Nadu despite their Tamil heritage. Marriage ceremonies, life-crisis ceremonies, rules governing exogamy as well as other aspects of their life are directly influenced by Islam and, therefore, distinct from Hindu ways.

One might naturally assume that the Muslims' economic

behaviour would have its unique features as well. Muslims do exhibit some characteristic behaviour, which is associated with their urban oriented economic activities. They have been urbanizing during the past 70 years at a rate much faster than Hindus. They are, in 1961, more than 55 per cent urban in contrast to the State population as a whole, which is only 26.7 per cent urban; they are more urban than are the Christian or Hindu communities.

The reasons for this high rate of urban residence in a predominately rural, agriculturally oriented society are several. The prime reason is Muslims have never had a strong economic position in the countryside, where agriculture is paramount. There are districts where Muslims are farmers, especially in the agriculturally poor districts of Tirunelveli and Ramanadapuram and some locations in Tanjore and Madurai, but on the whole the Muslims' involvement in farming has been peripheral. The typical Muslim Tamil merchant in Pallavaram, for example, owns little or no agricultural land. Commonly in the rural areas of the State, Muslims are low-status artisans such as mat weavers, or if agriculturists, then they are coolies and tenants. Typically, too, rural Muslims are wandering salesmen of items such as cloth, or they are economic middlemen: between fishermen and consumers, between farmer and market; or they are traders. But they are not agriculturists to the extent Hindus are. Along the coast many are traders and overseas merchants who maintain village residences for their wives and children when they are away. They are not agriculturists. Judging by interviews with Muslim merchants in Pallavaram, it has been Muslims who are already engaged in non-agricultural occupations who have migrated to urban centres, the petty middlemen, traders and weavers. Many in coming to the cities become coolie labourers in *beedi* and cigar factories and in leather tanneries, but a large number begin anew. They start small businesses, or else they continue their petty business dealings, which before had a largely rural basis. Such are the typical origins of the Muslim merchants who are found in the business sections of every town and city in Tamil Nadu.

The 1961 Census Handbooks indicate that Muslims are considered an important trading and shopkeeping community in

nearly every district of the State. As a community Muslims are unusually urban. This is to be expected given their economic predilections. Data are lacking which would tell us to what extent this urban pattern is shared by Hindu castes engaged in similar kinds of economic activities, such as the *Chettiar* and perhaps the Brahmin and *Achari* castes.

Muslims have had a nearly monopolistic control of the hides and skins industry at one time. However, despite its association with ritual pollution among Hindus, in the past twenty years members of several castes, including Brahmins and *Chettiars*, have moved into this field on the owner and managerial levels. But Muslims and low-caste Hindus continue to monopolize the industry's labour force. Muslims have been prominent in *beedi* manufacturing in Tamil Nadu, and they own the largest concerns. Again, the prevalence of Muslims in this field has to do with the association of smoking with ritual pollution in south India, since among caste Hindus nothing, including food or the right hand, should ever touch the lips and then be withdrawn. The *hukka* (waterpipe), of such prominence in social interaction in north India, is never used in south India. Smoke itself, after it has been inhaled, is considered a conveyor of pollution by the orthodox even today. Interestingly, considering the customs of south India, Muslim Tamils were not the original big *beedi* manufacturers. The Urdu-speaking Muslims of the Deccan were.

With the exception of leather and *beedi* manufacturing, the business sphere has never been a monopoly of Muslims. Business is one of the largest occupational categories open to members of all social subdivisions in the urban sector. The wide range of castes and religions represented among merchants in Pallavaram suggests entry into business is open. Mercantilism is economically appealing, since it offers an enterprising but uneducated individual a better opportunity for income growth than do most forms of urban employment. Further, business does not necessarily involve one in a subordinate relationship to an employer. All of these factors appeal to Muslims looking for a way to live.

MUSLIM TAMIL MERCHANTS; THEIR BELIEFS AND
ECONOMIC BEHAVIOUR

What is the Muslim's outlook with respect to business? Muslims in Pallavaram believe that conducting business is a *sunnath* (a custom of the Prophet's) and is, therefore, an occupation conveying religious merit.

One might expect shopkeepers, whatever their religion, to value shopkeeping positively. In fact, shopkeepers who were asked to rank 13 occupations in terms of desirability supported this summation. Shopkeeping, on an average, was ranked next to the occupations of doctor and industrialist as among the most desirable undertakings. In a sample of 18 shopkeepers who were asked whether or not they were satisfied¹ with their profession, 13, or 77 per cent, responded that they were. Those who were not satisfied gave individualistic reasons for their dissatisfaction, ranging from the increased encroachment of government regulations on their businesses to the desires to begin a small-scale industry. When Muslims who were employed and not shopkeepers were asked to rank occupations, they also considered business as highly desirable, ranking it second to the occupation of agricultural landowner, along with the occupation of engineer.² Thus, shopkeeping is a very attractive occupation among urban Muslims, whether they are shopkeepers or not. Muslims living in the countryside concur. Urban Hindus, in contrast, view shopkeeping as a lowly occupation. They consider professional occupations, which require high levels of education, better than business. Rural Hindus who base economic status on land ownership also consider business and trade low-status enterprises.

1. Satisfaction was defined in terms of whether the shopkeeper preferred his own business to another, or, if he did not prefer his own business, whether he considered other occupations desirable. Only a merchant who preferred only his own type of business was considered satisfied.

2. While the sample in these surveys was small, being composed of thirteen Muslims and five Hindus and Jains, the results correspond to my own impressions derived from informal discussions with both Muslim and Hindu shopkeepers and employed persons.

A second feature distinguishing the Muslim is his equalitarian outlook. Pallavaram's Muslims do not think that all men have the same social and economic status; but they do feel that before God all men are equal and that the principle of equality should regulate one's dealings with others. Muslims claim that it is good to be a merchant, since it is only in this capacity that a man can be his own boss, and so avoid the servant status of an employee. Nevertheless, most Muslims are not self-employed. Under such conditions working for a Muslim employer rather than for a Hindu is best, since the Muslim is conscious of this ideology and treats his employee with greater equality. He often draws his employee into his household circle, for example. The case of Raheem is typical. He lives in his employer's house. He eats with the men of the household, is clothed by his boss, and takes an active part in the family's observation of festivals. In turn, the merchant hopes his Muslim employee will be more trustworthy than a Hindu, because he is assumed to recognize the brotherhood of Islam and to fear the day of judgement.³ Finally, employment in business is considered good from the point of view of equalitarianism, because a person gains the training which eventually makes it possible for him to start his own enterprise. Shopkeeping is one of the few urban occupations which trains a man to become his own boss.

Equalitarianism is a strongly-held value among Muslims in Pallavaram, and it forms an important part of the universalistic outlook which characterizes the orientation of Muslims. This equalitarian universalism is the third feature of the Muslim Tamils' world view which affects their economic behaviour. The Pallavaram Muslim sees himself as a part of the Islamic world community. His fundamental attachment is not focused solely on the local area, but also on the greater equalitarian religious community of which he is a part.

Muslims constantly experience expressions of Islam's universalistic orientation, which perceives all believers as equal. This ideology is one of the first things Muslims learn. They are taught it at home; they learn it attending the *Jum'ah Namaz*

3. I found Hindus also commonly express the belief that Muslims are more honest than Hindus for this same reason.

(main Friday prayer), and they study about it at the *madraṣṣah* (Islamic school). Equalitarianism is further emphasized by commensalism, including on occasions the sharing among friends of food taken from each other's plates, and by prayer (*namaz*) during which men line up shoulder-to-shoulder irrespective of their social position or wealth. In Pallavaram, Muslims are always reticent about the existence of a Muslim social hierarchy. They are even reluctant to evaluate individuals by their wealth. For, they claim, one should judge another only on the basis of whether or not he is a good Muslim and not according to his material successes.

The universalistic outlook of the Pallavaram Muslim's world view is reinforced in numerous ways. Every Muslim shopkeeper of the bazaar reads at least one Muslim newspaper; often he reads several.⁴ These newspapers keep him informed about world and Indian news affecting Muslims. They help him to identify with the brotherhood of Islam. He sees his identification as having a world-wide basis. Whatever the world issues, one merchant told me, his loyalty is first with Muslims. He knows about Md. Ali Clay and recognizes Ali's plight as one of persecution of Muslims in the U.S.A. The wide distribution of Tamil-language books which deal with major Muslim issues also reinforces his universalistic outlook. Booksellers occasionally come right to the mosque door hawking inexpensive editions.⁵ Books, however, do not have the impact of newspapers, because they are not as frequently read nor are they as widely circulated.

Other universalizing influences experienced by Pallavaram's merchants generate from the *peshimam* (leader of prayer) of the Big Mosque and from the annual visits to both mosques during *Ramzan* (thirty-day fast) by *hafizes* (persons who have memorized the Koran). The *hafizes* come from the famous north Indian Islamic university, Daru-l-Ulum, Deoband. They lend

4. The most commonly read newspapers are published in Tamil. The popular newspapers are *Nuurul Islaam*, a weekly; *Maru Malarsai*, a weekly; and *Urimai Kurul*, a monthly.

5. The editor of the newspaper *Nuurul Islaam*, for example, operates a mobile bookshop, which also sells subscriptions to his newspaper.

an air of authoritative orthodoxy to the subdued observances of the fast. The *peshimam* of the Big Mosque is a man of recognized sophistication with a *moulvi* degree from a famous *madrassah* in Vellore town. His schoolmates come from all over south India as well as from Southeast Asia. He is an acknowledged cosmopolitan. The *hafizes* who visit Pallavaram are also educated men in the Islamic sense. By listening to and talking to these respected men, merchants reinforce their view of the universal brotherhood of Islam.

Less important forces influencing the world view of Muslims are organizations such as the Muslim League, the *tablique* movement and the *Jamaat-i-Islami Hind*. These are all nationwide organizations.⁶ The first is primarily political in outlook; the second is a religious movement, which once was influential in Pallavaram. It urges Muslims to regularize their religious practices and duties. The third, at least in Tamil Nadu, is primarily religious in nature with some political overtones. A few of Pallavaram's Muslim merchants maintain contacts with these groups. Members of the *tablique* pass through Pallavaram from time to time.

The world view of Muslim Tamils residing in villages is similar to the universalistic outlook of the Pallavaram merchants. While they do not as often encounter Muslims from different areas of India, they do acquire an equalitarian universalistic ideology in much the same way as the urban Muslim does. The village Muslim's Islamic education, practices of commensalism, and his occasional contacts with newspapers and Muslims from other areas all contribute to a world view which is outwardly oriented. In Tamil Nadu the Muslim knows that wherever he goes, if there is a mosque, then he can adjust to the local social environment.

The Muslim Tamil merchant has a reputation for being willing to move to wherever there are economic opportunities. Muslims are more mobile than are Hindus. In a survey involving 65 responding Muslim shopkeepers and 95 Hindu shop-

6. My brief mentioning of these organizations does not reflect their significance, which is considerable, from a pan Indian perspective. But it does reflect their importance in Pallavaram, which in overall effect is minor.

keepers, it is found that 74 per cent of the Muslims, compared to 63 per cent of the Hindus, claim origins other than Pallavaram. This difference is sharpened by the realization that the majority of Hindus come from places nearby, either from within Madras city, which lies twelve miles away, or from within Chingleput district, the district within which Pallavaram is located. Muslims in contrast have travelled much further from their native places: they come from throughout the State. Several Muslim merchants have even conducted businesses overseas in Ceylon or in Southeast Asia before coming to Pallavaram. Only one or two Hindu merchants have done so.

The experience of Md. Haneef who is about sixty is not atypical of men of his generation. He left his village home in Madurai district when a young man. First he went to Vellore where he studied at an Islamic college and obtained his *moulvi* degree. Then he went to Rangoon to seek his fortune. At first he was employed in a mosque as *peshimam*, but eventually he established a business and married a Muslim Tamil girl. His enterprise flourished. World War II interrupted the flow of events, and he decided to return to Tamil Nadu. By this time he had two children and considerable cash savings. He made his way back to India with Rs. 50,000. In Tamil Nadu he tried his luck at a number of businesses including trucking, but all failed. Finally he settled in Pallavaram and opened a small sundries store, which was successful, and after several years he began a cloth shop. It too was successful. Now Md. Haneef has retired, and his oldest son, an intelligent businessman in his own right, has taken over the shops. Md. Haneef enjoys the status of a successful businessman and with his new leisure has the time to establish himself as an important religious leader. A number of his relatives still live scattered throughout Southeast Asia. I met one on vacation in India who was planning to return to Tamil Nadu in the near future. The general pattern of Muslims who travel overseas in pursuit of the rupee is to return to Tamil Nadu when they feel financially able. Many begin new businesses in Tamil Nadu after they return as Md. Haneef did.

The high degree of mobility found among Muslim merchants in Pallavaram is a product of their rootless rural economic sta-

tus and the pull of urban economic opportunities. The Muslims' rootlessness is tempered by their world view, which enables them to fit into any social setting where they find their fellows and a mosque. Among Muslim Tamils the *Rawther* and *Marakkayar* groups are particularly reputed for their willingness to go wherever economic conditions are best. However, Hindus seem much more attached to their local area. Among orthodox Hindus in south India caste is a limiting factor which restricts travel. The endogamous caste unit is a small, locally delineated group in Tamil Nadu. A *Tondamandala Vellala* in Chingleput district, for example, traditionally marries only within his kindred (communication with S. A. Barnett, University of Chicago, 1968-1969). This identifies the endogamous caste with a narrowly defined geographic area. Similarly, caste status has a strongly local basis, since it is closely associated with land ownership. A member of a caste which is dominant in a particular region, such as a person belonging to the *Kallar* caste of Madurai district, does not retain the same status when he travels to another district where he lacks the economic basis for high rank. There other groups will be dominant. In fact, using the *Kallar* example, outside of their own region they rank low in caste hierarchies.

The Hindu's attachment to local deities, such as a family god (*kuladeivam*) also binds them to a local area. This god should be worshipped at least once a year at the family's *kuladeivam* temple.

These examples demonstrate that a Hindu cannot travel to a new region in Tamil Nadu and adjust to the social setting as readily as can the Muslim. To fully adapt a Hindu must be able to interact with his kin unit or with the social unit into which he can marry. It is only with members of these groups that he can interdine and interact on an equal footing. It has already been noted that there are few Brahmins in the Pallavaram bazaar. The prevalence of low castes and the generally unfavourable attitude of residents make the bazaar an unsuitable business location for Brahmins. Merchants need to maintain reasonable friendly relations with their neighbours. The standoffish aloofness of Brahmins antagonizes rather than befriends, so that they have difficulty in establishing the rela-

tionships of cooperation which are vital to successful business.

The restricting influences of Hinduism are not absolute, of course, since Hindus do move about in Tamil Nadu and elsewhere in order to obtain economic benefits. These influences in conjunction with economic involvement in the rural economy, however, may well keep many Hindus from moving freely if they feel the benefits they obtain from such a shift do not more than compensate them for the social hardships involved. The boundary between profit and loss, with respect to the social hardships of mobility, is measurably lower among Muslims than among Hindus. The ritual attachment to a local area is not as strong among Muslims.

Muslim merchants in Pallavaram have kinsmen residing in a number of towns and cities. This eases further the Muslims' movement from town to town. Having kinsmen located in a number of urban centres helps contribute to their universalistic world view. As a result, their pattern of mobility and their world view support one another.

The most probable explanation why Muslim Tamils have moved to urban centres in proportionately greater numbers than have Hindus is that they have had a smaller economic stake in the rural sector of the State compared to Hindus. In contrast, what relative prosperity Hindus have is based in the countryside. Muslim Tamils have never had a large commitment to agriculture, while Hindus traditionally have. Thus, Muslims have been more willing to leave the countryside. Less is at stake.

There are other attitudes associated with the beliefs of Pallavaram's Muslims which influence the economic behaviour of Muslim merchants. The best known of these attitudes is the prohibition against earning interest. Muslims in Pallavaram believe it is forbidden (*haram*) to earn any profit from moveable wealth when no labour on their part is involved. A man should not lend money for interest, lend money in exchange for the return on property (e.g., mortgage), or accept interest on his savings account or pension plan. In fact, many Muslims do all of these things in Pallavaram. Nonetheless many others will have nothing to do with money earned in this manner. The outcome of this ego-centred ethical battle is that, except

for a minority, Muslims are less likely to wilfully earn money by interest than are Hindus or Jains. Hindus also deprecate professional moneylending and pawnbroking, but they are willing to enter into such activities on an informal, clandestine fashion, just as Muslims are. Jains seem to have the least compunction about these activities as can be seen from the fact that they operate all of the pawnbroker shops in the bazaar. Nevertheless, even Jains feel that the pawnbroker's profession is not a desirable one. As one Jain explained to me: who wants to be despised by everyone and vilified by any drunk who takes it in his mind to do so? Acharya Tulasi, head of the Jain sect in Pallavaram, also strongly objects to this occupation, and refused to visit the homes of pawnbrokers when he passed through the town in 1968.

A few Pallavaram Muslims are professional moneylenders. Most are *Pathans* while a few are Tamils, notably of the *Rawther* group. Despite their ethics, most Muslim merchants accept interest, if not on a regular basis, from time to time when it economically suits them. Most Muslim businessmen regularly mark up the prices of goods sold on credit in order to compensate themselves for the trouble. Others occasionally charge interest on short-term loans, in this case not so much to supplement their income, but in order to discourage too many persons, particularly vendors, from asking for money.

Yet another attitude which affects the Muslim merchant's economic behaviour is the Islamic emphasis placed on giving alms and on the practice of giving *zakat* on *Ramzan Id*. *Zakat* represents 2.5 per cent of a man's income. Muslims also give alms on other occasions, because they feel it meritorious to do so. Muslim merchants give alms more readily than Hindu merchants. Beggars are aware of this, and the majority of mendicants come to the bazaar on Friday morning, before the *Jum'ah Namaz*, socially and religiously the most important prayer of the Islamic week, in order to take advantage of the Muslims' good will. Very few mendicants are denied a paisa (one-hundredth part of a rupee) by Muslim merchants on this day. The total economic impact of this behaviour is not very great for each merchant. Giving either food or small sums of money to the poor has an important symbolic role in the Muslim

Tamils' festivals. All rituals and ceremonies involve some giving of this kind. Pallavaram's Muslims feel giving symbolizes the brotherhood of Islam.

Zakat is economically more important than alms. In Pallavaram *zakat* is not usually given to the mosque. Typically what the merchants call *zakat* is distributed among the poor on *Ramzan Id*. Merchants say the sum distributed should be 2.5 per cent of their annual income. While in practice not all Muslims give, many do. *Zakat*, they feel, should be given to the needy. In addition to giving to poor unrelated Muslims, merchants also give a sizable portion of their *zakat* to their poorer kinsmen. One Muslim cloth merchant in the bazaar, for example, provides yard goods to his poorer relatives who also operate small cloth shops. The Pallavaram merchants' philosophy behind such giving is founded on the premise that if everyone helps their relatives, then society will be economically in a much better shape than it is. It is difficult to evaluate the economic importance of *zakat*, since there is no way of determining how much merchants actually give. It appears that the total value of *zakat* given by Muslim merchants is large. And certainly receipt of such gifts by small merchants has a positive economic value for them.

The final aspect of the Muslim Tamil's values to be discussed in conjunction with their impact on economic behaviour is the presence of a strong element of asceticism. Muslim Tamils believe that hedonistic indulgence is sinful and that a man of God is one who works hard for the sake of work and who lives a simple life. Merchants raise their children to accept the ideal of hard work, so that their children will not lose everything they have striven to accomplish. All do not succeed. Several street vendors in Pallavaram are pointed out as one-time members of well-established merchant families. They are examples of what can happen within a matter of a few intemperate years. Such is the fate of those who are not hardworking and ascetic in their habits.

A manifestation of this asceticism is evident in attitudes about education. Muslim merchants do not visualize education as a means to economic advancement. It is a luxury which may be indulged to gain prestige, but it is not seen as an invest-

ment in the family's economic future.

Ascetic behaviour is not limited to the Muslim merchant. Most successful merchants are frugal. In the eyes of the more successful merchants, Hindu platform vendors are the exception. Those that are not struggling to survive are felt to fritter away their earnings gambling, drinking, and frequenting prostitutes. The wealthier Muslim Tamil merchants feel that if vendors were more temperate, they could reinvest and expand their enterprises. They, themselves, use reinvestment as a means for developing their enterprises. A survey of the wealthiest merchants in the bazaar indicates reinvestment is the most desirable of a series of preferred forms of investment. Thirty-nine per cent of these wealthy businessmen consider reinvestment as their first choice among six popular forms of speculation. This is nearly twice the degree of preference given to any other investment they considered desirable.

MINORITY STATUS AND ECONOMIC BEHAVIOUR

Muslims in Tamil Nadu consider themselves well integrated into their predominately Hindu milieu. In order to check informal observations on integration, 18 well-established merchants were asked when they had last been invited to a function by a member of the main religious groups represented in the bazaar. They were also asked when they had last eaten in the house of a member of the main castes engaged in business, including the homes of the *Parayan*, Brahmin, Muslim, Jain, *Mudaliar*, *Naicker* and *Chettiar*. The survey indicated that eleven, 61 per cent, had eaten in the homes of other castes and 56 per cent had been invited to and had attended functions of members of another religious community in the recent past. The Muslims surveyed were split in both instances, half having eaten in non-Muslim homes and having attended functions and half not having done so. This survey indicates a fairly high degree of interaction, hence social integration, between Muslim merchants and non-Muslims in Pallavaram.

Remarking on the close interaction among proprietors, one small-scale industrialist, a *Chettiar*, indicated that *Naickers*, *Chettiers* and *Mudaliars* were like *sambandam*, affinal relatives, to one another, since these castes are approximately of the same

rank and no distinctions of ranking are made among these groups when feasting in the bazaar. One Muslim similarly suggested that *Naidus*, *Naickers*, *Chettiars* and Muslims are approximately of the same status, and that they interact quite freely within the bazaar. On one occasion a Muslim was asked by a *Mudaliar* to join his groom's party for the first formal "viewing-of-the-bride". Free interaction of this sort illustrates the rather relaxed acceptance of Muslims by Hindus in the Pallavaram region.

The Jains and Brahmins are the least socially accepted groups among merchants. The number of Brahmin merchants in the town is small. The strong anti-Brahmin feeling in the bazaar reflects features of the Dravidian movement as incorporated into the verbal ideology of the popular ruling D.M.K. party. Brahmins are viewed as the economic and social oppressors of the common man in south India. The attitude towards Jains is due to the distaste people have for the pawnbroker occupation, a monopoly of Jains in the bazaar. Neither Jains nor Brahmins are commonly invited to the functions of non-Brahmins, including those of Muslims.

In turn, Jains and Brahmins do not invite Muslims or other non-Brahmins to their functions. When Jains do have a function, they feast only fellow Jains and distribute sweets to a few non-Jains. Merchants speak bitterly about this, not only because they dislike being excluded, an act which symbolically suggests their inferiority, but also because they think such behaviour is niggardly. Several merchants say that even if they were invited to a feast by a Brahmin or Jain they would not eat. Muslims feel that Jains are made ritually unclean by their occupation. In order to express his abhorrence, a merchant relates how, when he had been without male issues for several years, he vowed at a *dargah* that if he were granted a son he would eat the infant's feces. When a boy was born to him, however, he was reluctant to carry out his vow; so he prayed for direction about what to do. The saint indicated to him, he says, that if he were to eat a meal at the doorstep of a Jain he would have performed a deed equivalent to his original vow.

In the bazaar, belonging to a minority has only a slight effect

on economic behaviour. Every member of the merchant community, in so far as his caste or his subdivision is a factor influencing his behaviour, is a member of a minority group. Religion is only one of several identities by which individuals perceive and relate to one another. Caste, wealth, personal habits, type of business operated—all of these are important factors, besides religion, affecting interrelationships.

In the bazaar, it is not the minority status of the Muslim but of the Jain that is correlated with restrictions in economic behaviour. However, even the restrictions limiting the Jain minority are slight. In simple terms Muslims and Hindus do not employ Jains in their businesses. However, an occasional Hindu is employed by a Jain, although not in a position of consequence.

Both Muslims and Jains prefer to select their shop employees from among members of their own religion. This behaviour in part is a result of the minority status of these religious communities, since there is a feeling that only fellow believers serve faithfully.

Certain Muslim subdivisions such as the *Da'udi Bohrahs* and *Isma'ilis* in Madras city have formed corporate associations aiming to achieve the economic and social uplift of their subdivision's members. They own businesses and even industries, where members of their own subdivision are exclusively employed. *Anjuman-e-Burhani*, the association of the *Bohrahs*, offers its members legal assistance, housing, library facilities, employment and business training, and assistance in times of family crisis. It also grants loans to help members establish businesses.

The Muslims' minority status has been associated with economic benefits in Tamil Nadu. *Beedi* making and the hides and skins industry used to be a Muslim monopoly. Tamil Nadu was at one time one of the largest exporters of leather in the world. Before World War II Pallavaram was a tanning centre. Even today after considerable decline there are about 30 tanneries located within its boundaries, including one managed in 1968 by an Englishman. Leather is still a very important business for the town, but it is nothing like it was. In the 1940's, India's leather industry deteriorated and caste Hindus were attracted to tanning despite orthodox Hindu prohibition. The result is today leather is not a Muslim monopoly. If Muslims

can be said to retain any monopolies, it is butchering, a pariah occupation in India.

Jains are more restricted in their opportunities than are others in Pallavaram, mainly because their business experience tends to be confined more than that of others. Because they are not employed by members of other religions, Jains, who are primarily jewellers, pawnbrokers, and cloth merchants, do not have the opportunity to work in a wide range of businesses. Since how to run a business is learned on the job, the instructive importance of employment is restricted to these three businesses. The result is Jains starting new businesses almost inevitably choose one of these three kinds. The range of employment opportunities open to Muslims and Hindus in the bazaar is much greater.

THE MUSLIM MERCHANTS, ASPIRATIONS AND ECONOMIC BEHAVIOUR

When comparing the Muslim merchants' economic aspirations with those of non-Muslim merchants, slight differences are found. These are observable in the merchants' preferences for further investments and in their aspirations for their children.

Aside from consumption investments such as automobiles, jewelry and household construction and improvements, the most common investments merchants desire are shop buildings and houses wanted for rental purposes, agricultural lands, new businesses, reinvestment in and expansion of present businesses, and, less importantly, small-scale industry. Among well-established merchants of the Muslim, Jain and Hindu religions, Muslims prefer above all others reinvestment in their own businesses. Their second choice is houses, then shop buildings, agricultural lands, and small-scale industries. There are Pallavaram Muslims who invest in one or another of the choices. At present one wealthy Muslim merchant is considering investing in small industry. Agricultural lands and small-scale industries, however, are not popular choices for investment.

In contrast, the ordering of desired investments among Hindus ranks agricultural lands first, houses second, reinvestment in business third, shop buildings fourth, and small-scale industries fifth. The sample of Jain merchants is not large enough to

establish any pattern. It is worth noting that interest in shop buildings is relatively low among both Muslim and Hindu merchants, despite the high return shop buildings bring. This lack of enthusiasm reflects the feeling among merchants that the best shop sites in the town have long been filled. Since it is common practice for merchants to invest locally as much as possible, merchants do not seek sites for investment outside the bazaar.

The main difference between the investment aspirations of Hindus and Muslims appears in the Muslims' preference for reinvestment, which ranks third in the Hindu's choice, and the Hindu's preference for agricultural lands, which ranks fourth as a choice among Muslims. It is evident that the Muslim merchant sees his own future in his business, whereas the Hindu contemplates a change. Hindu merchants identify with rural life and its economic standards of high status, which are still based on land-ownership. The Muslim does not. Muslim merchants do not want agricultural lands because they do not have rural ties. They know nothing about farming and do not have anyone among their close kin to stay in the village and manage their lands. Absentee landlordism is not considered a viable alternative because, given government attitudes, it is difficult to retain control over lands and to collect rents. Hindu merchants want agricultural lands despite these drawbacks.

An examination of educational background and merchants' aspirations for their sons' level of education and occupation also illustrates the Muslims' greater preference for shopkeeping compared to Hindu merchants. The average education of Muslims, Jains and Hindus is similar, ranging between 6.7 years and 8.5 years of schooling. However, Muslims are more uncertain about the level of education they want their sons to obtain than are Hindus or Jains. Muslims feel it is up to their sons to decide. Muslims feel ultimately it makes little difference, since they expect their sons to become merchants. More than half of the Muslim merchants surveyed feel their sons should become merchants. As previously indicated, Muslim merchants feel no more than a minimal amount of education is valuable to a merchant. In contrast, Hindu and Jain merchants are much surer about the value of education, and they generally want

their sons to obtain a college education. They do not want their sons to be merchants, but hope that they can enter the high prestige professions.

Muslims are not totally unconcerned about achieving high levels of education. In fact, there are two Muslim merchants who have received university education, compared to no Jains and only two Hindus. Muslim shopkeepers, however, do not see education as opening avenues to better economic positions, which Hindus and Jains do. Education for the Muslim merchant is much more simply a matter of prestige. The two Muslims with university degrees have high aspirations, but as merchants. One of the two relates how he applied for a job with a large industrial firm shortly after graduation. When he was offered the job, he turned it down. He had decided he would rather be a merchant and remain his own boss. He explains that even if he should decide to separate from his father's business he would still want to be a shopkeeper, despite the many difficulties. Unlike Muslims, Hindus and Jains see education as an avenue opening other forms of employment, such as engineering, medicine and law.

There are several economic factors which affect the Muslim's commitment to business. The most obvious of these is that business offers a relatively secure income, and it offers a potential for higher earnings than an unskilled, relatively uneducated person can obtain in other urban occupations. Further, employment opportunities are scarce in India, even for the educated, and yearly quotas for admission to medical and engineering schools are limited. Another economic reason for the Muslims' attachment to business is their success. Everything considered, Muslim merchants are relatively prosperous. Large numbers of Muslims are able to offer employment not only to their children, but also to some of their relatives. A final reason for the Muslims' attachment to business is the independence it gives them. Further, success is based on one's own skills and efforts. As a Muslim businessman says, a shopkeeper does not have to battle seniority and the whims of his employer for a raise. The size of the merchant's income is dependent upon his own ability and desire.

Chapter VI

CONCLUSIONS: THE INTERRELATIONSHIP OF SOCIAL AND ECONOMIC BEHAVIOUR AMONG MUSLIM MERCHANTS IN A SMALL MARKET TOWN

IN THE COURSE OF THIS STUDY I HAVE TRIED TO DEMONSTRATE the close interrelationship that exists between the economic behaviour of merchants, in particular Muslim merchants, and the social factors associated with the merchant's way of life, including his religion, his relationships with others, his world view and his aspirations. An effort has been made to illustrate the social setting of the bazaar in terms of the network of inter-personal ties, kin ties and the membership and functions of associations. This has been done in order to assess what, in these terms, it means to be a merchant. One may ask what importance this interplay between social and economic behaviour has for the merchant's style of life and for determining his actual and potential economic behaviour. In order to demonstrate the significance it is necessary to review the nature of the bazaar economy.

Several features characterize the general constitution of the bazaar. Economic competition is not perfectly free, nor is entry into business. Entry is restricted by competitive disadvantages and by the limited nature of consumer demands, which are determined by the needs of Pallavaram's predominately poor coolie population. Other factors restricting entry include the high cost of loans, the difficulty of procuring initial capital requirements, the difficulty of establishing credit facilities with wholesalers, government restrictions on pricing and on procuring certain high-demand scarce commodities, and imperfect competition resulting from the assignment by producers of dealerships and of procurement quotas for certain types of goods. However, for the smallest merchants, dealing in limited types

of goods such as some kinds of agricultural products, competition is more nearly free and entry is less restricted. Initial capital requirements for the smallest merchants are very low and loans of the "social credit" type (see Hazlehurst 1968a: 289) are readily available, although at high rates of interest.

Once a merchant is established in the bazaar, credit facilities available to him are very much the same as those available to all other merchants. However, the size of credit extended varies with the size of capital investment. The importance of social credit is illustrated by the close interpersonal character of many of the economic transactions which occur among merchants. Wholesalers give credit only after they feel confident that they can trust a merchant. Merchants within the bazaar establish mutually responsible loan relationships with each other; because, as they say, they must live and work with each other, and because such relationships allow merchants to raise cash quickly. This enables them temporarily to extend their working capital so that they can seize unexpected economic opportunities as well as meet pressing demands when they are short of cash. Loans of all types usually involve an element of social credit based on the lender's knowledge of the merchant and upon his established reliability.

There is strong incentive for merchants to want to obtain as much credit as possible, since the rate of return on stock-invested capital is high due to rapid rates of stock turnover. A fast rate of turnover enables merchants profitably to maintain sizable credit debts. It is also profitable for large wholesale merchants to give credit to retailers, such as constitute the majority of Pallavaram's businessmen. The return on their capital is rapid and high. As a result, credit is readily available to the established bazaar merchants, whatever the size of his business, albeit at high cost.

Another characteristic of the bazaar is the limited need for education. Formal schooling is not generally required, and Muslim merchants do not value education positively as a means towards advancing their economic position. Education is considered a luxury and represents at best an investment in prestige. A young merchant gains experience practically, while assisting relatives in their shops or while serving as a hired employee,

not in school. Employment is viewed as the only training needed. After all, the merchant can readily encounter firsthand the specific characteristics and idiosyncracies of the economy of the bazaar without formal education. The daily, weekly, monthly and yearly cycles of demand and of seasonal change are observed directly while he conducts business. The bazaar, itself, has a limited scope. It meets the needs of only a small region, so demands are readily predictable. The shopkeeper has a good idea of what to carry and in what to specialize if he observes his own sales patterns and pays attention to the items carried by others.

The bazaar is not, of course, a closed system. Demands reflect regional fads, labour strikes, and governmental policy. In 1968, when Morarji Desai informed the press of impending hikes in the tobacco tax, for example, the availability of cigarettes decreased. Merchants were holding their stock off the market in order to take advantage of the impending price hike the tax would bring.

The complexity of the bazaar economy should not be underestimated. A shopkeeper who wishes to maximize his profits must continuously assess prices, sources of supply, the nature of shifting demands and other factors. He may even try to create consumer demands.

The merchants' relationship with local, State and national governmental agencies is essentially one of avoidance. They consider such forces harmful to them and their profits, since the government regulates income tax, sales tax, price controls, gold control and in other ways restricts their profit-taking. As a result, merchants evade where possible contact with government agencies.

The Muslim Tamils of Pallavaram have adapted successfully to the bazaar economy. One of their most important adjustments involves the social organization of shopkeeping. Merchants try to operate their businesses with the assistance of members of their own immediate families, or, if not available, then with the help of close relatives, fellow caste or religious members, and trustworthy friends. The reasons for this patterning are simple. Muslim Tamils are distrustful of purely contractual business relationships. They do not feel that the

simplex nature of contractual bonds, based as they are solely on monetary ties, are sufficient to keep employees loyal and trustworthy. These qualities are associated with multiplex ties. Social bonds between employers and employees who are closely related are multiplex. When a Muslim Tamil shopkeeper does not have close relatives to rely on, he turns to persons with whom he can establish similar relationships. Hence the order of preference indicated above. When the Muslim shopkeeper hires someone outside his immediate family, he usually hires a youth who he draws into family activities. The youth interacts, often freely, with the merchant's family. He eats and sleeps in the merchant's home and participates in rituals and ceremonies held in that house. The merchant may marry a daughter to such an employee, thus establishing a further social bond.

Employees are usually not paid a cash salary, although they may receive small sums of pocket money. Rather, they are fed and clothed by the merchant and trained in the management of a business. It is frequently understood that the employer will eventually help launch them in an independent business. This system of employment fits well with the equalitarian ideology of Islam. Since the employee is adopted into the merchant's family, he achieves a position which, while inferior to that of others in the household, is at least socially acceptable. Family structure is substituted for the purely economic-based stratification separating employer and employee.

Reciprocal credit relationships among merchants constitute another adaptation to the bazaar economy. For most merchants available cash is limited. They have trouble in meeting their business needs for cash. To alleviate such needs most have reciprocal agreements with two or three others from whom they can borrow limited sums of money without interest for periods ranging from a day to about a week. These agreements facilitate rapid movement of cash and help merchants maximize their investments.

The Muslim Tamils' economic success further reflects their economic adaptation to the bazaar. The fact that Muslim shopkeepers as a group are relatively prosperous helps to explain their lack of interest in education as well as their strong commitment to business as a desirable occupation. It is rewarding.

That business is considered a *sunnath* undoubtedly reinforces the Muslims' attachment to business, as does the limited availability of job alternatives. The employment opportunities open to men trained as shopworkers but lacking higher education are very limited; the economic rewards of employment open to these men are comparatively less than those of shopkeeping.

There are several social consequences resulting from the organization of the bazaar social area. Most of the merchants reside very close to their shops and form a community. They form a social clique which excludes the non-merchant residents of the bazaar. This clique is made up of businessmen, some of whom are friends, some enemies, some Hindus, some Muslims; but it is a clique based on the criterion that only fellow merchants are members. It includes the leading merchants. Its members are the controlling members of the bazaar's two main associations, the administrative board of the Big Mosque and the Pallavaram Merchants' Association. Key members of the two panchayat boards within whose jurisdiction the bazaar lies are clique members, as are leaders of the local D.M.K. and Congress party organizations. These are the associations and organizations which offer the main avenues open to local-level leadership. They handle a large share of the regulative and group social functions which occur within the bazaar.

It is a function of the social cohesiveness of the bazaar that merchants of several groups together control these organizations instead of a single dominant group. The Muslim merchants are as close to a dominant group within the bazaar as there is. But, except for the governing board of the Big Mosque, no organization is controlled solely by them. Complete Muslim dominance is not possible, since the organizations' effectiveness requires nominal cooperation from the numerous merchants belonging to other castes and religious communities. A merchants' association controlled only by Muslims would have a hard time attracting cooperation from non-Muslim merchants. Similarly, the political parties require cooperation from all social subdivisions in order to be effective. There is no dominant group in the bazaar; there are a number of economically competitive, independent shopkeepers.

A merchant achieves status and a degree of prestige within the bazaar neighbourhood through his economic success, although other factors also contribute to it, such as religiousness and personal character. Further, success establishes for a merchant a place in the network of social ties involving leadership, economic reciprocity, friendship and State and local politics. The successful merchant has a considerable social, as well as economic, stake in his position as a businessman.

What importance does the close interrelationship between social and economic behaviour have for the Muslim Tamil merchant? The interrelationship has the potential effect of inhibiting the Muslim Tamils' involvement in industry.

India is now in the process of an economic transformation from a basically rural, agriculturally-based economy to a more industrialized one. The merchant appears to be a likely early investor in industry, since he has knowledge about how to run a business and since many merchants, even in the Pallavaram bazaar, have sufficient resources available for such investment.

Several merchants have enterprises representing capital investments large enough for them to engage in small-scale industry. Berna found in his study of industrial entrepreneurship in Tamil Nadu State that several small industries had small initial capital outlays. For example, one entrepreneur commenced production of rice-hullers on a capital investment of Rs. 11,000, in a rented shed in 1939 (Berna 1960: 62). Another concern started with only Rs. 4,500 in 1941, beginning first as a small automobile repair shop and then developing into a foundry (*Ibid.*, 63). Yet another concern was founded in 1947 specializing in non-ferrous castings, with an initial investment of Rs. 20,000 (*Ibid.*, 68). Berna presents many other examples of industries initiated with low initial capital investment. He found twenty-five of fifty-two engineering firms, or almost half, which opened with investments of less than Rs. 50,000 and at least thirteen which began with less than Rs. 25,000 (*Ibid.*, 88). The point is that large investments are not necessarily a requisite to beginning an industry. To quote from Bert Hoselitz:

The supply of capital is an indispensable feature of economic development. However, the importance of accumulating large

quantities of capital is sometimes overstressed. In many instances, new productive enterprises can be started with relatively little capital. Under conditions of economic backwardness, a small structure, barely larger than an artisan's shop, may constitute a useful beginning of industrial operations (1952: 99)

During the initial stages of industrialization, the resources available to merchants could give them a dominant position in development, since resources are generally scarce. Berna (1960: 85-86), working in Tamil Nadu, and Redlich (1955: 65), dealing with Western Europe, have observed, however, that merchants do not play as significant a role in the initial stages of industrialization as has been believed. Berna suggests that merchants enter industry in the greatest numbers only after the point of sustained industrial growth has been achieved (1960: 85-86). When merchants in Tamil Nadu State do enter small-scale industry, they make a larger initial outlay than do other entrepreneurs (*Ibid.*, 70). The first industrialists tend to be technicians and others with special skills and knowledge, who do not have large capital assets.

In Pallavaram there are no more than six or seven merchants whose enterprises are valued at Rs 100,000 or more and between twenty and thirty with investments valued at over Rs 20,000. There are a few Muslims who express interest in industry, and there are a larger number who operate shops which represent capital investments comparable to those required for small-scale industries in Tamil Nadu, judging by Berna's findings. As yet, however, no Muslim Tamil businessman has entered the industrial field; in fact, such Muslim Tamil entrepreneurs are extremely rare for Tamil Nadu as a whole. The apparent reasons for this pattern are inherent in the contrasting natures of the bazaar and industrial economies. Each of these economies requires several unique adjustments in behaviour concerning business contacts, employer-employee relationships, the establishment of new credit ties, and knowledge of the respective markets involved. The merchant who wishes to enter industry risks his economic security, which he has attained in the bazaar economy; and he must make a number

of new social adaptations to adjust to the industrial economy.

The unavailability of capital and credit constitutes a major factor inhibiting merchants who wish to shift their investments into industry. Relatively extensive credit facilities are available to the merchant in the bazaar and, because of the high rate of turnover, he can profitably maintain large credit obligations at high rates of interest. The industrialist has a harder time obtaining extensive credit (see Berna 1960: 137, 138ff, 218). A large share of his money is tied up in fixed capital with a constant depreciation coefficient, so he has less money to work with. Also, the rate of return on this capital is comparatively low, since small-scale industries often do not work to full capacity (*Ibid.*, 99). Berna points out that small-scale industrialists constantly struggle to maintain sufficient working capital to operate (*Ibid.*, 98, 137ff). This cash crisis is a function of high fixed-capital costs in proportion to the size of the total investment which the small-scale industrialists make. A relatively small proportion of the industrialist's cash is maintained as working capital.

Education, too, inhibits the shift of the larger Pallavaram merchants into industry. Two studies (*Ibid.*, 94-95; Singer 1968: 435-6) indicate specialized education, although not necessarily university degrees, beneficial to the industrialist. Men with special training form the largest single group among the sample of industrialists Singer studied. In Berna's survey, engineers form the largest group among entrepreneurs, if importers and domestic merchants are considered separately. Singer's study illustrates, however, that university education is not a requisite to success in industry. What is useful is technical know-how. This most shopkeepers lack. Technical problems and quality control become stumbling blocks which the shopkeeper does not have the skill to surmount. Nor can he hire others to help him, because the small size of his industry and of his available resources do not permit trained engineers to be hired (see *Ibid.*, 89).

Equalitarian values constitute a further obstacle to a successful shift to industry, since this value is partly responsible for the Muslim Tamils' reluctance to take employment in industries where he could learn the practical skills needed to operate

them. In Pallavaram non-Muslims view practical experience gained through employment as highly desirable practical training. This is a common way for individuals to learn trades (see Redlich 1955: 82).

The shopkeeper's understanding of the industrial market presents a further problem. Bazaar merchants learn to respond to localized demands. However, many small-scale industries require an understanding of patterns of demands over entire regions. The merchant entering industry finds it difficult to assess what these demands are. Many with the money and the desire for small-scale industry are unsure what to manufacture. They attempt to solve this problem by blindly following the example of others.

Another factor which widens the gap between the bazaar and industrial sectors is the importance of simplex, contractual employee-employer relationships in the industrial sector. This is not to say the kin-based social organization of shop management is inherently in conflict with industrial management, for it is not (see Singer 1968: 432-433 and Redlich 1955: 84). Expansion becomes difficult, however, if one relies primarily on one's close family members for managerial personnel. Such dependence has a limiting effect on expansion, since many merchants have the cash to expand before they have willing, trained family members to fulfil the increasing management requirements. Some merchants never have sufficient family members. As employees increase, it becomes difficult for an employer to maintain multiplex ties with them. Shopkeepers in Pallavaram are used to dealing with only a few employees and are afraid of the problems that would arise with more. Similarly, Berna finds labour relations are one of the major problems faced by small-scale industrialists in Tamil Nadu (1960: 216).

The need for new personal ties is another difficulty which the merchant must face if he wishes to enter industry. Some of these ties are with agents of the government who must be dealt with directly to obtain building permits, quotas, and electricity. Other ties are with creditors, wholesalers, and purchasers. The establishment of bonds is not easy. They can be realized only in competition with existing concerns which already have

influence and high records of previous production performance. Ties cost cash and energy.¹ They are not easy to come by.

Of a different order, although still important, is the entrepreneur's need to establish himself in a new social environment. The merchant has a social position and a set social role which relate him to the town's other merchants. If he shifts the base of his economic operations away from the bazaar, he finds himself interacting with a new set of people and in a different social context, one made up of industrialists, purchasers, creditors, and wholesalers. Thus, a shift in the entrepreneur's economic behaviour involves a shift in his social encounters as well. Since the bazaar is the social context within which the merchant has founded his status and prestige, this shift to a wider social arena is no mean thing. A merchant who is contemplating a shift from trade to industry considers what the social costs of this shift will mean to him.

Finally, economic risk inhibits the merchants' shift from trade to industry. The larger merchants of the bazaar feel that there is greater economic potential in industry than there is in business. However, most of the successful businessmen are not so large that they can invest in industry and also maintain their present enterprises. The merchants' choice, therefore, is to do nothing or else to liquidate their businesses in order to obtain cash enough to make meaningful investments. The insecurity associated with this latter course of action is obvious. They must give up their secure positions as successful businessmen and risk their economic and social positions for insecure, although potentially more rewarding, investments. The insecurity is too great for the merchants to make the gamble. The merchant-proprietors of relatively large businesses avoid danger by dispersing their assets among numerous separate enterprises. Large bazaar businesses do not involve just one enterprise; they involve several. The cash demands of industry run contrary to this pattern of economic behaviour. Hence, only the largest bazaar entrepreneurs can be expected to invest in

1. Hazlehurst (1966: 78-80) describes how an entrepreneur in north India exploits difficulties such as these to his own economic advantage.

industry. They are able to keep their bazaar businesses and invest in industry at the same time, thus keeping their assets diversified.

In summary, the reasons why the merchants of the Pallavaram bazaar have not yet entered industry are due to the differences between the bazaar and industrial economies. This separation is conceptually constituted of three aspects: first, differences in capital and credit structures which require businessmen to liquidate their present investments and concentrate their assets in a single industrial investment; second, the social adaptation of the Muslim Tamil merchants to the bazaar economy, apparent in employee-employer relationships, the social organization of business, negative attitudes regarding general education and practical business training, and emphasis on particular religious values; and, third, the differences inherent in the structures of the bazaar and industrial market systems. All of these factors tend to raise the cost of the initial investment in industry above what it is worth. High social and economic costs explain why merchants, when they do invest in the industrial sector in Tamil Nadu, make a larger initial investment than do enterprisers belonging to other occupational categories. The merchants' perception of the minimum investment level is higher than others because they risk more. Therefore, only the larger businessmen have much potential for industrial investment. The resources available to small-scale merchants, while significant in the aggregate, are not sufficient to make the industrial sector attractive to the individual shopkeeper.

SOCIAL FACTORS AND RATIONAL ECONOMIC BEHAVIOUR

It should be emphasized that the evidence in this study does not suggest that social factors act as deterrents to rational economic behaviour. The popular bugaboos of caste, limited aspirations and traditionalism are not strong influences on the shopkeepers' economic behaviour. It is true that Hindus in Pallavaram are not butchers or pawnbrokers and that in the past caste Hindus did not engage in the leather industry. But these are the only fields where traditional taboos remain influential. Furthermore, today there are leather companies operated by *Chettians* and Brahmins, an unheard of thing a few de-

cedes ago. Shopkeeping is an occupation open to all castes and communities, and in Pallavaram Hindus, Muslims, Jains, Christians of a wide range of groups are represented. The presence of a nucleated mercantile community without distinct caste residential areas emphasizes the importance of economic determinants rather than of strictly social ones for patterning the lives of merchants (see Fox 1967: 301).

Social attitudes and religious prohibitions affect the economic behaviour of some, but their influence is not absolute. Such proscriptions are not as important as the provision to live-and-let-live. This attitude stems from the realization that merchants must live and work together. They need to get along. As a result, Muslim moneylenders and a Muslim vendor of intoxicants operate undisturbed, if not uncriticized, and maintain regular social relationships with other merchants as well as with their kinsmen. Similarly, Jains are pawnbrokers and Hindus participate in the leather industry. Yet all of these activities are deprecated even by the caste members who are involved in them. The point to be made is that among merchants business is business, and a good business is a successful one, not necessarily the socially desirable one.

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GLOSSARY

Achari	A caste traditionally divided by occupation into five groups which allow inter-marriage: Porkolar Achari (goldsmiths), Tatchar Achari (carpenters), Karumaar Achari (blacksmiths), Kaltatchar Achari (sculptors) and Kannar Achari (bronze workers).
Aggarwal	A division of the north Indian Bania caste, traditionally businessmen.
Bakar-Id	A festival commemorating the faith of Abraham during which families sacrifice male goats and distribute their meat among relatives and the poor.
bangle	A glass or gold bracelet worn by women.
beedi	A country cigarette in which tobacco is rolled in a special leaf. It is smoked mainly by the lower classes.
betel leaf	A leaf chewed by men and women with areca nuts, lime and sometimes tobacco.
Chakkali	The leatherworker caste.
chappel	Sandal.
cheri	A slum composed of mud huts.
Chettiar	A term covering a wide variety of Hindu castes whose traditional occupation involves trade. The best known are the Beri Chettair , Nagarattu Chettiar , Kasukkar Chettiar and Nattukottai Chettiar .
chit fund	A loan society in which members contribute a fixed sum of money to a central fund at designated intervals and may bid for the total sum of such contributions until such time as they each win. The sum of such bids is distributed among the chit fund members.
Daccani	A catchall term used to refer to Urdu-speaking Muslims who originate from the Deccan Plateau. Also Dakhni .
Devar	A caste whose members are stereotyped for their war-like demeanor. Most commonly found in the deep south of Tamil Nadu.
Deepawali	The Hindu festival of lights.

Id-gah	A location marked by a prayer wall where festival prayers are held.
Eravar	A Malayalam-speaking fisherman caste (see also Nathar).
godown	A warehouse.
Gounder	The title used by some groups of Vellalas such as the Konga Vellalas . Typically Gounders are agriculturists.
Hadiths	The Sunnite traditions concerning the behaviour of the Prophet.
haji	A Muslim who has visited Mecca.
Harijan	A Hindu of untouchable caste.
Isma'ili	A follower of a special Shi'ah sect of Islam who believes that Isma'il is the seventh Imam.
jaggery	Brown sugar.
Jain	A follower of Jainism. In Pallavaram most Jains are followers of the Achari Tulsi.
jammāt	The Muslim congregation or brotherhood.
Jamaat-e-Islami Hind	In Tamil Nadu a corporate politico-religious group concerned with exploring the meaning of Islam.
Jum'ah Namaz	The most important prayer of the week for Muslims. The second prayer on Friday.
Kayalar	One of the four Muslim Tamil endogamous subdivisions.
Labbai	One of the four Muslim Tamil endogamous subdivisions.
mandi	A storehouse.
Marwadi	A Jain.
Milad-e-Nabi	The celebration of the Prophet's birthday.
Moppilah	A group of endogamous Malayalam-speaking Muslim subdivisions from Malabar who are converts from Hinduism. The five Moppilah subdivisions in order of rank are the Thangal , Arabi , Malabari , Pusalar and Ossan .
Marathuwar	A barber caste (see also Pandittar).
moulvi	A degree holder from an Islamic college.
moutavali	The chief administrator of a mosque.
Mudaliar	A title used by a number of related endogamous castes also known as Vellala . The three major subdivisions are the

	Tuluva, Poonamallee Vellala and Kon-daikatti.
Nadar	A caste traditionally associated with the occupation of toddy tapping. They are divided into Hindu and Christian divisions and into those who still pursue work related to their traditional occupation and those who do not.
Naicker	A title used by a number of Telugu-speaking castes including Baliya and Palli . They claim Kshatriya status.
Naidu	A title used by a number of Telugu-speaking castes considered to be Sudras .
Nair	A large Malayalam-speaking caste pursuing numerous occupations. In Tamil Nadu they are associated with the operation of small restaurants and cigarette stalls.
namaz	Muslim prayer.
Nathar	A fisherman caste. Nathars are Tamil speakers.
Navayat	An endogamous Urdu-speaking subdivision of Muslims which is given high status among Muslims.
pan	A north Indian term for areca nut (see betel nut).
Pandaram	A caste of priests, beggars, and vendors of flowers, fruits and coconuts.
Pandittar	A barber caste (see Marathuwar).
Parayan	A member of a Harijan caste. Also known as Adi Dravidas or the "First Dravidians".
Pathan	A Muslim of Afghan descent.
petrol bunk	A gas station.
peshimam	The leader of prayer associated with a mosque.
Pillai	A title used by non-Vellala castes related to the Mudaliar group. Yadayar Pillais are milkmen. In Tanjore district the title is used by Vellala castes.
Pongal	An important Tamil harvest festival occurring in January.
Rajput	A north Indian Kshatriya caste.
Ramzan	A sacred month in the Islamic calendar during which all Muslims who are able fast from dawn to dusk as a reminder of their humble human state.

Rawther	One of the four Muslim Tamil endogamous subdivisions.
Sembatavar	A Tamil-speaking fishing caste which fishes only in rivers and tanks.
Shab-e-Barat	A sacred night during which Muslims pray for the dead.
sunnath	An act which has religious merit among Muslims because it was a custom of the Prophet's.
tablique	An Islamic religious movement concerned with regularizing the religious practices and observances of Muslims.
tiffin	A snack or light repast.
Udaiyar	A Tamil-speaking caste found predominately in South Arcot, Tanjore, Trichirapalli and Madurai. Also known as Nattaman .
Vannaan	A washerman caste.

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