UNIT 29 PATTERNS OF COMMERCIALISATION

Structure

29.1 INTRODUCTION

Commerce is market exchange, the trading of things with intermediary media called "money." In the social relations of commercial exchange, the value of money establishes exchange values, or "prices," for things called "commodities," which may have other values, based for example, in culture and nutrition, but only their relative market values appear in the calculations that organize commercial transactions where people buy and sell things for money.

Commercialisation is a historical process that turns more things into commodities, brings more people into market exchange, makes more social transactions commercial transactions, and interprets more of the value of things through pricing. Commercialisation pervades societies with commodities, expands the geographical reach of commerce, and makes markets more pervasive in everyday life. Commercialisation transforms human experience by establishing commercial transactions in settings where markets had previously been absent or unimportant.

To study commercialisation, we can imagine a spectrum of social settings, on one end of which, there is no commerce, as for example, in transactions between a nursing mother and her newborn child, and on the other end of which, markets organize all transactions, as on a stock exchange. We can also imagine this spectrum spatially, as being composed of places, like isolated villages, with little commerce, and others, like cities and suburbs, with a lot. Over time, commercialisation increases the proportion of market transactions in social life and social space.

Moving up the scale of commercialisation implicates culture as well as economic life. Creating markets requires making rules to govern the possession, or ownership, of items held as property and exchanged for money. Commercial actors must also agree about procedures for measuring exchange values. Such shared understandings about the conduct of commerce comprise its cultural content, and we can use "commercialism" to denote any combination of ideas, symbols, values, rules, and institutions that forms the cultural basis of market exchange.

Commercialism often includes people with different cultural identities, defined by ethnicity, language, and religion, because people often share understandings about market exchange despite other differences. Yet each culture also gives commercialism distinctive features, by giving things symbolic values that inform prices, by forming bonds of trust and credit-worthiness, and by legitimating political institutions and social power relations that form effective rules of ownership and legitimate social exchange. Rulers mint money, define property rights, adjudicate disputes, punish violations, and establish official measurements. Cultural elites engage commerce in and across cultural boundaries, using assets acquired through trade, gifts, plunder, theft, tribute, and taxation. People with power and authority make implicit rules as well as explicit laws that govern the possession and exchange of commodities. [Appadurai 1986; Curtin 1984; Gregory 1997; Ludden 1996; Rudner 1994]

Many if not most social transactions operate without recourse to money and markets. How we understand this realm of non-commercial exchange influences how we understand the conditions under which commercialisation occurs and its impact on social environments.

One method is to classify societies according to their dominant form of social exchange. Using this method, Karl Marx, Max Weber, and others depict societies dominated by communal, feudal, and despotic social relations, which allow commerce a marginal role. Theorists thus identify societies that inhabit the low end of the spectrum of commercialisation, and argue that moving such societies up the scale of commercialisation involves a fundamental transformation of a social structure, a dramatic disjuncture, which generates new social structures characterized by increasingly prevalent market exchange. [Hobsbawm 1964]

Another method is to analyze the range of exchange relationships in society. Using this method, Karl Polanyi defined two forms of non-commercial exchange, called "reciprocity" and "redistribution." In reciprocal exchange, transactions among individuals express feelings of mutual obligation, and in redistributive exchange, people deliver goods and services to a central authority for redistribution according to established rules of entitlement. E.P.Thompson used the phrase "moral economy" to denote cultural rules that express such obligations and entitlements. Societies that include a mix of reciprocal, redistributive, and market exchange inhabit a range of locations on the spectrum of commercialisation; and moving up the scale involves changing the balance and content of social relations to make markets more prevalent. [Chayanov 1966, 1977, Polanyi 1957a, 1957b; Thompson 1971; Scott 1976; Sen 1981]

Theorists thus provide various ways to conceptualize social environments that may contradict, resist, accommodate, and encourage commercialisation. Historians have used and revised these theoretical approaches to study commercialisation in India.

29.2 THE CLASSICAL APPROACH TO INDIAN COMMERCIALISATION

By classifying social structures according to their dominant form of social exchange, many scholars have concluded that though commercialism had spread widely across pre-modern Eurasia, only Western Europe generated the globally expansive commercialisation that became capitalism. All histories of commercialisation are entangled with this idea, which thus requires some historical reflection.

When the English term, "capitalism," entered our vocabulary, about 1850, it referred to the idea promoted by Adam Smith that national wealth grows in proportion to the productive force of autonomous individuals using privately owned assets for personal gain in market exchange. By 1890, the term was in wide circulation, and for the next century, its usage carried three implications: an economic system based on private property, individual profit, and state enforced market principles emerged uniquely in Western Europe; it defines modern economic development; but it also has rivals, based on socialism, communism, and non-European cultural traditions. After 1990, the last of these implications faded away, as the collapse of communist and socialist regimes gave the idea of capitalism a stronger claim to universality, and a new phrase, "global capitalism," came into circulation, to indicate a new world order in which capitalism has no rivals. [Barber 1967]

In this classical view, European capitalism generated commercialisation around the world. In India, British imperialism appears to have forced commerce into traditional societies, where the dominant unit of social exchange was an essentially self-sufficient village community, in which families, castes, and sects organized exchange with their indigenous moral economy and with minimal recourse to money or markets. In the social structure of traditional India, commerce operated only on the margins of village society; and merchants moved among villages and urban centers to form exchange relationships embedded in a society that strictly constrained commercial expansion. Traditional state institutions also constrained commerce, because, though states extracted taxes that entered markets, they also subjected social exchange to the dominance of elites who treated markets only as means to enrich themselves. Reciprocal obligations and redistributive systems thus squeezed merchants into strictly confined social roles and gave commercialisation no general indigenous impetus. [Beaud 1983; Habib 1969, 1988; Mukherjee 1957; Wallerstein 1979, 1983]

In this classical perspective, Indian commercialisation began with British imperialism, which introduced capitalism and launched a dramatic transformation of India's social structure. Scholars differ about the outcome. In general, however, they agree that the combined force of indigenous culture and imperialist exploitation prevented the replication of Western capitalism in India.[3]-Indian commercialisation thus appears to be a historical process marked by a disjuncture based on the alienation of tradition and modernity, which still coexistence uneasily in India. [Gadgil and Guha 1992]

29.3 REVISING THE HISTORY OF INDIAN COMMERCIALISATION

Historical research indicates that pre-modern India was actually quite open to commercialisation, which expanded steadily over the centuries and more rapidly after 1500. Many isolated societies did subsist without commerce, but many regions of commercial expansion also developed. Pre-modern India comprised a vast, diverse mixture of societies and modes of social exchange, rather than one traditional structure.

Instead of imagining that British capitalism invaded a traditional India where commerce played a marginal role, many scholars now envision British imperialism emerging inside and feeding itself on the broad circulation of commodities in commercialized Indian regions, and then expanding imperial power to control commercialisation to serve British interests. Indian commercialisation can thus be understood as a hybrid process, combining local and imperial energies, and transforming Indian societies without producing drastic historical disjuncture, despite all the attending violence, conflict, and radical social, cultural, and economic change. [B.B.Chaudhuri 1996; K.N.Chaudhuri 1985; Ludden 1999, 2002; Roy 2000; Subrahmanyam 1990; Subrahmanyam and Bayly 1988]

Such revised understandings of Indian commercialisation now inform scholarly disputes about the uniquely European origins and character of capitalism. Global commercialisation may indeed have had many origins. Culturally distinct forms of capitalism may have emerged in many environments, connected to one another by Western imperialism, which made Western models of capitalism ideologically dominant. Rather than imagining that Europe forced Asia up the scale of commercialisation, many scholars argue that historical capitalism inhabits shifting cultural spaces where diverse peoples have invented diverse capitalisms, in a world of growing inequality, where the idea of the West's unique capacity to modernize the world became an ideological tool that served imperialism, nationalism, and Cold War, but no longer constrains the historical imagination. [Bose 1990; Ludden 2004; Maddison 1983].

29.4 COMMERCIALISATION IN PRE-MODERN INDIA

Structural images of traditional India rest on the geographical premise that India was once a single territory filled with sedentary societies. India was from ancient times, however, a land of vast mobility, open to the mixing and movement of people, goods, ideas, cultures, and technologies, by land, river, and sea. Land was abundant and migrations were constant across lands between the Silk Road and the Indian Ocean, where mobility typified social environments as much as sedentary life, and in many places and times, much more.

The scale of human mobility increased in every century. India was a land of opportunity for all kinds of migrants. Available evidence allows us to speculate that during the two centuries after 1600, almost half the total population of southern Asia may have comprised mobile artisans and workers; peasants colonizing new land; itinerant merchants and nomads; pilgrims; shifting cultivators and hunters; migratory service workers and literati; herders and transporters; people fleeing war, drought, and flood; and soldiers and camp followers supplying troops on the move.

All this mobility entailed widespread conflict and expanding commercial activity, commodity production, and economic interconnections. Mobility spawned market exchange on routes among places with diverse ecological endowments, where people specialized in using local resources and traded products with other localities, near and far. Borderlands between forest and plain, valleys and uplands, and land and sea were most active commercial spaces.

Caste societies embraced commercialism. Village people active in markets included weavers, oil-pressers, toddy tappers, carpenters, ironsmiths, herders, hunters, and farmers producing tobacco, dyes, spices, cotton, fruits, and vegetables. All variety of cloth, metal, wood, stone, animals, and foodstuffs moved in markets. Elaborate cuisines, arts, and manufactures emerged in sites of commercial accumulation, where social elites stimulated consumer trades, as did rulers and religious institutions. Buddhism and Islam moved along trade routes. Hindu temples became central sites for commercial transactions. Pilgrimage and festivals spawned markets. Many people sold their labour for money, including well diggers, soldiers, and many other service workers.

Cities and towns developed as demographic collections of consumers and specialized occupational groups. Pre-modern urbanism was by no means confined to precincts of walled cities; it rather spread out to envelop settlements in walking or boating distance where mobile people and goods met in dense combinations. State revenues depended especially on regions where people and trade concentrated, where taxes enriched financiers who invested in trade, money exchange, and state taxation. Regions of commercialism developed around such sites, whose influence expanded into hinterlands, creating geographies of commercialisation, anchored in local combinations of state power, religious authority, and social solidarity, connected by trade routes and enriched by networks of mobility with no boundaries whatever.

29.5 POLITICAL TERRITORIES IN COMMERCIAL SPACES

Pre-modern commercialism moved among many sites, routes, and institutions, and was never contained by political or cultural territory. Yet the political geography of the Mughal Empire had significant consequences for commercialisation, because it incorporated commercial centers and routes from Kabul to Dhaka and from Srinagar to Daultabad, and thus produced unprecedented economic integration among regions of commercialism, each operating in its own environment yet connected by Mughal militarism, coinage, elites, entitlements, and taxation.

Urbanism became more prominent along routes inside Mughal territory, which extended across southern Asia to Istanbul and Moscow, and across the Indian Ocean to Europe and America. The empire had political boundaries but no economic boundaries: all imperial borders remained entirely open to mobility that provided commercial assets for people inside Mughal territory. In the eighteenth century, Mughal borderlands became more difficult for Mughals to subdue and control, as commercialisation enriched political competitors, including the Bengal Nawabs and British East India Company, who used Mughal techniques to generate revenues and attract commercial investors inside and outside territories of Mughal authority.

Mughal borderlands of Indian commercialisation became heartlands for a new kind of imperialism that arose in highly commercialised coastal regions around Bombay, Madras, and Calcutta. In these coastal regions, all the cultural mixing that typified pre-modern times made Europeans natives, not of India defined by inland territorialism, but rather of another India, defined by settler mobility in an Indian Ocean world without borders, where sea routes came ashore on the Indian coast and channelled commerce in and out of Mughal domains.

Eighteenth century land and sea routes of Indian commercialism sustained an expansively commercial militarism that engaged many inland rulers who funded war with cash revenues drawn from commercialised regions, with credit from rural and urban bankers, and with direct state borrowing from urban bankers. To this pool of military funding, the English added funds from speculators in London who banked on profits from British conquest in India. Using this combination of commercial assets, the English acquired military supremacy, first on the Indian coast, then in valleys that channelled wealth to and from the coast, and then in the uplands.

29.6 TRANSITIONS TO CAPITALIST EMPIRE

From its Portuguese beginning, in 1498, European sea trades in Asia had strong military backing. In the eighteenth century, the English East India Company developed an expansive military basis for its Indian commercial operations, which, after 1757, drew commercial capital increasingly from taxation in conquered territory, where British state authority sold property entitlements to local landed elites. In 1785,Warren Hastings defended his military priorities against critics in London by bragging that the Company's military "insured the blessing of peace, security, and abundance to the subjects of its immediate dominion, while it dealt out the terrors of conquest to the remotest enemies of the parent state … while every other member of the British Empire was afflicted with the plagues of wars or insurrection." British wars with revolutionary France began soon after Lord Cornwallis became Governor General, and by the 1790s, his boosters in London could brag that England had successfully used its military "to revive its arts, diffuse its manufactured productions, restore its revenue, and once more, to give splendour to its empire."

During British wars against Napoleon, Tipu Sultan, and Marathas (1790-1818), an epochal shift occurred in the historic relationship between commerce and militarism, and thus between geographies of commerce and state territorialism. Previously, rulers had used armies to secure territories where commerce expanded in connected but borderless spaces; now, the English used the military to force regions into commercial territories to benefit the parent state of the British Empire. Militarism became a means to integrate commerce and state authority inside the territorial order of capitalism.

After 1820, British industrialism emerged as a pre-eminent economic and political force, having been boosted financially by war state expenditure and Indian revenues. As English industry took center stage in imperial policy, English industrialists used state power over trade to advance their own interests and thus impoverished weavers in Ireland and India, simultaneously.

In decades from 1820 to 1860, as imperial armies conquered most of what became British India, English investors began to finance railways in the Indian Presidencies, to tighten control over Indian assets, militarily and commercially. Until the 1840s, most Indian revenues were assigned to meet the cost of conquest, administration, and remittance, as trade policies shifted onto *laissez faire* lines to support Britain's global interests. In 1833, the Company became an agency serving British global enterprise, and thus, soon after the abolition of slavery, in 1833, the Company arranged to send shiploads of indentured workers from Calcutta to replace slaves on English plantations in the West Indies. By 1860, state-managed indentured labour migration sustained British plantations in north-eastern British Indian territories, conquered after 1820. [Jha 1996; Siddique 1990; Tinker 1974]

From 1823 to 1854, the exchange value of the Indian Rupee declined, which increased the real value of India taxation and made it more cost effective for government to invest Indian taxes in India. At the same time, London sought outlets for British industrial capital and new supply systems for industrial raw materials. British state investments in India ensued, to cheapen imports, exports, and military operations and to increase revenue by extending British capital investments in plantations, railways, cities, roads, ports, shipping, irrigation, and other ventures.

In the 1840s, a commission of Parliament met to consider ways to improve supplies of raw cotton to Lancashire mills. Bombay Presidency attracted special attention, along with Egypt, as potential sources of raw cotton. The goal was to expand cotton exports from these regions to counter-balance England's dependence on cotton from the American South. When the US Civil War broke out, in 1860, Egypt and India filled a void in cotton supplies created by the Union blockade of Confederate ports in America.

After 1870, state investments produced foundations for India's modern development regime. In 1871, the Indian Government obtained authority to raise loans for productive purposes, and large irrigation projects began, following earlier success raising revenues from smaller projects. Imperial institutions then provided the technical, ideological, and political basis for a modern system of economic development. Government projects focused sharply on the most commercially profitable agricultural crops. State investments employed native contractors and benefited landowners producing commodities for domestic and export markets. This pattern of trickle-down development patronage, which linked local commercial environments to imperial circuits of capital accumulation through the everyday practice of the state's productive investments, remained in state development operations after 1947. [Ludden 1992, 1994]

29.7 SPATIAL PATTERNS OF MODERN COMMERCIALISATION

From 1880 to 1920, Europe's High Imperialism organized global commercialism on a larger scale than ever before. Statistical evidence also emerged by which to measure global patterns of economic inequality, which have remained remarkably resilient since then. South Asia and all other subordinate imperial territories became increasingly poor compared to Europe and America. Between 1870 and 1985, ratios of per capita income between the world's richest and poorest countries increased more than six-fold. Today, economic inequality among rich and poor national economies is still increasing.

By 1880, new spatial patterns of commercialisation had emerged in British India. Like Ceylon and Malaya, Assam became a quintessential plantation economy, where British investors drove out peasant producers and controlled markets in land, labour, and all other commodities. Indentured migrants from British territories worked plantation land, which had been taken away by the state from indigenous mountain people. The state organized indentured labour migrations by landless workers, for instance, from southern Tamil districts to Ceylon and Malaya, and from north India, Bihar, and Bengal to Assam.

British East Africa and British Burma also developed circuits of capital accumulation anchored in India. In East and South Africa, merchants from Gujarat and emigrant workers from Bombay, Calcutta, and Madras built railways and urban centers. Between 1896 and 1928, seventy-five percent of emigrants from Indian ports went to Ceylon and Malaya; ten percent, to Africa; nine percent, to the Caribbean; and the remaining six percent, to Fiji and Mauritius, which became island plantation economies. In Burma, Tamil Chettiyars financed new rice farms in the Irrawaddy River delta, which generated huge exports of rice for world markets, including India, where urbanization increased demand for imported rice. The food crisis that generated the 1943 Bengal famine began when Japan conquered Burma and cut off rice supplies to Calcutta.

Specialized regions of farm production developed in British India along railways that led to major port cities. One major example is the Deccan, which became cotton country, where commercial investments entangled almost all farmers, poor and rich alike. In 1876, Deccan Riots were the first major clash between local farmers and immigrant Indian financiers, and gave birth to official anxiety about village stability during capitalist development. This anxiety became a major impetus for imperial theories of traditional village harmony, which needed support by state patronage for local landed elites.

The responsiveness of Indian farmers to price incentives spawned many commercially specialized regions with an export orientation, producing cotton, wheat, rice, coal, coke, jute, hides and skins, tea, ores, and wool. Data from 1914 show that most Indian cotton left Bombay and came from Maharashtra. All tea came to Calcutta and Colombo from British plantations in Assam, Darjeeling, and hills around Kandy. Most export rice came to Rangoon. Wheat came primarily from fields under state irrigation in Punjab and western United Provinces (Uttar Pradesh). Oilseeds came to Bombay from Hyderabad territory (Andhra Pradesh), the Central Provinces (Madhya Pradesh), and Bombay Presidency (Maharashtra). Coal, coke, and ores came from Jharkhand to Calcutta and Bombay. Eastern Bengal (Bangladesh) produced almost all the world's jute, which went to Scotland but also increasingly to jute mills around Calcutta.

Indian industrialism emerged in this context and accelerated commercialisation around major cities. After 1880, two decades of low prices in Europe and America and rising prices in South Asia encouraged investments in India by firms producing for Indian as well as world markets. Commodity prices in India rose rapidly after 1880, along with export commodity production, until the crash in 1929. These were decades of the most rapid expansion of commercial farm production to that time.

Early Indian industrialization was so impressive that the imperial Factory Act (1881) imposed rules on Indian factories to reduce their comparative advantage in virtue of low local labour costs and cheap access to raw materials in India. In 1887, J.N.Tata's Empress Mill arose at Nagpur, in the heart of cotton country. Tata Iron and Steel Works at Jamshedpur consumed increasing supplies of ore and coal, which by the 1920s rivaled exports from Calcutta. In 1914, India was the world's fourth largest industrial cotton textile producer. Coal, iron, steel, jute and other industries generated specialized regions of heavy industry around Bombay, Ahmedabad, Nagpur, Kanpur, Calcutta, Jamshedpur, and Madras.

World War One stimulated imperial policies to enhance India's industrialization to make India less dependent on imports; and the Great Depression, 1929-1933, again boosted industrial growth by reducing prices for farm output compared to manufactures. As a result, industrial output in British India grew steadily from 1913 to 1938 and was 58% higher at the end of the Depression than at the start of World War One; compared to slower and more uneven rates of growth in the UK and Germany. [Morris D. Morris in Kumar, 1983]

By 1920, India had a complex national economy, dominated by agriculture but including a large public sector, major centres of large-scale industrial production, and countless small-scale industrial concerns producing cloth, leather, and metal goods. In 1913, manufactures comprised twenty percent of Indian exports, valued at ten percent of national income, figures never since surpassed. In 1914, the US Consul at Bombay called India "one of the few large countries of the world where there is an 'open door' for the trade of all countries." England was still India's dominant trading partner, but losing ground. In 1914, the UK sent 63% of British India's imports and received 25% of its exports; and by 1926, these figures stood at 51% and 21%, respectively. By 1926, total trade with the UK averaged 32% for the five major ports (Calcutta, Bombay, Madras, Karachi, and Rangoon). Bombay and Rangoon did 43% of overseas business with Asia and the Middle East. Calcutta did a quarter of its business with America. [Roy 1999, 2000]

Migration data also indicate the growing complexity of India as a region of the world economy. In 1911, the British numbered only 62% of resident Europeans in British India. Four times more immigrants arrived in India from Asia than from Europe, and seven of ten came from Nepal and Afghanistan. In 1911, Nepalis entering India outnumbered resident Britons by fifty percent; total Asian immigrants numbered three times as many. By 1921, Indian emigration far exceeded immigration. Between 1896 and 1928, 83% of 1,206,000 emigrants left British India from Madras (which accounted for only 10% of overseas trade), where most went to Ceylon and Malaya. Bombay emigrants went mostly to East and South Africa, and Calcutta emigrants, to Fiji and the West Indies. By 1921, India's modern diaspora was well underway.

29.8 GEOGRAPHICAL CONTINUITIES IN INDIAN COMMERCIALISATION

The British began their Indian empire on the coast. Their power then extended up river valleys into the interior, and finally, into highlands and mountains. These coasts, river valleys, highlands, and mountains had been distinctive commercial environments before 1800, and though increasingly forged into a unified imperial pattern, remained distinctive in 1947. Since then, national development has not erased their distinctiveness.

Before 1800, coastal environs had been most open to direct local involvements with overseas commercialism, and after 1800, imperial capitalism concentrated first around ports. The imperial economic order then spread along railways inland from Calcutta, Madras, and Bombay. Coastal ports became cosmopolitan sites for the mixing of inland and overseas cultures and interests. Indications of this distinction appear in the 1911 census, which shows that English literates numbered less than

1% of the population of British India, but 12% of the population of Calcutta. Madras and Bombay shared with Calcutta very high figures for the percent of literate people who were literate in English. The mixing of old and new social elites was most intense along the coast. Brahmans were about 6% of the total 1911 Indian population, with very high rates of English literacy, especially near the coast. More than 25% of literate Brahmans were literate in English in Madras and Bengal Presidencies, and about 20% in Bombay Presidency.

British imperialism moved inland along river valleys into uplands and regions, where the Mughals and their competitors, allies, and subordinates had held much more power than along the coast. In these regions, commercialisation after 1800 continued to include noticeably higher doses of state coercion, violence, and rebellion. Strategic alliances between imperial and local military force anchored the colonial regime. Cantonments and security installations marked the spatial and social organization of commercialisation.

Post-1857 grants of huge Talukdar estates to old Zamindars in Western UP represent a broad accommodation of old military elites. In Punjab, military recruitment and establishments grew alongside state investment in irrigation canals that benefited military-peasant-landlords. In Bombay Presidency, Maratha jagirdars, sardars, inamdars, deshmukhs, and deshpandes kept old estates under new property laws.

Imperial expansion into highlands and mountains combined the force of Indian and British lowland interests, which both moved into areas of shifting cultivation inhabited by groups who became known as “tribals” in British India. Before 1947, many mountain territories were still not conquered sufficiently to allow full incorporation into the lowland economy, but many were. Coffee and tea planters took mountains around Assam and Mysore. Mountain forests everywhere became sites for commercial timber extraction.

Most highlands remote from centres of Mughal power in 1700 remained remote from centres of political and economic power in 1950, but commercialisation of the highlands increased with the expansion of lowland agrarian populations into the mountains, which steadily displaced tribal inhabitants, causing numerous clashes; and with the incorporation of tribal people into circuits of labour migration in the plains, which, for example, brought countless Nepalis into India, and incorporated tribals into agrarian economies in Berar and Gujarat. [Bates 1981, 1985, 1988; Breman 1985, 1989; Jha 1996]

As India became a unified commercial economy, old regions of commercialism retained distinctive characteristics and acquired new ones. The Mughal heartland became a corridor of British imperial investments that steadily increased the wealth of western regions compared to the east. This unequal development continues today. Madras and Bombay hinterlands retained independent economic identities, as did commercial regions around Trivandrum, Bangalore, and Hyderabad. Mountain domains became increasingly marked by subordination to the plains, which disadvantaged local populations compared to lowland immigrants. Highlands and dry lands became the modern frontier for agricultural expansion. From 1880 to 1980, the highest rates of increase in the ratio of total farmland to total land area (from 903% to 206%) appear in Tripura, Sikkim, Nagaland, Assam, Rajasthan, Mizoram, Arunachal Pradesh, and Orissa. The lowest figures (from 122% to 103%) appear in the old agrarian lowlands of Tamil Nadu, West Bengal, Uttar Pradesh, Maharashtra, and Kerala. [J.F.Richards]

29.9 THE IMPACT OF INDIAN COMMERCIALISATION

Today, historians focus research on geographical regions in which patterns of change indicate commercialisation had different meanings for different people and in different places and times. Some patterns emerge across regions and comprise national patterns in contemporary India. Regional conditions are significant everywhere: they continue today to inform prices, bonds of trust and credit, and social power relations that set effective rules of ownership and social exchange. One good example is commercial sugar cultivation, which has operated in eastern UP under the impress of local landed elite domination and in Maharashtra under the control of staunchly independent landed entrepreneurs. [Amin 1984; Attwood 1992]

Commercialisation progressed along with other changes that influenced its impact. Most importantly, the quantitative proportion of land and population shifted. India became a densely populated region of the world for the first time after 1850. Social competition for land and other natural resources increased accordingly. The relative market value of land and labour shifted: land become more valuable compared to labour. The imperial state made landed property a strictly defined object of legal possession. Landed property rights thus became a modern institutional basis for commercialisation. In this context, capital investments in land, above all, irrigation, commercial agriculture, and urban development, increase the value of privileged land most rapidly and differentiated the landscape into sites defined by their respective attractiveness for investors. Technological change, above all, in industry, transportation, and communication, enhanced the differential impact of commercialisation, by making some sites especially valuable for commercial investment, particularly around cities and towns. Urbanization advanced rapidly after 1900 and accelerated after 1947. The percent of India's population living in urban centres increased by just over *one* percent (from 11% to 12%) during the first three decades after 1900, by *six* percent during the next three (1931-1961), and by *eight* percent in the next three decades (1961-1991). Ecological change accelerated similarly. In *three* decades *after* 1950, livestock, net cultivation, and built-up land increased as much they had during *seven* previous decades, while forest cover declined at the same rate and population grew about fifteen percent *faster*. [J.F.Richards]

Commercialisation is thus impossible to disentangle from other historical processes that have also changed the composition of social environments. Political change is important in this context. Imperialism has structured commercialisation to serve Western interests. Nationalism has produced new state territories where politics structures commercialisation to serve national interests. New state borders broke old routes of commercial transit in some parts of South Asia, which had, for instance, carried land rents and jute from eastern Bengal to enrich the Calcutta *bhadralok* and to sustain Calcutta jute mills for many decades. The partition of Punjab caused massive disruptions and severed many old commercial connections. India, Bangladesh, Pakistan, and Burma emerged as entirely new territories for commercialisation under national regimes whose respective histories have structured its impact ever since.

In India, regional state regimes emerged after 1956, which enhanced the regionalism of Indian commercialisation and continuities with regional patterns that developed in pre-modern times and under British rule. In all Indian states, local and regional elites now engage commerce using power and authority to make rules that effectively govern the possession and exchange of most commodities. India's integration as a national economy and its economic governance in New Delhi increased under a regime of national development planning, which made the Indian bureaucracy and intelligentsia increasingly influential. The politics of commercialism in India today thus involves local, regional, and national institutions, whose combined impact continues to differentiate the meanings of commercialisation. [Bardhan 1984, 1986; Rudra 1984, 1989; Rudra and Bardhan 1978]

In a long-term perspective, commercialisation has comprised a process that began long before 1800 and accelerated thereafter to shift the balance and content of exchange relationships everywhere in India. Two commodities, land and labour, indicate most clearly how that alteration defines Indian capitalism as a distinctive formation operating inside India's national borders. State laws pertain more forcefully to land and labour than to other items of exchange, and the historical process of defining land and labour as commodities is still, in fact, underway. Land reform laws eliminated Zamindar property rights and produced a profusion of small private holdings. Social movements continue to demand legal redefinitions of property rights. Labour laws pertain primarily to heavy industry and workers' rights in the informal and agricultural sectors remain subjects of on-going contestation and legal revision. Rural markets for land and labour are today, as they were a century ago, bound up tightly with the local power of landed elites and high status social groups, whose role in law making is most visible inside Indian states but increasingly visible at the national level as well. The lowest status social groups have little landed property and mostly work for higher status employers, as the market value of their labour continues to decline compared to the value of land, as poor land becomes poorer compared to rich land, and as finance capital exerts increasing control over land and labour. [Harriss-White 1996; Yanagisawa 1996; Atchi Reddy 1996]

In this light, it seems that Indian commercialisation evolved into Indian capitalism without causing a drastic disjuncture in the composition of the social structure, allowing many old elite groups to retain substantial control over commodity production and exchange. Political disjunctures, which mark the history of British imperialism and Indian independence, also mark this evolution, as Indian commercialism changed over time in a changing Indian landscape as well as in commercial spaces that escape the confines of Indian national territory. The long period of British rule composed a long transition from pre-modern Indian commercialism to contemporary Indian capitalism, during which modern institutions came into existence that continue to exert substantial influence on social relations of economic development. [Dirks 2001; Ludden 1993; Metcalf 1995; Washbrook 1981, 1989, 1994]

Commercialisation transforms human experience by establishing commercial transactions in settings where markets had previously been absent or unimportant, most notably in villages where the privatisation of land eliminated customary rights to sustenance for landless families, who depended increasingly on informal contracts, indenture, and various forms of bondage and trafficking. One dramatic example of this dilemma appeared in 1981, when researchers found over four lakh low caste labourers from poor villages in northern Bihar working on rich farms in Ludhiana and Hoshiarpur districts of Punjab, where recruiters also brought Chhotanagpur tribals for employers who bid for them at auction. Though this illegal trade had ceased by 1991, Punjab farmers were still advancing huge sums to bring Biharis to work in their fields, and officials who found workers held in bondage had them released to local authorities. [Singh 1995]

Commercialisation has included enrichment and destitution, for families, localities, and regions. Though some progress in reducing the aggregate burden of poverty occurred before 1990, most rural Indians still hover near the poverty line, most precariously in poor regions where capital investments are meagre, as in dry farm regions from eastern Maharashtra south to Rayalaseema, where the limitation of the green revolution to irrigated land is apparent and the contrast with prosperous Punjab could not be greater, and where, in 1997-8, two hundred poor farmers, burdened with huge debts to plant cash crops (mostly cotton, but also *tur dal* and other pulses), committed suicide when faced with crop failure, foreclosure, and destitution. When crop prices crashed in 1997, farmers mortgaged their land to moneylenders, and then drought, floods, and pests killed their crops. Farmers killed themselves by drinking pesticide, a symbol of the green revolution that left them behind.

Social disparities amidst commercialisation have appeared more clearly as scholars have more often applied a gender lens to the study of change. Land ownership remains a male preserve in South Asia, and even more so, the management of land as commercial property. The same privatisation of property that made village workers dependents of landed families turned even women in landed families labourers working for men inside patriarchal legal systems where the market value of female labour as children, wives, mothers, care givers, and wage workers increasingly defined their position in society. This entailed profound social change, which occurred over many decades and variously in different locations, but always operated inside gender ideologies that evoke traditional values and social norms to regulate change within parameters that hold patriarchal power in place. Thus, commercialisation also appears in the gendered lens of social research as one dynamic process among many others that comprise historical trajectories of Indian capitalism today. [Agarwal 1992, 1994; Banerjee 1989, Borthwick 1984; Clark 1993; Krishnamurthy 1989; Mitra 1981; Omvedt 1980; Prasad 1988; Sangari and Vaid 1989; Sharma 1985; Shiva 1989; Thomas 1988]

29.10 SUMMARY

We began by defining commercialisation and its impact over the existing culture, society and commerce. The history of commercialisation can be traced back to the pre-colonial period. A high degree of commercialisation was achieved in the Mughal period. During the eighteenth century, with fading Mughal boundaries,we see the emergence of highly commercialised coastal regions – Bombay, Madras, Calcutta. At the same time we also see the growth of a 'commercial capitalism' in which European Companies became equal partners, particularly the Portuguese, English and the Dutch. Introduction of railways and the emphasis on plantation economy led to the emergence of new spatial patterns of commercialisation. With British Imperialism commercialisation spread – moving up the hills, into river valleys, across forest areas. This chapter looks at the nature and implication of this expansion.

29.11 EXERCISES

1) What is commercialisation? Do you agree that Indian commercialisation began with British imperialism?
2) What role did militarism play in commercialisation during the colonial period?
3) Analyse the spatial patterns of commercialisation in the first half of the 20th century.
4) Critically examine the socio-economic impact of commercialisation during the colonial period.

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