

controlling state power and preventing abuses of it, followed by an analysis of the failure of those instruments in the half-century under discussion, would have been highly desirable.⁴

Merchants, Traders, Entrepreneurs: Indian Business in the Colonial Era.

By Claude Markovits. Basingstoke: Palgrave Macmillan, 2008. Pp. xii + 292.

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After the positive implementation of liberal economic policy at the beginning of the 1990s, India enhanced its rate of economic growth from 3.2 percent (annual average from 1965 to 1981) and 4.8 percent (in 1981–1988) to 6.3 percent (in 1988–2006).¹ This accelerated rate of growth was attained largely by revitalizing activity in the private sector by merchants, traders and entrepreneurs. The revival of such activity meant, for example, that the share of gross domestic investment by the private sector to the gross domestic product increased from 10.3 percent in 1980 and 14.7 percent in 1990 to 23.4 percent in 2004.²

Despite the recent increase in activity, we have only a limited amount of research focusing on the historical role played by such merchants, traders and individual entrepreneurs in modern South Asia. *Merchant, Traders, Entrepreneurs: Indian Business in the Colonial Era* by Claude Markovits, a distinguished specialist in the history of the mercantile and entrepreneurial world of South Asia, is a collection of the author's recent fruitful attempts to fill this gap.

The book is organized in three parts, each of which consists of several chapters written between 1981 and 2003 on the Indian mercantile and entrepreneurial world during the colonial period. Most chapters in these three parts supplement or extend arguments in two of the author's previous books: *Indian Business and Nationalist Politics, 1931–1939: the Indigenous Capitalist Class and the Rise of the Congress Party*, published by Cambridge University Press in 1985, and *The Global World of Indian Merchants, 1750–1947: Traders of Sind from Bukhara to Panama*, from the same publisher, in 2000. Thus, *Merchants, Trader, Entrepreneurs*, on the one hand, gives us a good summary of his arguments in these two books, and, on the other, strengthens the arguments he constructed there.

The first part, "Business and Politics", deals with the relationship between business interests and political nationalism – a theme that Markovits described in detail in *Indian Business and Nationalist Politics*. In that book, he established that nationalist politics started receiving the collective support of the Indian business classes after the 1930s since these classes, especially big business, saw a business advantage in collaborating with the Indian National Congress, and were not motivated by nationalist feelings.³ Chapter 1, "Congress Policy Towards Business in the Pre-Independence Era", makes clear that, in response to rising collective support from the Indian business classes, a clear

4 Naturally, this would go beyond the scope of "criminal justice", but is not the seemingly unreserved equation of state violence with legal punishment in this book already a stretch of the concept of "criminal justice"?

1 Panagariya, Arvind, *India: The Emerging Giant* (Oxford: Oxford University Press, 2008), p. 6.

2 Esho, Hideki, *Ririkushita Indo Keizai: Kaihatsu no Kiseki to Tenbou* 離陸したインド経済: 開発の軌跡と展望 ("The Indian Economy at Take-Off") (Kyoto: Minerva Press, 2008), pp. 132–33. The original source is the Government of India, *Economic Survey 2007–2008* (New Delhi, 2008), pp. A-10, A-11.

3 A useful summary of the implications of the book is given in Manali Chakrabarti, "Why Did Indian Big Business Pursue a Policy of Economic Nationalism in the Interwar Years? A New Window to an Old Debate," *Modern Asian Studies* 43:4 (2009), pp. 983–87.

and constant pattern in the Indian National Congress's attitudes and policies towards business interests emerged steadily after the late 1930s. Because of factors such as the success of the five-year plans on the Soviet model and the accumulated experience of state management in provincial government after victory in provincial elections in the 1930s, in addition to the emerging Congress-friendly business interests, Markovits argues, the Congress gradually changed the economic ideology and policy from anti-industrial Gandhian orthodoxy to industry-oriented state capitalism, which helped construct a positive relationship between the Congress party and business interests in the following decades.⁴ Chapter 2, "Indian Business and the Congress Provincial Governments 1937–39", clarifies one of the possible causes of the development of the stable relationship between the Congress and business interests, mainly by analysing the formation of successive labour laws in the late 1930s under the Congress-led provincial government that favoured the interests of capitalist, rather than those of the working class. The third chapter, "Businessmen and the Partition of India", studies the attitude of businessmen towards the Partition of India, with particular consideration of the differences in attitudes among various economic interests as well as communal groups of business interests in the 1930s. The chapter suggests that business interests supported partition because of their "consideration of personal advantage" in business rather than any religious sentiment.

Part II, entitled "Entrepreneurship and Society", has four chapters describing how and where merchants and big businessmen took their positions in society and economy, with special focus on Muslim businessmen and on Bombay and Tatas, supplementing Markovits's arguments in *Indian Business and Nationalist Politics*. Chapter 4, "Muslim Businessmen in South Asia c. 1900–1950", studies the cause of the weak "relationship between Islam and capitalism", with the main focus on the attitude of the Muslim elite towards industrial enterprise. Based on several data on the economic role played by Muslims in colonial India, Markovits suggests that "The most decisive factor explaining the weak position of Muslims in industry is . . . most probably the attitude of the dominant groups of Indian Muslim society toward industry".⁵ Chapter 5, "Bombay as a Business Centre in the Colonial Period: A Comparison with Calcutta", investigates factors that led to the formation of contrastive features of two representative colonial cities, Bombay and Calcutta, suggesting that a possible cause of the relatively successful development of Bombay could be the better communal mix of Bombay without the kind of total European domination that Calcutta experienced. Chapter 6, "The Tata Paradox", summarizes, in the beginning, the distinctive features between indigenous firms and expatriate firms in colonial India. The former, on the one hand, had characteristics such as anti-union bias in industrial relations, and less accountability to shareholders in profit distribution, while the latter had characteristics such as non-family management staff, heavy reliance on the stock market for raising funds, and "a close and almost institutionalized relationship to the colonial state". Markovits argues that Tatas retained both of the apparently "paradoxical features" of indigenous firms as well as expatriate firms throughout the colonial period. He indicates that paradoxical features, on the one hand, helped Tatas, a firm of indigenous origin, grow exceptionally during the colonial period, especially due to its close and institutionalized

4 On such a move towards industrial-oriented state capitalism, as Nakazato recently clarified, on the basis of careful investigation of archival evidence, new light has been shed on "the role of cooperation between Indian big business and the colonial government in introducing a new economic policy" of positive government intervention. Nakazato, Nariaki, "The Transfer of Economic Power in India: Indian Big Business, the British Raj and Development Planning, 1930–1948," in *The Unfinished Agenda: Nation-Building in South Asia*, Hasan, Mushirul and Nakazato, Nariaki eds. (New Delhi: Manohar, 2001). According to Nakazato, "During the early 1940s the Indian economy was being remodeled into a 'wartime economy', which required careful planning and collaboration" between two agencies: Indian industrialists, who needed technology transfer from abroad for further industrial development; and the colonial government, which was "in desperate need of Cupertino on the part of Indian industrialists and the Indian people at large to maintain and boost war production." *Ibid.*, pp. 253, 305.

5 Markovits, Claude, *Merchants, Traders, Entrepreneurs: Indian Business in the Colonial Era*, p. 121.

relationship to the colonial government. This, on the other hand, caused Tatas to receive cold treatment from the post-independent government, which had kept a close relationship with anti-colonial indigenous firms such as Birlas during the colonial period. Chapter 7, “Merchants, Entrepreneurs, and the Middle Classes in Twentieth-Century India”, clarifies historically how the Indian middle classes emerged. After summarizing two broadly accepted arguments on the Indian middle class, namely one view that English-educated professionals were the core of this class and another that saw merchants and entrepreneurs as the core, Markovits points out the lack of attention to the historical process of emergence of the core group, which he attempts to trace in this chapter. After clarifying the historical development of merchants and entrepreneurs, Markovits additionally argues that merchants and entrepreneurs of India, some of whom became important members of the middle class, retained “notions of caste and family”, “which prevented them from interacting with society at large”, although such interaction has been an important feature of the middle class of Western countries.⁶

Part III, entitled “Merchant Networks”, deals with ways of “circulation”, in which “specific trading networks with a regional base extended the range of their operations . . . across the entire subcontinent as well as across different regions of the wider world”. In this part, Markovits attempts to supplement as well as extend his argument in *The Global World of Indian Merchants*, which argues for “the existence in the *longue durée* of a widespread circulation of merchants and commercial employees between India and many regions of the world, a phenomenon which spanned the transition between indigenous and colonial regimes”. Chapter 8, “Merchant Circulation in South Asia (Eighteenth to Twentieth Century): The Rise of Pan-Indian Merchant Networks”, focuses on the circulation of Marwari businessmen from Rajasthan to central and northern India. Markovits argues that the expansion of Marwari networks during the period could be considered as a “part of wider process of circulation of skilled personnel between a ‘dry zone’, characterized by a partly pastoral economy, and areas of more reliable precipitation devoted to riverine agriculture.”⁷ Chapter 9, “Indian Merchant Networks Outside India in the Nineteenth and Twentieth Centuries: A Preliminary Survey”, investigates, firstly, typical features of movements of Indian merchants between India and the rest of the world in the colonial period on a chronological basis. Such features include the number, gender, religion as well as the origin of immigrants. Then, Markovits points out an important but unresolved question: whether Indian overseas merchants were “middlemen” doing ‘most of the spadework’ for British capital in newly colonized territories” or whether they were “best understood within a separate Indian ‘imperialist’ or ‘sub-imperialist’ paradigm” in which “British capital was not very much involved”. The question was not given a specific answer in this chapter, but detailed analysis of it came in his later works *The Global World of Indian Merchants* and *The Political Economy of Opium Smuggling* (2009), in which he argues, for instance on the basis of his study on opium smuggling in early nineteenth-century India, “the opium trade in integrating Sindh into the British imperial trading system . . . was more effective in boosting Empire than in nurturing indigenous capitalism in India.”⁸

Chapter 9 is followed by the Epilogue, in which Markovits suggests, after summarizing the development of recent historiographies of the mercantile as well as the business world, that a possible measure “in which merchants could be returned to South Asian history . . . appears to be one of focusing on the various ways in which merchants interacted with the state and society at large, by stressing their role in the emerging informational orders as well as their participation in wider cultural processes, such as vernacularization”.⁹

6 *Ibid.*, p. 179.

7 *Ibid.*, p. 188.

8 Markovits, “The Political Economy of Opium Smuggling in Early Nineteenth Century India: Leakage or Resistance?” *Modern Asian Studies* 43:1 (2009), p. 89.

9 Markovits, *Merchants*, pp. 264–65.

Merchants, Traders, Entrepreneurs gives us a comprehensive understanding of the historical development of the mercantile as well as the entrepreneurial world of modern South Asia, and greatly helps in providing a longer and wider perspective on the Indian political economy under an ongoing liberal economic policy.

The Middle Mekong River Basin: Studies in Tai History and Culture.*

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It appears to be simplicity that has lent the book its title – *The Middle Mekong River Basin*. Its subtitle, *Studies in Tai History and Culture*, only hints at the miscellaneous nature of this collection of articles. Upon reading the introductory essay in the opening chapter (Introduction: “The Tai World”) by the editor Constance M. Wilson, the reviewer’s sense was that the all-encompassing real theme in the editor’s mind was “the Tai world”, with the main title chosen in acknowledgement of the fact that the Mekong River has been central for this “world”. Although four individuals have contributed to the volume, more than half of its 412 pages were written by Wilson, who accounts for four out of the seven chapters. Even at first glance, this composition gives an impression of imbalance and of being far from a well-organized production.

A distinguished American historian well known for her work on Siam, Wilson is perhaps most noted for her substantial study of state and society during the fourth reign of the Bangkok dynasty. It is rather surprising, therefore, to read an introduction to “the Tai world” penned by her. As might be expected, Wilson relies heavily on previous studies in creating a sketch of her perception of “the Tai world”. In so doing, despite sporadic references to relatively recent works, she has not been persistent in her use of recent scholarship concerning each of the issues that she deals with. (As will be noted later, this is frequently the case with the other contributors to the volume as well.) For example, in her summary of the *tamnan* as “the earliest writing of the Tai” (p. 12) or “the earliest of the Tai records” (p. 13), Wilson follows the premise put forward by David K. Wyatt more than three decades ago, that the *tamnan* are the “earliest” chronicle traditions indigenous to Siam. Subsequent research on the chronicles produced in what presently constitutes the northern part of Thailand and its vicinity, which had never belonged to Siam, by many (mostly Thai) scholars has revealed that the word *tamnan* never occurs in an incipient, unmistakably indigenous writing such as *Munlasasana*,¹ and the word itself is in no way indigenous but seems to have originated from the Khmer language. The word *phün*, instead, obviously represents more a time-honored, indigenous tradition.²

More problematically, Wilson’s concept of “the Tai world” evokes an uncritical essentialism when she postulates “an earlier time when the Tai world functioned as a multitude of units stretched across the Mekong region and down the Chao Phraya Valley complex . . .” (p. 1). The term “Tai world”, previously used in Wyatt’s *Thailand: A Short History* (1984), for example in “the Tai World in 1200”, has

*The reviewer was deeply saddened to learn that the editor of the volume under review passed away on 17 February 2010.

1 *Munlasasana*, in Bamphen Rawin, *LĀN-NĀ MŪLASĀSANĀ* (Chiang Mai: Faculty of Humanities, Chiang Mai University, 1995).

2 Saratsawadi Ongsakun, trans. and ed., *Phün Muang Nan* (Bangkok: Amarin, 1996).