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> If it is so, then the interaction of anthropology and economics may come for once to be more than an exchange of exotic facts for parochial concepts and develop into a reciprocally seditious endeavour useful to both.
>
> CLIFFORD GEERTZ

Situated at the western edge of the Walled City, Naya Bazaar offers an impressive sight. Here, concentrated in a very small section of the old city, is not only the heart of the grain market of Delhi, but one of the most important grain markets for the whole of north India. According to market people, only 20 per cent of the grain which is negotiated here would be consumed in Delhi itself. It is also the main centre for grain export outside India. Naya Bazaar must be one of the most congested areas of Delhi both during the day and at night. With the exception of Sundays and a few moments of relative quietude at dawn and dusk, there is no respite in this place which functions not only as a commercial centre but also as home to hundreds of coolies who work here during the day.[1] The traders themselves, who once used to live above their shops, have slowly moved away to quieter places of residence outside the walled city.

Along the main road and in a few adjacent streets, one finds during the day a constant flux of coolies, *dalals* (intermediaries), employees and traders, jostling together in the most indescribable chaos, made worse by the astonishing variety of vehicles. But, what really gives the place its identity and dominates the urban landscape is the mass of large jute bags full of grain, which seem to fill every possible vacant space in the area. However, the perpetual train of vehicles, advancing slowly in the desperate attempt to load or unload their sacks of grain in shops where bags never seem to cease accumulating is a rather deceptive sight: the bags which arrive at Naya Bazaar constitute only a fragment of the grain trade. This is just the semi-wholesale market oriented towards the relatively small clientele of individual shopkeepers in Delhi and its neighbourhood. The main part of the trade (the wholesale trade) is less visible; it is negotiated mostly in the hundreds of small offices which occupy each floor of the rather dilapidated buildings in the area. And apart from the omnipresence of telephones, account books and computers which are becoming increasingly common, the only apparent manifestation of the innumerable transactions which represent hundreds and thousands of tons of cereals per day is the sight of a few grams of grain in small plastic bags which circulate from hand to hand between traders and intermediaries throughout the entire market.

IN SEARCH OF THE PRINCIPLES OF MARKET ECONOMY IN INDIA

Historians of economic thought have remarked on the paradoxical circumstances which gave birth to the development of economic theory in England. On the one hand, it was a time when people seemed painfully conscious of the diminishing importance of local fairs and markets where buyers and sellers negotiated the price of agricultural goods directly between themselves. According to economic historians, this happened because of the extension of regional trade in the grain market which led to the increasing influence of big traders and trading intermediaries.[2] But in spite of this—or more plausibly because of it—this was also the time when the concept of the market as we know it today was developed. In this standard conception of the market, the active involvement of intermediaries in the functioning of every stage of the market process tends to be either ignored or underestimated. Furthermore, it is taken for granted that any interaction which does not favour the direct encounter between buyers and sellers can only constitute an impediment to the functioning of the market. An anthropological approach to markets can, however, offer a very different perspective. It obliges us to recognize that the activity of market intermediaries is at the very centre of market mechanisms. As the ethnography of the grain market at Naya Bazaar illustrates, it is not that intermediaries block the market process but rather that they create it.

More generally, there is a strange disjunction between the approaches used for analysing the market and those used for analysing other economic institutions. While it has been taken for granted that the best way of explaining market institutions is to uncover the logic and rationality which underlie them, it seems obvious to many that such an approach would not be very helpful if applied to other institutions. The main reason for this discrepancy is that the market economy tends to be regarded as the only form of economic organization whose principles of functioning are not determined by cultural values and social principles but rather by an independent logic of its own. This methodological bias has been aptly analysed by the sociologist, Mark Granovetter, in a well-known article concerning 'the problem of embeddedness'.[3] He highlights the contrast between two equally unsatisfactory tendencies in the study of economic institutions in the social sciences: on the one hand, the tendency of economists to adopt an 'undersocialized' conception of human action, especially when they study market institutions; on the other hand, the tendency of sociologists and social anthropologists to adopt an 'oversocialized' perspective whenever they study any form of economic activity which cannot immediately be identified as a market process.

There is little doubt that the study of economic institutions in India has greatly suffered from this double bias. There has been a tendency to consider market institutions as alien to the fundamental characteristics of Indian culture and society and as essentially an import from the West. As a result, the economic history and sociology of India has for a long time been particularly distorted: not only have the importance of market institutions and market processes been underestimated in Indian sociology and history, there has also been a contrary tendency to exaggerate the importance of other forms of economic logic (like the so-called *jajmani* system) in Indian society. It is only in recent years that economic historians and social anthropologists have begun trying to revise such a perspective.[4]

While it no longer makes sense to deny the importance of market institutions in the history or sociology of India by attributing them to influences of only relatively recent origins, this change of perspective has potential consequences which have not yet been fully realized. One might be to shift the nature of the debate, which has long been at the centre of economic sociology and political discourse in India. We need to get beyond the endless discussion of the degree to which Western principles of political economy and economic theories should or should not be applied to societies like India—a debate, which takes us from Max Weber to Polanyi and others. There are other questions which are surely much more central to our understanding of economic processes. In particular, we might consider how research done in the Indian context might enable us to challenge the use and legitimacy of economic theories, which may be inappropriate not only in the Indian context but also more generally in other social and cultural settings. In other words, the real challenge today is not simply to avoid the two traps of cultural relativism and pseudo-universalism; rather, it is to consider fully the epistemological consequences of those analyses which contradict the dominant models of economic and sociological thought whether in India or in other parts of the world, rather than simply reducing them to the status of local oddities. It is this direction that I have tried to follow in my own analysis, based on an empirical investigation of the functioning of the grain market in the bazaars of Old Delhi.

Bazaars and Markets

One of the most interesting attempts to contrast the market with another form of economic institution was made in the 1960s by Clifford Geertz in his well-known article about the economic logic of the bazaar in Morocco.[5]

The merit of Geertz' analysis was his avoidance of the trap of assuming that one should give a central role to social and cultural factors in explaining bazaar transactions on the one hand, but discarding them automatically while describing market principles on the other. The core of Geertz' demonstration may be briefly summarized as follows: what distinguishes the bazaar from the market is not local traditions as such but rather the way in which economic actors get access to relevant information in both cases: the sort of interaction which prevails in the bazaar

> is an expression of the fact that such a market rewards a *clinical* form of search (one which focuses on the diverging interest of concrete economic actors) more that it does a *survey* form (one which focuses on the general interplay of functionally defined economic categories). Search is primarily intensive because the sort of information one needs cannot be acquired by asking a handful of index questions of a large number of people, but only by asking a large number of diagnostic questions of a handful of people. It is this kind of questioning, exploring nuances rather than canvassing populations, that bazaar bargaining represents.

Geertz concludes his article by explaining that 'here as elsewhere in the bazaar, everything rests finally on a personal confrontation between intimate antagonists'. Geertz also rightly notices that clientelized transactions do not necessarily exclude a more extensive form of survey in the bazaar. Rather, such surveys constitute preambles to the real transactions to be made among a 'firmly clientelized buyer and seller exploring the dimensions of a particular, likely to be consummated transaction'.[6]

Neither a Market nor a Bazaar

At first sight it would appear that Geertz' analysis is relevant to most bazaars and markets of India. It certainly appears appropriate for analysing the general behaviour of buyers and sellers in the different markets of Old Delhi. However, there are certain reservations. The type of behaviour Geertz describes and on which he bases his analysis applies only to retail transactions. It is only in this case that one can draw an effective contrast between 'extensive' and 'intensive' forms of search for economic information; or that one can oppose anonymous styles of market interactions with more personalized ones between buyers and sellers.

However, an analyses of the sort of commercial transactions which take place between buyers and sellers at the wholesale level in Indian markets and bazaars, changes not only the style but also the whole process and inner logic of the transactions. Not only can one no longer contrast different sorts of economic transaction on the basis of the knowledge that buyers and sellers individually possess, but more fundamentally, one can no longer consider the confrontation between buyers and sellers as a central element of the market institution. Rather, as I shall demonstrate, it is the presence of intermediaries and the different functions they assume that defines the characteristics of the market. In exploring the reasons why market intermediaries play such a fundamental role, my aim is not simply to highlight the specificities of wholesale markets as such, but rather to go beyond this to reconsider our understanding of the market economy as a whole.

THE GRAIN MARKET IN DELHI

Naya Bazaar, in spite of its importance, constitutes only one of the elements of the grain market in the capital. Due to historical circumstances in the commercial development of the city, it is, for example, in the smaller market of Rui Mandi near-by that the wholesale market for cereal is concentrated. One will also find in adjacent areas separate grain markets of lesser importance, selling on a retail basis the produce which they have just purchased in Naya Bazaar. Similarly, all around the market, one finds areas where different sorts of trades and services, which cater to the specific needs of grain traders are concentrated. There are, for example, street corners which specialize in recycling jute bags or in making and renting the *thelas* (trolleys) which coolies use for transporting grain.

As long as trains were the main means of transporting grain, the centrality of the old city remained a relative asset for stocking grain in spite of the congestion. However, this is no longer the case. Almost all traders nowadays prefer to use trucks which, though slightly more expensive, are both faster and more reliable. It is only in the case of big traders negotiating entire shipments of grain, generally for export, that transportation by trains is still preferred. As a result, it has become both advantageous and cheaper to have godowns outside the old city. Godowns are now disseminated throughout the periphery and in the immediate vicinity of Delhi. A significant number of them are concentrated in the northern part of the capital known as Lawrence Road. There, besides the hundreds of godowns which give a strange deserted look to the area, are numerous small factories where some of the grain which transits through Delhi is also processed before being resold and sent again outside the city. While the majority of traders, commercial intermediaries and accountants are still located at Naya Bazaar, it is at Lawrence Road that one finds the most important contingent of coolies, peons and factory workers associated with the grain market.

The People

It is difficult to estimate the number of people whose activities are directly linked to the grain market in Delhi. Such an attempt poses methodological problems. However, it may be convenient in this essay to offer an approximate estimation of the numbers of people involved in the different activities which play a prominent role in the organization of the market as a whole.[7]

— the number of *palledars* (coolies) can be estimated at 10,000, with just under a third working in Naya Bazaar and the other two-thirds working mostly in Lawrence Road and other godowns disseminated throughout the city. Most of them are associated with particular traders but a few work on a freelance basis.

— the number of peons can be estimated at between 2,000 and 3,000.
— the number of accountants between 3,000 and 4,500.
— the number of traders between 3,000 and 5,000.
— the number of intermediaries is something which the market people themselves find most difficult to evaluate. While the official number seems to stand at around 5,000, not all of them are effectively active in the market at the same time. Only one or two thousand of them are based at Naya Bazaar and no more than half of them are constantly active. The others live outside Delhi and do not necessarily come regularly to the market.
— the number of people associated with the various modes of transport which cater almost exclusively to the needs of the grain trade may be estimated at between 5 and 10,000.
— the number of workers in the factories processing grain in Delhi is also difficult to evaluate. It is estimated that there are about 500 grain factories which employ an average of 10 to 20 people, meaning that their sum total would consist of some 5 to 10,000 workers.

There are, without doubt, many other people whose activities could be included in this list, but even if one considers only the few categories mentioned here, the people directly associated with this market could number anything between thirty and forty thousand. However, more interesting than their exact number is the distribution of caste, class, gender, religious and regional identities amongst them. It is noticeable, for example, that nearly all traders in the grain market are Hindu, belong to merchant castes and trace their origins to Haryana or the Punjab (more than 90 per cent of them, according to those questioned). One does not find such homogeneity among other groups. For example only 65 per cent of *dalals* and only 40 per cent of accountants are thought to belong to the merchant castes. The distribution of Brahmins in different roles in the market follows the opposite trajectory. Whilst amongst the traders there are almost no Brahmins, amongst *dalals* we find roughly 20 per cent and amongst accountants 30 per cent Brahmins.

Caste, regional origin and economic power are all significant factors of identity in the market place but their particular relevance varies in different professions. For example, although the traders share a similar background in terms of region and caste, it is their access to capital that gives them their distinctiveness in the market. Among coolies it is regional origin rather than caste identity that is emphasized. In each case what really matters are the networks that one's identity enables one to tap into both in terms of business and social relations. However one cannot fail to notice the almost total absence of Muslims in the market with the exception of a few Muslim coolies mainly from Rajasthan.

The Trade

Most of the grain which passes through Delhi is neither produced nor processed nor consumed in Delhi itself. The grain market of Delhi constitutes one of many elements in the global network which feeds the grain market of north India. Before the grain reaches the market in Delhi, most of it has already gone through the hands of local and regional traders. Moreover, in the case of rice, it will also have passed through the hands of factory owners for processing. Similarly, when it leaves Delhi, it will generally be resold to other regional traders who will go on to sell it to shopkeepers before it finally reaches the consumer.

Delhi's importance as one of the largest grain markets of Asia cannot however be understood purely in terms of economic logic. A variety of factors, political and historical as well as fiscal and cultural, come into play. Delhi's relative proximity to the most fertile tracts of the Indo-Gangetic plain and the importance of a trading community which has kept multiple links with these regions play an important role; as does the centrality of Delhi in the railway network of India and the existence of an important consumer market which guarantees the existence of a minimal demand for agricultural products. However, the importance of Delhi as the epicentre of grain transaction also rests on more fragile foundations: according to market people, one of the main reasons why most of the grain passes through the capital and is not sent directly from the producer to the consumer area is fiscal. Similarly, the importance of Delhi as the main place for the export of rice is primarily due to reasons which are more political and institutional than strictly economic. Technically, it is due to the fact that Delhi has obtained the legal and fiscal status of a 'dry port',[8] but it is no doubt also influenced by the fact that Delhi, as the capital, is also the place where political decisions are taken and policies made.

Not only are the reasons for the centrality of Delhi in the network of grain markets in north India many, but the general organization of the grain trade itself is also rather intricate. Basically, the market for grains and pulses in north India is divided into two. This is because the Indian government enforces an agricultural policy whereby a large proportion of each year's production of grain is sold to the state at prices fixed by the administration. Government institutions also have the responsibility for storing and distributing this part of the produce; or eventually selling it on the free market in order to regulate the price of agricultural goods. Such a policy is increasingly being contested nowadays, partly because of the general trend toward liberalization and partly due to accusations of inefficiency and embezzlement against the government. Nevertheless, one should not forget that it was the direct involvement of the Indian state in the grain market that helped India attain its nutritional autonomy from the 1960s; and also that in spite of its relative inefficiency, the procurement system plays a role in fighting speculation, price variations and hoarding practices in the grain market.[9] Finally, there is no guarantee that the full liberalization of the grain market would, in any sense, be more profitable for the ordinary people of India. But whatever the case may be, it is the remaining part of each year's production which is traded on a free-market basis in Naya Bazaar and in the other grain markets of north India.

The importance of this free-market should not, however, be underestimated, not only because it is one of the market places where representatives of the state intervene, often massively, in their attempt to stabilize the price and the supply of food grain in India, but also because the physical trade and turnover of a market like Naya Bazaar is far greater than what official records and statistics imply.[10] This is particularly the case because Naya Bazaar remains one of the most important markets for agricultural products which has succeeded in avoiding becoming officially a 'regulated' market.[11] The market people of Delhi are among the very few trading communities to have managed successfully to retain the entire and exclusive control of a market of such importance. This is also what makes it such an interesting place for studying the role of intermediaries.

THE INVENTION OF THE MARKET SCENE

The Making of Marketable Goods

One of the most common activities that can be seen in Naya Bazaar is the making up of grain samples. This is done by using an instrument known as a *parkhi*, which looks somewhat like a dagger with a small gutter down the centre. The instrument is inserted into the side of a bag of grain in such a way that when it is withdrawn it brings with it a few grains for inspection. According to the number of bags which have to be checked, the trader or his assistant will systematically take tiny samples of grains from each bag or from an arbitrary selection of them. Nowadays, the samples are generally kept in small plastic bags with just a few indications written on them regarding the provenance and the quantity of the grain. But in Naya Bazaar it is still possible to see intermediaries using the old technique of transporting samples in carefully knotted folds of cloth.

It might appear to some that the technique of creating samples constitutes only a small ethnographic detail which does not have much to do either with the general organization of the market or with the principles of market economy. But as I have briefly hinted before, this is not the case: in more than one sense this very simple technique of sampling could be said to define the specific space of the market more than anything else.

There are various points at stake here. The first obvious point is that grain is both voluminous and heavy in proportion to its cost and it is therefore difficult to survey precisely what each bag contains. Traders and intermediaries have to deal everyday with transactions which represent hundreds of tons of goods. This is obviously difficult to do. There are basically two ways of transmitting information: either 'analogically' by transmitting some of the physical qualities of the data through a channel of communication; or 'digitally' by coding all the relevant information. The choice of method employed in trading is no different. The use of samples can be considered as an 'analogical' technique while the use of a 'gradation' system in order to communicate the quality of the grain can be identified a 'digital' one.

In India there have been numerous attempts to introduce a system of gradation which could conveniently be used by all market people to assess more simply and more quickly the quality of grain all over the country.[12] Such a system of grading has effectively been put into use in the case of certain agricultural products but it has not been generalized until now in the case of Naya Bazaar. Market people are on the whole opposed to the idea. According to them there are just too many types of grain of too many different qualities for such a system to be functional; it would either be too imprecise or too complicated. Only the biggest traders and exporters seem to be in favour of such a system. But they are also keen that the grain production of the entire country be radically homogenized because of the specific requirement of their politic of commercialization.

The quick succession of small gestures which allow traders and commercial intermediaries to assess the quality of a grain sample have a quasi-ritual quality and it is obvious to any observer that it is at such moments that market people employ all their commercial acumen. It is on the basis of this that they will make their own estimation of the price they are ready to pay for the grain. They will also have to judge the quality of grain and calculate what the potential demand for it might be, according to its price and the evolution of the market.

Another noticeable point in the way market people use such samples is their apparent absence of doubt about whether the grain they eventually receive will correspond to the sample. One might think this irrelevant because traders generally pay for the totality of the grain they buy only after they have had the chance to check its quantity and quality. But it must also be recognized that at the time that they check it, any calling into question of the deal would certainly be contested and would become a matter of irritation and loss of time if not a direct loss of money for all the operators involved. Neither should one conclude that the possibility that a load of grain does not correspond to what is expected is so uncommon in this trade. Two examples serve to illustrate the point.

The first concerns the difficulties encountered by Indian exporters on the international market after the exceptional year of 1995-6. It so happened that in this year India was practically the only big rice-growing country to have had a good level of production while the production among nearly all the other main rice suppliers of the world was low. As a result India had the opportunity to export more than it had ever done before on the international market.[13] And because huge quantities had been kept in reserve in state granaries, which proved unnecessary because of the abundance of the crop, the government institutions in charge of these reserves were allowed to sell huge quantities of rice to exporters at the market price. At the time no one bothered much about the quality of the rice. This was the rice which was usually sold in government shops to people who are not in a position to protest.[14] But foreign importers were inevitably more fastidious. As a consequence, well-established exporters complained the following year that speculators had, within a single year, succeeded in lowering India's reputation on the international rice market.[15]

The second example takes us to the other end of the economic and geographic spectrum. Just adjacent to one side of Naya Bazaar is an unauthorized market, populated almost exclusively by immigrant Biharis. Here grain is sold to Delhites of modest income at heavily discounted prices. These shops are filled with grain, which has been sold by the traders of Naya Bazaar at a cheap rate, usually because, for some reason, it did not fit their expectations when they checked its quality. One of the petty traders of this market explained the principle of a trick which consisted of asking accomplices to add discreetly a little dirt to one or two bags of rice of good quality so that when a trader in Naya Bazaar takes his sample he is likely to reject the bags and to end up selling them very cheaply to marginal traders.

Such examples are obviously extreme; taken too far they would imply a radical contrast between how traders behave when they deal with insiders or with outsiders: while according to one example they do not hesitate to discount a bag of best quality rice if it contains a little dirt, according to the other example, they are apparently less scrupulous in dealing with public organizations or with the foreign market. Such an interpretation would surely be exaggerated. Nevertheless, knowing the difficulties linked with the assessment of the quality of the merchandise in this trade, one should not underestimate the achievement of a market organization which allows a few thousand people to make transactions which may amount to thousands of bags of 100 kg everyday, on the basis of a few handfuls of grain circulating from hand to hand. This is possible precisely because market transactions combine two sorts of interpersonal relationship. On the one hand, buyers and sellers remain largely anonymous to each other ; on the other hand, at every stage of the market process, transactions are made exclusively by persons who know each other personally. These two relationships no longer seem contradictory once we begin to recognize the role of the intermediary in the functioning of the market. It is because all transactions are mediated by them that buyers and sellers don't have to know each other; but it is also because of their presence and of their intimate knowledge of all market actors that all transactions are done between persons who know each other.

The Personification of the Market Actors

Naya Bazaar is certainly one of the most crowded areas of Delhi. But unlike many other parts of the old city this crowding is not due to the influx of clients and passers-by. As a matter of fact, one could spend days observing the activity of the market and the unfolding of transactions, without ever meeting any of the people who have either supplied or bought the grain sold in the market. If by any chance one of them happens to come to the market it is usually not to negotiate or conclude a deal but rather to socialize with traders, to check the pulse of market activity, to resolve a problem or to settle a dispute. Basically, the only people there who are not based in Delhi are commercial intermediaries who have come on behalf of factory owners or regional traders in order to sell some grain to the Delhi traders. As a consequence, one of the main characteristics of this market is the way in which it functions almost exclusively on the basis of transactions between the market people of Naya Bazaar themselves. One proof is the fact that if one were coming to the market in order to buy or to sell anything without being represented or, at least, very strongly introduced and recommended by some insider, not only would that person risk being neglected but he would also find that the only possible transaction open to him would be the direct exchange of cash against merchandise. In other words, he would not be allowed to benefit from the full potentialities of the market.

The attraction of Delhi as one of the most important market places for the grain trade is, as already pointed out, due to a variety of factors. Among them one reason which seems to have played a particularly important role is the major way in which the traders of Delhi have always assumed not only the role of trader but also that of an *adati* (commission agent). Basically, the traders of Naya Bazaar have been able to attract a large supply of grain (especially after the harvest when the prices are low) by offering to pay their clients in advance approximately 70 or 80 per cent of the sum they will get later on when their grain will be sold in the market place. Once this is done, they will give the grain seller the remaining part of the price, and only then claim their own commission.

What is remarkable about such a procedure is that large reserves of grain immediately disposable for sale are continuously stocked in the capital. And because Delhi traders generally offer credit to the buyers of the grain, Naya Bazaar benefits from the reputation of being the place where, at any given point of time, supplies are abundant and transactions swift and not too hampered by heavy administrative control. On the one hand, suppliers have some sort of guarantee that they can get almost immediately a large percentage of the price they want for their grain, without having to face the alternative of waiting for a customer or to sell their grain too cheaply; on the other hand, buyers will also be reasonably sure that at any given time they will be able to find the quantity and the quality of grain they need.

As already noted, one of the basic assumptions of the economic literature about markets is that the confrontation between buyers and sellers is the focal point in any market transaction. It is of course recognized that such a confrontation is often mediated by all sorts of intermediaries. But the latter are generally perceived to be standing in for the real partners of the exchange. If they involve themselves in a deal, they are quickly suspected of distorting the functioning of the market process. But in the case of a market like Naya Bazaar, it is practically the opposite which is true. Not only do the buyers and sellers seldom meet each other; but the distinction between a trader who buys a load of grain in order to sell it later to one of his customers and the one who does it from the beginning on behalf of one of his customers is almost imperceptible. More fundamentally, the practice of traders who are being paid only on a commission basis but who nevertheless advance most of the price of the grain to the seller before the transaction takes place, blurs practically any distinction between the main partners of a transaction (the 'real' buyers and the 'real' sellers) and the intermediaries. It does not make sense to consider a trader who has paid in advance 80 per cent of a load of grain which is stocked in a godown belonging to him and who has the charge of selling it on behalf of his client as a simple intermediary. Similarly, if he buys some grain with his own money for a client who has given precise indications of the quality and quantity of grain he wants, and if he takes only a fixed commission on the price, will he be considered as a trader or as a commission agent? Such distinctions seem somewhat immaterial at the time of the transaction.

Let us now summarize: In the streets of Naya Bazaar, not only are huge loads of grain replaced by tiny samples of grain but, as we have just seen, the people who sell the grain to Delhi and those who buy it from Delhi are 'replaced' by the market people who more or less assume their roles during the transaction. But this is not all. There is yet another aspect to the 'immateriality' of the functioning of this market that I wish to stress. One normally will not see, either at Naya Bazaar or elsewhere in Delhi, traders negotiating directly the exact terms of a transaction. If necessary, there is the possibility of contacting each other by telephone, fax or letter. But until now these remain only auxiliary channels of communication. Normally all transactions which take place between market actors are mediated by specialized intermediaries who interpose themselves not only on behalf of outsiders who cannot be present in Delhi but also on behalf of insiders within the market itself. Almost all transactions take place through intermediaries.[16] As one trader explained to me: even if he had to negotiate a deal with his immediate neighbours, he would always prefer to do it through an intermediary.

The Making of Transactions

Every morning, dozens of intermediaries will visit each trader in Naya Bazaar to enquire if they have some load of grain to be sold. After assessing the quality of the samples, they will enter into discussion with the traders to sort out what can be reasonably expected from a given load of grain. Having made their first round of the traders, they will have a certain amount of grain samples and will renew contact with certain traders, either by telephoning them or by meeting them directly. This time their aim will be not only to assess the offer of the day but also to find in the market a demand which corresponds to it. Though one should not take such estimations too seriously, I have tried to calculate the number of personal interactions which take place between traders and intermediaries in the market every working day: according to this estimate, there should be no less than 30,000 of them (and probably much more). Once market intermediaries have found a potential demand for an offer of grain on the market, they will be used as go-betweens throughout the duration of the transaction, which will normally last anything from one to three days. It is generally only after the conditions of a deal have been agreed to that the partners of the transaction will enter into a brief contact, usually by telephone, in order to confirm their agreement. But if they trust the intermediaries and know with whom they are dealing, they often will not bother making even this brief contact.

Moreover, the intermediaries function more than simply as go-betweens. Even if they are not financially or legally responsible, their reputations are at stake when they organize or supervise a deal. When they buy grain, traders consider it equally the responsibility of the intermediaries in whom they put their trust to make sure that the quality of the grain effectively corresponds to what they have been shown in the sample. And when they go on to sell it, they expect a certain guarantee that the buyers will effectively repay their credit.

Finally, in a market like Naya Bazaar, the conditions of a transaction obviously have to be agreed to by all the partners involved. Generally, there is no written contract to confirm the terms of agreement. Thus, one of the most important functions of market intermediaries is to stand as witnesses to any agreements that are made under their supervision.

THE LOGIC OF THE MARKET

What makes the importance of a market place like Naya Bazaar, and what distinguishes it fundamentally from a simple collection of individual firms, is the fact that most transactions involve at least four main protagonists: besides the ones who supply the grain to Delhi and those who buy it from Delhi, there are generally two local traders who play an intermediary role in the transaction (acting either as traders *stricto sensu* or as commission agents). Moreover, as I have already pointed out, *dalals* are also used as intermediaries to establish and maintain the contact between each of these 'main actors'.

The fact that there are two traders rather than one involved directly in most market transactions may seem yet again an insignificant detail. However, it is precisely this fact which changes the nature of the majority of transactions in the market: as long as a trader sells only what he has already bought or buys only what he will be able to sell to his own clients, the extent of his operations will necessarily be limited; but if traders do not hesitate—as appears to be the case—to sell to their own customers whatever grain is available on the market, and if they do not hesitate either to buy grain in order to sell it themselves or on behalf of their clients to other market people, then each of them is able to give their clients access to all the demands and/or supplies available in the market. Or, rather they are able to do it insofar as they are able to diffuse market information and to facilitate transactions which may involve and mobilize quickly a vast number of local traders.

What characterizes such a market, then, is the fact that it blurs the distinction which is usually made between bazaars and markets, and more generally between 'real' markets and supposedly less 'rational' institutions. Basically, in this system people only effectuate transactions with those they know. Yet, at the same time, they get access through these intermediaries to all the other resources available in the market place.

The Inevitability of Intermediaries

Intermediaries are generally ill considered in any sort of deal. It is not surprising to find that the connotations associated with the term *dalal* in India are none too flattering. The mediation of a *dalal* in any transaction rapidly evokes the image of a world of opacity, of dubious patronage and shady negotiations, if not more radically, of illegality, blackmail, and corruption. Many people in the Indian capital feel that the role of *dalals* in most domains of the social and economic life of Delhi should be deplored or perceived as some sort of social pathology. Nonetheless it is worth noting that two different criticisms are often blended in such condemnation in spite of being based on very different sets of implicit assumptions: On the one hand, the intervention of *dalals* in diverse social transactions is commonly considered a blatant symptom of the extent to which commercialization and financial greed have pervaded the social life of the whole city. In this sense they are perceived as the very personification of the logic of the market. But on the other hand, they are often also perceived to represent the proof that a particular society or a specific economic sector has not yet attained the status of a mature market. Viewed in this perspective market intermediaries are criticized for introducing a strong element of opacity into economic transactions.

What I have attempted to show in this essay is that the distinction between a market like Naya Bazaar and a simple collection of individual traders lies mainly in the existence of intermediaries who mediate between the partners of commercial transactions. It would be erroneous to assume that with the generalization of market culture, intermediaries such as those found in Naya Bazaar will disappear. In fact, the idea that markets could exist without intermediaries is really little more than an intellectual illusion or ideological mystification. The condemnation of *dalals* is little more than the condemnation of market institution itself. But of course, intermediaries can always change their tune. Perhaps the *dalals* of the future will all have degrees in marketing and advertising.

NOTES

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1. See Véronique Dupont's essay in this volume.
2. Cf. in particular, F. Braudel, *Civilisation matérielle, Economie et Capitalisme, XV-XVIIIème siecle, T. 2. Les jeux de l'échange*, Paris: Armand Collin, 1979.
3. M. Granovetter, 'Economic Action and Social Structure: The Problem of Embeddedness', in M. Granovetter and R. Swedberg (eds.), *The Sociology of Economic Life*, Boulder: Westview Press, 1992.
4. For example, cf. C.J. Fuller, 'Misconceiving the Grain Heap: a Critique of the Concept of the Indian Jajmani System', in Parry and Bloch, *Money and the Morality of Exchange*, Cambridge: Cambridge University Press, 1989 and S. Subrahmanyam 'Institutions, Agency and Economic Change in South Asia: a Survey and Some Suggestions', in B. Stein and S. Subrahmanyam, *Institutions and Economic Change in South Asia*, Delhi: OUP, 1996.
5. C. Geertz, 'The Bazaar Economy: Information and Search in Peasant Marketing', in M. Granovetter and R. Swedberg (eds.), *The Sociology of Economic Life*, Boulder: Westview Press, 1992.
6. Ibid., p. 230 (the three quotations).
7. These figures have been obtained by using a combination of quantitative and qualitative measures with the help of traders and diverse professionals associated with the market.
8. The expression 'dry port' basically means that all customs operations and formalities concerning the exportation and importation of goods can be done within Delhi itself as if it were a border. The goods, therefore, remain in sealed containers on the Indian territory before eventually being shipped abroad.
9. In contrast with the very small body of literature dedicated to the empirical functioning of wholesale markets like the one which is studied here (for an exception see the works of Barbara Harriss-White (in particular: B. Harriss-White, *A Political Economy of Agricultural Markets in South India*, Delhi: Sage, 1996), there is an abundance on the appraisal of the procurement policy by the Indian State. Cf. S.S. Acharya and N.L. Agarwal, *Agricultural Marketing in India*, Delhi: OUP, 1987, pp. 216-302.
10. 'In 1994-1995, as much as 60 per cent of the food subsidy in 1994-1995 went to finance the buffer stock, sales on the open market, or export (World Bank 1996)'. P. Balakrishnan and B. Ramaswami, *Economic and Political Weekly*, 25-31 January 1997, p. 165.
11. For an excellent study of the impact of regulation on agricultural markets in India, cf. B. Harriss-White 'Order, Order . . . Agro-commercial Micro-Structures and the State: The Experience of Regulation' in B. Stein and S. Subrahmanyam, op. cit., 1996.
12. Ibid., pp. 81-93.
13. In 1995-6, India, which only began to export rice in the late seventies, emerged as the second largest world exporter with about 5 millions of tons.
14. Cf. P. Balakrishnan and B. Ramaswami, 'Quality of Public Distribution System. Why it matters', *Economic and Political Weekly*, 25-31 January 1997, p. 162.
15. One could even find a mild echo of this polemic in the very offical magazine of the All India Rice Exports Association: 'Today, though we have managed to make our presence felt in the graph of global rice trade, yet till now we are not able to create a goodwill which USA or Thailand enjoys. However, few Indian rice shipments made last year by opportunist exporters and importers did invite some criticism on the quality front', *Rice India*, January 1997, p. 21.
16. 'I never go to meet my parties. I've "seen" Sethji also only on phone. It is for the first time that I am seeing him face to face. It's the mutual trust that makes all the difference in this trade. And I too have come here for the reasons of restoring that trust.' Excerpt of an interview during an arbitration meeting at the Delhi Grain Merchant Association, 14 April 1997.

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