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The business of caste in India

Globalization has given new opportunities to some castes while it's been less kind to others. But caste stays relevant as an economic entity

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Mumbai/New Delhi: Images of adventure reside in their collective memory—journeys into the cobbled streets of Antwerp to compete with powerful Hasidic Jew merchants for grubby stones, which, when polished and cut, would sparkle and dazzle. The journey that transformed the Palanpuri Jains from cloth and perfume traders into moguls of the diamond empire was challenging: The language of Antwerp was strange to their ears and its exotic meats forbidden to their vegetarian palates. But during those days of mercantile entrepreneurship, this community coped with challenges together and forged ties of kinship that “have survived till today and have provided the basis on which we have built this industry in India,” says Rajiv Mehta, chief executive officer of Dimexon Diamonds Ltd.



Far from the wealth and sparkle of Antwerp, for the community of Oriya plumbers (mostly scheduled castes) living in the National Capital Region, globalization has meant opportunities where there were none. Hectic construction has created brand new suburbs of Gurgaon, Ghaziabad and Noida, and helped Oriyas bring jobless kinsmen from home villages, teach them the skills of the trade and offer them to a construction industry that is booming around Delhi. Today, around 90% of the city's plumbing business is run by Oriyas.

But to the Bunts of Karnataka—former warriors and landowners who created the famous Udipi restaurant chains, established restaurants, hotels and resorts—globalization has not been so kind. Raghu Shetty, who set up the first catering business in Mumbai in the late 1970s, says the community is unable to keep up with new Indian tastes. “The culture of five-star weddings, glamorous family and business events...and our job is not very rewarding. The children don't want to run restaurants at street corners...you see all our old Udipis shutting down. No one needs them any more.”

These stories reflect the fact that there is no clear answer to the question: How have community businesses adapted to India's growth in a globalized world? There is little data to go by and anecdotal evidence meanders in all directions.

Business legacy:
Diamond merchant
Pankaj Shah

But as the country debates
the idea of a caste-based



(wearing a garland) leaving for his first trip to Antwerp in 1972. He had relatives in Antwerp who ran brokerage firms through which he could buy the rough diamonds he would select.
Abhijit Bhatlekar/Mint

census and policymakers grapple with the possible political ramifications of such data-gathering, the relevance of caste as an economic entity remains intact, says Tirthankar Roy, professor at the London School of Economics and the author of *Company of Kinsmen*, a book that examines how enterprise and entrepreneurial communities adapted to globalization.

Claiming that economic cooperation was the basis of defining caste, Roy says that “these (caste-based) groups are protecting access of outsiders to assets—be it skills, people, capital... sometimes successfully, sometimes not. They are guilds, rooted in blood,

rather than rules. The ties run so deep that if anyone breaks a business rule, they can be excommunicated from the community.”

And because of the efficiency of this economic model, many communities have drawn inspiration from this idea over the ages, “and that is unlikely to change. I see no reason why world markets would not help caste-based community business to expand their business and strengthen their ties. Of course, some communities will prosper, others may not. For instance, the Marwaris—who had prospered in the last century as the manufacturing community—did not do so well after. But I believe the idea will endure,” said Roy.

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Diamonds are forever

Among the Palanpuris, diamonds have created a mutual dependence that has not only endured but also thrived in a globalized world.

“Thirty years ago, when I was growing up, we were trained to think that one day, we will also play with these shiny stones,” says Mehta, splaying imaginary diamonds on the table as he speaks. “You cannot underestimate how much power that knowledge gives—you become a risk taker, you are willing to put yourself out on a limb if it will expand the business for your sons who are there with you. That kind of quick, risky, urgent decision making can never happen in a corporate setup,” explains Mehta.

Over the last 50 years, they have trained their sons in the art of identifying diamonds among stones in the diamond bazaars of Antwerp. Pankaj Shah, a diamond merchant, remembers his Antwerp trip of 1972—the time he began

to choose rough diamonds that held most promise of dazzling when polished.

"I was 20. My family thought it was time for me to learn. At that time, relatives used to live in Antwerp and run brokerage firms. We could select diamonds ourselves, but we could buy diamonds only through a brokerage firm. So we stayed in homes of relatives. Since we were Jains—there were no vegetarian restaurants in Antwerp at that time—we ate in their homes. We simply selected the rough diamonds we wanted to buy and the brokerage firm would complete the formalities and export them to us." Those with no family lived in cheap, hovel-like hotels, ate at common Jain kitchens and practised their trade.

In an open world economy, Palanpuris have taken their business to far-flung countries in Asia, Europe and the Americas and while "it's hard to give exact figures in this industry, the Palanpuris have retained 60-70% of the market...as long as the world needs diamonds and succession remains intact, I think we will stay in the game," says Mehta.

New opportunities

For the Oriyas, the last two decades have meant opportunity—to get a job, to live in a city, to educate their children, to give them a better life. Opportunities that they grabbed together, helping each other along the way, each man pulling a few kinsmen out of a bleak hole.

Like Niranjan Parida did.

On a January morning of 1993, a teenaged Parida boarded a Delhi-bound train with a thousand rupees, without informing his family. He says he ran away from his home to escape the purposelessness that had seeped into his village, Ratnapur in Kendrapada district in Orissa, where the only opportunity available was for daily wages. "That is not (what) I wanted to do," says Parida.

His impulsive journey to the national Capital is not a lone migrant story, but a chain of migrations of scheduled caste Oriyas who have escaped the bleakness of Orissa's villages, curiously enough, for plumbing jobs.

When Parida arrived, he knew no one and spoke little Hindi. He pounded the streets for a job, slept on footpaths—till he happened to meet a woman from his village. "Her husband was a contractor for plumbing jobs in Delhi. She took me home and he trained me in plumbing," he says.

Within months, he began to land contracts. Seventeen years later, thin and blackened from working in the unforgiving Delhi sun, he makes Rs10,000-12,000 per month. He also does what he insists people of his community have traditionally done—bring people from the village for plumbing jobs. "I brought almost a dozen people from my village here. I train them and get them employed," he says.

But plumbing is not the only job that the community does. Chandrakant Sahu, who speaks better Hindi than Parida, explains how the community also helps Oriya kinsmen become electricians. When Sahu migrated to Delhi from Orissa's Betali village, a relative got him a job at an electrical shop. Now, "Parida suggests my name for electrical fittings in the house where he is working. His good at his work, his recommendation matters," he says, referring to a system where they try to secure contracts for kinsmen. "We

have a human network (that) helps each other since we are emotional about our roots," he says.

Changing with the times

And yet, for the Bunts—who created the chain of Udipi restaurants, took over the Irani tea houses, bought hotels, established catering businesses, highway eateries and *dhabas* in the city to escape the bleak poverty of their villages—the changing world has not heralded similar good news, but nor has it broken the spirit of collaboration among kinsmen.

For many reasons, the Shettys are finding it hard to stay afloat. Jairam Shetty explains, "First, so many other communities—Gujaratis, Marwaris and Punjabis—have come in and taken away our market. We could not cater to all those tastes nor compete with the money they brought in. Secondly, in the last few years, international hotels have come to India. They serve international cuisines and tastes have changed. Also, marriages have become very fancy. Finally, succession is a problem since business isn't glamorous and the children do not want to take over. We are just waiting until they are settled."

For those who built the business from the ground up, the change is bitter-sweet. "We are happy that our children have more opportunity than we did. That is what we wanted when we came to Mumbai. Our community is still very strongly interconnected, only now we are focusing on education and social issues. This business has brought us so far—now it might be time to slowly move to better things as a community together, supporting each other," says Raghu Shetty, owner of Santosh Catering, and the uncrowned grandfather of the Bunts in Mumbai.

Like many others, Shetty was a teenager when he left his ancestral village near Mangalore for a better life in Mumbai. For 20 long years, he worked in a little restaurant in Worli— washing dishes, cleaning tables, then waiting at them and gradually, becoming a manager. "All the while, I watched the chef. I learnt cooking, everything about it, and when the time came, I started my own catering business in the city," he says. Jairam Shetty, owner of Ajanta Caterers in Mumbai, says: "This business is not very capital-intensive. We just needed a supportive human network, and that we had."

That collaboration still exists, says 67-year-old Raghu Shetty. "We want families of the community to do better with every generation. If the catering work will not take us further, then it is time for us to leave it behind and find another opportunity that will give our children a better life," he smiles. "As long as the community supports each other and stands as one, it will all be okay..."

This is the second of a five-part series on the changing role of caste in a globalized India.

Next: How caste affiliations and organizations have gone global

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