

INSTITUTIONALISATION OF MARKET:
AN EVOLUTIONARY EXPLANATION OF RETAIL
MARKET

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Abstract:

After the changes that took place in Soviet Union especially communism, the available knowledge and practice of exchange system is almost only capitalism. Hence, it is essential to understand the market systems that prevail in various parts of the globe. This provides opportunity for both practitioners and academicians to explore existing alternative market mechanisms which are micro operations but have potential to be translated into large institutions. This paper explores alternatives by studying both empirically and theoretically the very understanding of market and the evolution of market in a marketplace situation. It also critically examines the role of rationality theory and evolutions of market beyond these assumptions and going towards social reality.

Keywords: Market Institution, Marketplace, Evolution, Community, Culture, Identities

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Introduction:

The study of markets is very essential where many global trends are dependent on market economy as they are structured and functioning patterns. Society has been understood through various mechanisms of evolution, comparison and evaluating. All these studies have taken the established institutional perspective. From the Parsonian perspective of systems and subsystems; Political, Economic, social and cultural factors, of course, from a historical outlook as well needs to be examined. Market so far has been studied mostly by the economists and they claim it to be their domain. The neo-classical economists, especially the rationality theoreticians argue that only rational economic decisions matter for transactions. There is no scope for 'non-economic' aspects in the market or exchange transaction. This paper looks into the evolution of market from the available literature and also evolutionary understanding from anthropologist, economist, sociologists and Economic-Sociologists perspective. In addition, an empirical based study reveals how much social institutions play their role even in structuring of markets, like caste, class and local hierarchies which are the basis of all other social structures. Market is only a part of the larger society. Interestingly, every market has its own uniqueness in terms of its structure and functioning and they are not the same when compared with other markets. So, the classical macro theories and universally applicability has reduced to a larger extent.

Market Evolution:

Colson (1974) and Geertz, Geertz, and L Rosen (1979) have worked on the evolution and growth of economic institutions. The earliest economies are thought of as local exchange within a village (or even within a simple hunting and gathering society). Gradually, trade expands beyond the village: first to the region, perhaps as a bazaar-like economy; then to longer distances, through particular caravan or shipping routes; and eventually to much of the world. At each stage, the economy involves increasing specialization and division of labour and continuously more productive technology. This story of gradual evolution from local autarky to specialization and division of labour was derived from the German historical school (North 1991). North (ibid) begins with local exchange within the village or even the simple exchange of hunting and gathering societies (in which women gathered and men hunted). Specialization in this world is rudimentary and self-sufficiency characterises most individual households. Small-scale village trade exists within a 'dense' social network of informal constraints that facilitates

local exchange, and the costs of transacting in this context are low. (Although the basic societal costs of tribal and village organization may be high, they will not be reflected in additional costs in the process of transacting). People have an intimate understanding of each other, and the threat of violence is a continuous force for preserving order because of its implications for other members of society. As trade expands beyond a single village, however, the possibilities for conflict over the exchange grow. The size of market grows and transaction costs increase sharply because the dense social network is replaced; hence, more resources must be devoted to measurement and enforcement. In the absence of a state that enforced contracts, religious precepts usually imposed standards of conduct on the players. Needless to say, their effectiveness in lowering the costs of transacting varied widely, depending on the degree to which these precepts were held to be binding (North 1991; 99).

Bamyeh (1993) while explaining the evolution of market says, left to its own dynamics, trade often creates a system of regular transactions that is referred to as a 'market'. This unique freedom of the market consists in the fact that for most of history, a market usually came to exist due to voluntary associations, and prior to any regulations by political authorities. However, another source of the freedom enjoyed by the market is that, even when such regulations are attempted, the market has the capacity to find ways around them. For instance, the market could simply go underground (as is the case of what is usually called the 'informal sector' or the 'black market'), or it could migrate either as people or as 'capital flights' (ibid). Similarly, Brezinski and Fritsch (1997) have mentioned about the emergence and evolution of markets. Hage (2001) opines that the impact of knowledge has changed the fundamental rules of competition in advanced industrialized countries from an emphasis on productivity to one on speed in innovation. Furthermore, there are now a variety of ways in which firm's can innovate as products have become more complex and are evaluated on multiple criteria. To innovate rapidly and effectively necessitates finding expertise outside the firm and hence the importance of joint ventures, strategic alliances and research consortia. A new theoretical framework about adaptive costs and benefits is suggested to explain this movement away from vertical integration.

MARKETPLACE

Anthropologists have studied markets broadly from the marketplace perspective, and the same have already been mentioned. Geertz (1963) reflected the belief shared by most scholars at the time-that street markets and bazaars were part of a romantic past that had little place in the 'modern' world from a cultural perspective, although, argued that the 'bazaar economy' hampered the development of western-style 'firm-centred' economy. Leiss (1983) worked on the icons of the marketplace; Plattner (1989) studied particularly on marketplaces and England and Kilbourne (1990b) on markets of marriage and other mates. On the other hand Berthoud (1997) says the marketplace is a much more complex locus, in which different kinds of social interactions take place. Jaitly (2003) referring to Melbourne and Boston crafts marketplaces in some of these countries are lively spots; earthy, friendly and colourful. All these craft spaces are, of course, not part of any central economic planning or economic need. They are merely well organized, fun places here the artistic urges can be fulfilled in an otherwise highly mechanized society. Even in areas where local arts are indigenous, ethnic products as is the aboriginal art are not found so much in the inexpensive marketplaces where goods for everyday living are picked up, but elegantly showcased by 'affluent people' in art galleries and boutiques. Referring to Indian craft market and a craftsman, his self-respect, recognition and dignity are as important as the quality of his daily bread.

MARKET AS INSTITUTION:

Markets are not as simple, instead it has an hierarchy of its own in the social ladder and thus a status hierarchy of firms, institutions, and organisations are also found in the order, of course pertaining to the particular societies. Market societies also develop more informal institutional practices which are embedded in existing organizations as routines and are available to actors in other organizations. Some mechanisms of transmission are professional associations, management consultants, and the exchange of professional managers (DiMaggio and Powell 1983). Though Marx, Weber, Durkheim, Parsons, Polanyi, Bourdieu, White and others have quite different ideas of how these institutional sectors are linked, all agree that no analysis of social life can be narrowly focused on one sector, whether it is the economy, the polity or the realm of culture. (Granovetter 1985). Institutions are the humanly devised constraints that

structure, political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights). Throughout history, institutions have been devised by human beings to create order and reduce uncertainty in exchange. Together with the standard constraints of economics they define the choice set and therefore determine transaction and production costs and hence the profitability and feasibility of engaging in economic activity (North 1991: 97).

A market becomes institutionalized in phases-emergence, stability, and possibly crisis (Fligstein 1996). Emergence is the period of greatest fluidity because roles, social relations, and other aspects of the social structure and culture of the market are not yet solidified (Fligstein 1996:664); shared understandings of the rules of exchange, for example have not yet emerged. As Fligstein (1996:667) argues, large market actors are a "major force" holding together established markets. During the period of institutionalization, Fligstein (1996) calls "Stability": "a market in which the identities and status hierarchy of firms (the incumbents and the challengers) are well known and a conception of control that guides actors who lead firms is shared" (p 663). Individuals may come and go in a stable market institution, but the status hierarchy (Podolny 1993) remains stable.

An agency that occupies a central position in the network of economic exchange is more valuable to its clients than an agency in a peripheral position, because the central agency gets better, faster, and more information about market conditions, new marketing ideas, competitors' actions, consumer trends, and so on. Because market actors value information (Stinchcombe 2001), access to (or claims of access to) information is a source of power in client-agency relationships. Moreover, the central actors in a market have a strong interest in maintaining the stability of the social structure of a market (Fligstein 1996:667).

One could find, in 'market', a set of rules, which guide and control the market activities. At the same time, the intervention of politics and government has also made certain changes in the scenario. This has led to the formation of 'new' rules of exchange and these new rules of exchange are creating confusion about the 'proper' institutional rules to follow. This trend did emerge around 1980s (Baker, et. al.:1998). The various "new institutionalisms" all share an appreciation for Karl Polanyi's basic insight that market systems are embedded in a complex

web of laws, practices, and norms. This basic recognition has some rather profound implications for the study of how market systems evolve. First, it suggests that the process of liberalizing markets-just as much as the process of managing or constraining markets- involves the transformation of laws, practices, and norms (Vogel 2002). During the period of institutionalization, Fligstein (1996) calls "Stability": "a market in which the identities and status hierarchy of firms (the incumbents and the challengers) are well known and a conception of control that guides actors who lead firms is shared" (p 663). Individuals may come and go in a stable market institution, but the status hierarchy (Podolny 1993) remains stable.

Social networks stabilize exchange (Granovetter 1985) and increase the continuity of market ties. For example, individual attachments (personal ties) tenure of the client's chief financial officer, found that longer tenure decreases the hazard of dissolution (Baker and Flaukner: 1998). The market is "a social institution which facilitates exchange" (Coase 1988:8). The institutionalization of a market is a "political-cultural construction" reflecting power struggles among firms attempting to control the market and ensure their survival (Fligstein 1996). This power struggle, as saw, includes both a "struggle of competition" among rivals "vying for opportunities of exchange" and an "interest struggle" between the buyer and seller engaged in an actual exchange relationship (Swedberg). We have attempted to explore these ideas by examining the dynamics of market relationships in the American advertising industry from 1971 to 1993. There might also be an argument that markets should not be seen from the institutional perspective, rather outside or 'not-institutions'. But markets cannot exist in a deinstitutionalised form or non institutional form: no economic phenomena do. Then in such case, market needs to be understood from the institutional purview, and then from the structural and its functional perspective.

MARKET AS SYSTEM:

Millan (1995) points out, the market system is a system and quotes, Lenin, "everything is connected to everything else", and reforms are interlinked. The various incentive mechanisms that constitute a market system can complement or substitute for each other. According to Luhmann's system theory (1995: 142), society consists of social systems and social systems

consist of nothing but communication. Politics, economy and firms are different social systems of communication. ... Communication is the basic element of social systems, be they interactions or more embracing systems like organizations. Luhmann describes communication as a process including selection of selection of information (what is to be communicated), selection of form of message (shouting or e-mail) and understanding (what was communicated). Whenever a communication process selects information, form of message and understanding, it actualizes the distinction between the actual and the possible. Politics and economy belong to what Luhmann calls 'functional systems', that is, systems that close themselves around certain functions. Law, art, religion and science are also functional systems. They may all be observed as functional systems consisting of nothing but communication, and in this communication differentiating themselves from each other: politic/not politics, economy/not economy, art/not/art, etc., through functional differentiation (Andersen 2000).

According to Lindblom (2001) 'the market system resplendently assesses the character, rules advantages and shortcomings of the central institution coordinating modern economic and social life. He continues the market system integrates the economic, the political and the social in a broad overview, spurning narrow disciplinary, boundaries. Lindblom stresses throughout that the market system is a system of social coordination, a 'mammoth coordinator' whose reach extends beyond economic behaviour.

MARKET AS SOCIAL STRUCTURE:

Burns (1977) puts forth, two basic concepts in a structural theory of social exchange: the structuring of exchange systems and unequal exchange. The latter is conceptualized in terms of structural consequences of exchange activity. The two concepts are used to analyze the role of exchange activity in the production and reproduction of social structure and corresponding exchange systems. Coleman (1984) points out the presence of social structure in economic activity and adds that such activities are to understood in the context of social organisations, trust, etc, which are constructed over a period of time, by giving several episodes as instances to explain his point theoretically. Wang (1999:1), on economists, comments that, overlooking the institutional structure of the market leads economists to take the existence of the market for

granted. Nothing more than 'the law of supply and demand' is required for economists to reach a conclusion on their blackboard that the price mechanism (i.e., the market) is at work. The economists hence seldom bother to investigate how the market as an economic institution emerges and develops in the real world. Even new institutional economists who are committed to studying real life economic institutions are inclined to assume that 'in the beginning there were markets'. Different societies have importance for different social values and morality. These social values like ethics in transaction, respecting people than the products under exchange or money respecting each other's time and its importance, trusting the other, being honest and many such social components which sociological routings in every society play a significant role which help in building the institutions of market and in evolving the relationships among the actors involved (Rajesh 2010).

MARKET CULTURE:

Geertz and others (1979) remark that the production of market institutions is a cultural project in several ways. Property rights, governance structures, conceptions of control, and rules of exchange define the social institutions necessary to make markets. Economic worlds are social worlds; therefore, they operate according to principles like other social worlds. Actors engage in political actions vis-à-vis one another and construct local cultures to guide that interaction. Armour (1995) examines the relationship between economics and culture. Zafirovski and Levine (1997) remind us that according to Weber there can be phenomena whose primary cultural significance consists almost entirely in their economic aspect. Moss (1997) Considers market as inhabited by a large number of individuals.

Sirico (1998) states that the market is not a mere abstraction of economic production and distribution, but, rather, people themselves, who save and invest, watch market, take risks and make dreams. In their economic lives as producers and consumers, they are cooperating in a vast network of exchange in which people half a world away buy their products and make products for them. The market strengthens the culture of life and its moral order in three important ways. First, the market promotes peace among people. From the simplest to the most complex market exchanges, they all have one thing in common, people while trading voluntarily with each other to their mutual self-satisfaction. Second, the market offers people the best opportunities to employ their creative gifts and become full participants in society, thus obeying god's command

to work and create. Third, the free market promotes the material betterment of humanity. Gartman (2002) reveals that Pierre Bourdieu's theory of cultural exchange is more powerful and comprehensive than other recent theories, which neglect one or another of the important dimensions of cultural markets. Bourdieu's theory conceptualizes both the supply and demand sides of the market, as well as specifying their interaction with external social factors. Similarly, Nelson (2002) supplementing Gartman on Bourdieu's theory, focuses on Douglass North, who won the nobel prize in economics in 1993, who emphasised his focus on cultural factors, and he considers religion a central element of almost all cultures.

Social reality is constituted by social/societal activities and institutions like social interactions (could be political, cultural, educational, religious and economic as well). Institutions like political, cultural, market, education and economic in total together give rise to the complex entity known as society. In this connection 'market' is undoubtedly a part of society. The economist James Duesenberry (1960, reproduced) wrote that "*Economics is all about how people make choices; Sociology is all about how people don't have any choices to make*". This statement shows the lack of understanding of the discipline Sociology. In fact, Sociology not only tells how people make choices, but on what grounds and why they make such choices, giving valid reasons, logically and systematically. On the other side, economics has very limited choices to make rather than Sociology. Contrary to what Duesenberry said, present day towns, cities provide more choices for people to choose between several shops/customers of different social background like caste, class, community, locality, religion, gender, nativity, region, etc.

Most obviously the inference from the above would say, that when there is a possibility of choices – then people definitely have preferences. When there is preference then it should have some base which definitely would be social in nature not necessarily always economical. These preferences are produced and reproduced in every society time and again. The market system can only be understood when it is re-placed within the context of an economic life, and no less a social life...And this complex is itself constantly evolving and changing: it never has the same meaning from one era to the next (Braudel 1985a:224 reproduced in White 1996). '... [T]he market is not a mere abstraction of economic production and distribution, but, rather, people themselves who save and invest, keep contracts and watch market, take risks and make

dreams. In their economic lives as producers and consumers, they are cooperating in a vast network of exchange in which people buy their products and make products for them' (Sirico: 1998).

Sociology shows that behind the politician's 'magic of the market', the policy maker's 'market solutions', or the neo-classical wizards 'market competition resides the market as a social construction. A market is an 'act' albeit an elaborate, contingent and difficult 'act' to create and sustain. The constructionists view is as much a reaction to neo-classical version of economic behaviour as it is an agenda for building verifiable descriptions and explanations of the structural and cultural processes, the levels and pulleys through which markets are constituted.

There are four constituent features of the market a social construct.

1. Conjectural interdependence: (guess)

First social process necessary to act stable production markets (reflexive)

2. Regulatory interdependence

Social institutions, formal organisations and informal controls

3. Reputational interdependence:

Honour, accorded/withheld, status hierarchies,

4. Relational interdependence

Social Connectedness, embeddedness, networks, relations between buyers and sellers.

The market is "a social institution which facilitates exchange" (Coase 1988:8). The institutionalization of a market is a "political cultural construction" reflecting power struggles among firms attempting to control the market and ensure their survival (Fligstein 1996:22). This power struggle, as Weber saw, includes both a "struggle of competition" among rivals "vying for opportunities of exchange" (Weber ([1922] 1978:635) and an "interest struggle" between the buyer and seller engaged in an actual exchange relationship (Swedberg 1999). Here in this research, measures of institutional forces are seen or measured as general isomorphic effects and social embeddedness in different types of market. Market exchange, while being increasingly dominant, is heavily embedded in, and constitutive of relations of class, caste, locality and gender; as is the local state (White and Janakarajan 1997). In 'market', both market and 'non-market' (conventional understanding) exchanges or economic aspects and social aspects jostle

together to make an activity complete. While understanding the 'market' Plattner (1989:217) stressed that 'the most significant piece of information to know about a trader is what social category he or she belongs to. In the extreme this may be a caste identity; otherwise, it may be a class, kinship, or social network affiliation. Knowing *who* a trader is may sometimes be the best way to know *what* he is buying or selling" explains in the context of analysing the economic behaviour'.

Market has been changing since time and place. Market is not a place of egalitarian concepts like equality, equal opportunity, equilibrium, justice etc. In fact, market has always been in favour of the already privileged in terms of various social categories. In case of India, Varna system in the ancient period facilitated the particular castes to have dominance over certain businesses. Economically well off communities and people dominate even today in almost all societies of the world either because of the feudal system, serfdom, estate or such other systems, which made big business tycoons. Race in various parts of the world and gender in almost all parts of the world dominated in terms of control, power, etc.

The diverse explanations that social scientist, philosophers, and biologists have proposed for the provision of social support include the familiarity of frequent contact, social pressure from peers, altruism toward intimates, preferential selection of kin, and the greater empathy of women. Their debates have involved a fundamental sociological issue of the extent to which relational, social structural, or personal characteristics affect social behaviour (Wellman and Wortley 1990). The present research works on community, social network and social support along with the social factors affecting the transactions.

CULTURAL DOMINATION OF MARKETS BY COMMUNITIES:

Over a period of time, every society evolved structures of its own including economic institutions. For instance, societies which are classified on the basis of division of labour in larger understanding have led to the formation of a system of social stratification. Different groups, sections, or communities have been assigned to perform the specific job and that is institutionalised also. Be that, feudalism, serfdom, estate or Varna, one could witness these phenomena taking shapes and different forms.

In case of India, educational and religious institutional activities are assigned to one community (later called, Varna and then caste), ruling, protection, safeguard and such political institutions to another, economically instituted activities to one more and the remaining works assigned to the next (may be last, constructed) strata of the society. All these activities and processes constitute social institutions which are seen as functional to the structure. On these lines one could infer that culturally and traditionally certain communities dominate the market scene as well. This cultural domination of certain communities over various scenes will have supportive and non-supportive attitude towards 'others'. It may be witnessed as 'the insider' and the 'outsider'. The social factors like identity, race, class and caste get represented in different markets. The identity practice is also visible in the Indian television commercials. The name of the caste through surnames (last name) which indicates the community, special sect or sub caste are pronounced in the commercials and at times their attire, looks and patterns (Rajesh 2014).

Weber (1978) points out on monopolization of opportunities, that 'the monopolization is directed against competitors who share some positive and negative characteristics; its purpose is always the closure of social and economic opportunities to *outsiders*'. The extent of this monopolization is variable, depending on the extent to which the group member benefits from monopolistic advantages. Weber also argues that monopolistic social and economic opportunities may also be 'closed' to *insiders*. This argument holds true in case of Hindus and Muslims within to protect their own sub community or sub-caste people like caste hierarchy or sects within. Like upper caste against lower caste, Shiah and Sunnis etc, or Catholics and Protestants.

According to Parkin (1974), there are two modes of closure: exclusion and solidarism. Exclusionary closure is the closure of social and economic opportunities to outsiders whereas solidaristic closure is a closure attempt by excluded groups. Closure relations, according to Parkin, are 'in fact power relations'. He relates the concept of closure to social classes: "exclusionary social closure is an aspect of conflicts and cleavage within social classes as well as between them". He argues that exclusionary social closure necessarily entails the creation of group, class or stratum. While individualist exclusion leads to segmental status groups and social classes, collectivist exclusion leads to communal groups and social classes (Parkin 1974).

Granovetter (1985: 487) while summing up the failings of the over socialized version argues that actors do not ‘adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy’ and the failings of the undersocialized version by arguing that the actors’ do not behave or decide as atoms outside a social context’. He then puts forward his framework for a fruitful analysis’ of human action by arguing that attempts by actors at ‘purposive action are instead embedded in concrete, ongoing systems of social relations’. There is sufficient empirical evidence to suggest that discrimination, defined as absence of equal opportunities, exists before the market as well as in the market against certain social categories in India. Inequality in access to sources of human capital acquisition reinforces inequality in the labour market and vice versa. Apparently, caste-community discrimination and class discrimination overlap. However, in the case of socially deprived categories, the latter accentuates the former (Dhesi 1998).

It is highlighted in The Cambridge Economic History of India (Kumar 1983) that the social base of the trading community was confined to a small group of castes – Baniyas, Bohras and Parsees in Gujarat, Hindu and Jain Marwaris in Rajasthan, Kshatris in Hindustan and the Punjab and Chettis and Komatis on the east coast. Muslims merchants, mostly of foreign origin but settled in India, were important in the trade of Gujarat, and the Deccan and Bengal, while high Muslim officials had a share in commerce in all parts of the country (Kumar 1983).

The concept and practice of domination of different sectors of the society is ubiquitous in nature. Control of certain sections and activities of the society are several times branded as being communal, but these phenomena are present widely. A major feature of the Indian industrial scene has been the dominance of these managing agencies by caste (or, more accurately, communal) groups. Thus firms can usually be classified according to communal origin. The following table (and also the small per cent of firms under mixed control) indicates the communalization of the control of firms (Mehta 1955)

Distribution of Industrial Control By Community in early period

COMMUNITY	NUMBER OF FIRMS

- YEAR	1911	1931	1951
BRITISH	281	416	382
PARSIS	15	25	19
GUJRATIS	3	11	17
JEWS	5	9	3
MUSLIMS	0	10	3
GENGALIS	8	5	20
MARWARIS	0	6	96
MIXED CONTROL	28	28	79
TOTAL	341	510	619

Source: Mehta (1955)

Similar kind of study was also conducted by Fukuzawa (1965) with particular reference to cotton industry. Gupta (1998) gives the historical account of marketing taking social status, prestige of actors (ardhatiya community) in the marketplace. Further, it is highlighted that confidence and trust played an important role in this context. The study brings out the ownership patterns of the ardhat business. The social status and prestige of the ardhatiya and their place in the caste hierarchy. 'It informs that the amount of confidence and trust between the farmer and the middleman has begun to decline in the wake of government intervention and changing social environment. However, the Ardhatiya continues to gain special benefits from changes such as market regulation enforced by government as he has sufficient economic leverage'. Bayly (1999) highlights the presence of caste system (jati) in the Indian subcontinent since several ages and says it continues to exist in all sectors of society even now, though, some changes in forms could be witnessed.

CASTE STRUCTURE OF SHIMOGA MARKET:

Urban agglomerations or cities grow by population, economic activity and the same has happened with Shimoga town as well. By looking at the table it is clearly visible that shops were established more around 1975s and 1980s and later on around mid 1980s, and steadily growing

after 90s. But interesting point to observe is the increase in number of shops in different localities. After the construction of contingency table of two variables year of establishment of the shop and the location of the shop and as also graphically seen it becomes very clear that shops in the initial years were established either in the city centre or city market. However, it is not possible for everyone to establish a new shop in the same vicinity as there wasn't any vacant space available, hence, they obviously would have moved to new areas like, residential areas. And that is what has happened. It is observed that most urban settings people start leaving in the segregated setup, and that is what has happened in case Shimoga town as well.

Establishment of Shops in Particular Locality:

Graph



People of the same caste, class, religion, ethnicity leave together in each residential layouts. Now, in this context the question is, will people from other social background be allowed to setup a new shop and further, would that run (would s/he be able do business). So, the social logic works in different way, one has to look for the locality, which suits him/her the best, so that one could make the business with the people whom s/he has faith and trust. This in fact is the main thrust area of this research. It is proved that relatively newer shops are found in localities of residential setup. But ironically it was difficult to identify and quantify the locality

with a particular caste. However, it was possible to recognise the class, and religious background of the said area, which would be dealt in detail later.

The market in Shimoga is also complicated as is found in any other city in India. It is a mixture of different caste groups. Meanwhile, one could also witness that certain caste groups dominating certain markets. The following table and box plot graph give a clear picture of which market is dominated by specific castes, followed by the entry of other non-traditional castes in different years.

Entry of Different Castes into Different Markets in a Span:

year of establishment of the shop * caste of the shop owner * market/shop type Crosstabulation

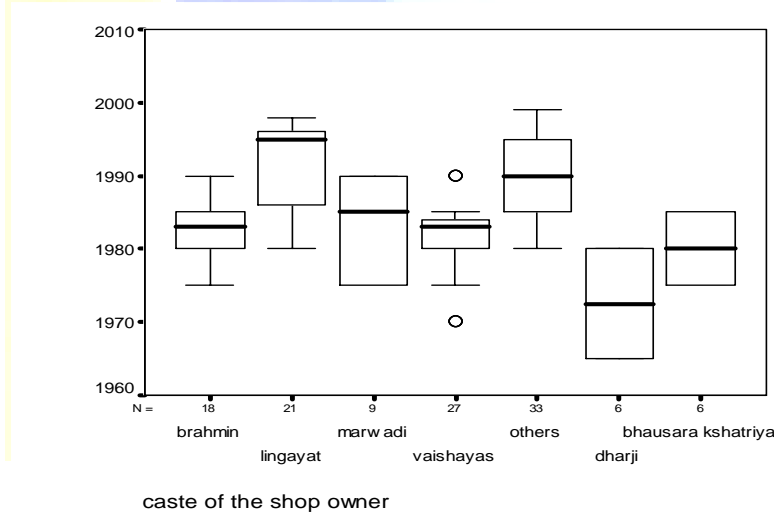
Count		caste of the shop owner							Total
		brahmin	lingayat	marwadi	vaishayas	others	dharji	bhausara kshatriya	
provision	1970				3				3
	1980		3			3			6
	1983	3			3				6
	1984				6				6
	1985	3							3
	1986		3						3
	1990			3					3
	Total	6	6	3	12	3			30
textiles	1965						3		3
	1975			3				3	6
	1980				3		3		6
	1985			3				3	6
	1990					3			3
	1995					6			6
	Total			6	3	9	6	6	30
stationery	1975	3							3
	1980	3			3	3			9
	1985				3				3
	1990	3			3	3			9
	1996		3			3			6
	Total	9	3		9	9			30
vegetables	1975				3				3
	1983	3							3
	1985					6			6
	1986		3						3
	1990					3			3
	1995		3						3
	1996		3						3
	1998		3						3
	1999					3			3
	Total	3	12		3	12			30

It is very conspicuous from the table above that certain communities and caste groups continue to hold particular markets. In other words, certain communities dominate specific markets. For instance, Vaishyas are present in all markets, Dharji and Bhausara Kshatriya

communities only in textile, not other. Brahmin and Lingayat communities have not entered into textile market, but not other markets (at least in this sample). Marwadi community have not entered into vegetables and stationery, but were found in wholesale stationery markets. Vaishyas, the traditional business community has presence almost all markets and at all times. 'Others' which is a mixture of all other communities are found in all the four markets. Dominant caste, 'Lingayats' have entered into vegetables and provisions over the period. The table explains the structure of Shimoga market in general and also the evolution of the same. It is interesting to analyse the year of entry by different communities. It is not just the entry of different communities, but also the Shimoga market or societal permission to do so. The above table also explains the evolution of Shimoga market. In the process of evolution of Shimoga market, quite an amount of debate and tension would have taken place, though not much information or data is available on this.

BOX PLOT OF DIFFERENT CASTES ENTERING TO MARKET:

GRAPH

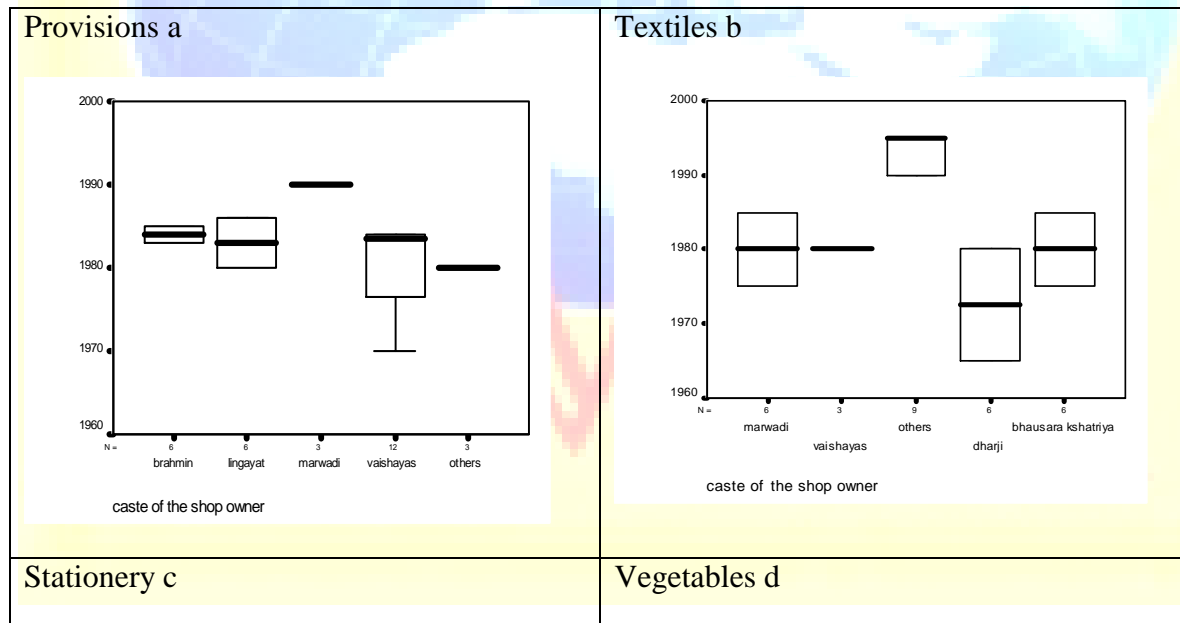


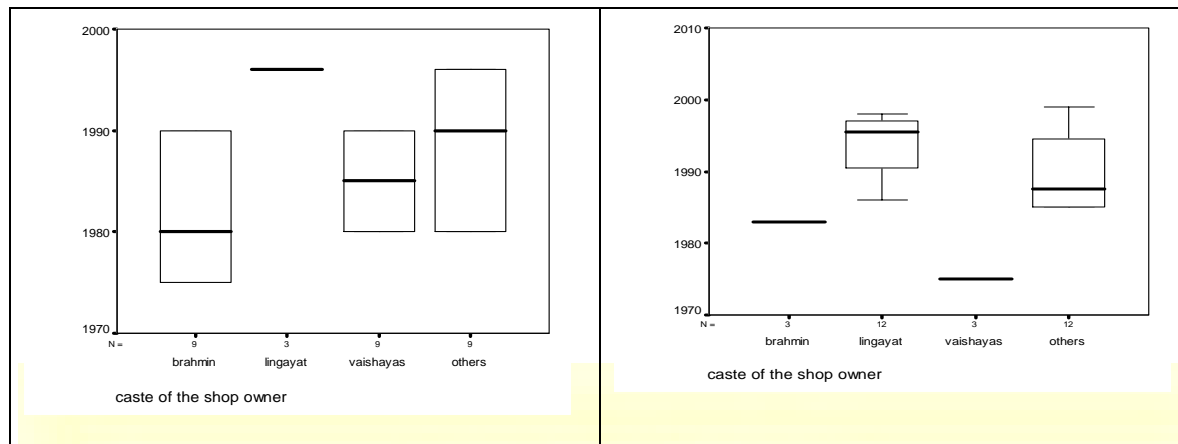
From the above box plot one could easily make out that different caste groups have entered market in general in different periods. The plot is explained in quartile range explaining the year of their entry and also the last entry obtained in the data. The box within indicates the 25th percentile and 75th percentile along with the median line drawn inside the box. From the

table it can be inferred that certain communities would not like to enter into other markets which traditionally are not meant for them. However, the communities which traditionally did not have 'economic' assignments (market, trade) have entered market with vigour in different times. This gap social and practical is clearly evident in such a micro study, if a detailed macro study is conducted, it would enable likely to understand this phenomena better. The plot also shows that some communities have stopped entering into the market (at least in this data) and some 'new' castes are entering in different times. Observed carefully, it is the traditional castes who are not entering the market, then where are their occupational positions will be the important question that comes to mind. This could be an important topic for further research.

MARKET-WISE BREAK-UP OF DIFFERENT CASTES' ENTRY IN A SPAN:

GRAPH





The above box plot makes it clear by splitting up four different market in which the entry of different caste groups at different times and the data speaks on several aspects of the evolution of market, tradition and structural adjustments. The presence and absence of specific caste groups makes it obvious to infer that certain castes continue to hold the tradition of performing business, along with the entry of ‘new’ castes in to the fray. The response of the helpless and traditional caste groups to the changing scenario is very interesting. The intolerance is evident as other caste groups, non-traditional communities entering into the market. To quote, one of the respondents, ‘every body (caste groups) is entering all markets and they are spoiling the market, culturally, traditionally, ethically, business wise and the way of transactions’ are made” and continued, ‘they do not know how to do business and as a result markets are in bad shape now’.

The idea prevailing is certain occupations and businesses are meant for certain castes and communities and with the new entrants, in the market resulted in the comments like the business has come down, honesty is missing, cut throat competition has come in , too much loss, no perfection in the work, cheating, etc., things are being witnessed. These are some of the comments one generally gets to hear. This phenomenon of different caste groups entering into various non-traditional occupations and particularly business could be witnessed as a social conflict built within to make minor adjustments as Coser theorises as ‘social conflict’ to readjust with not major revolution but with minor changes and adjustments.

The phenomenon of changing **caste** structure in terms of dominating the market scene can also be analysed from different theoretical perspectives. It was perceived to be functional to have particular caste men to handle a particular kind of occupation and market. The same

continues to exist to some extent (empirically shown in the table), but it is changing (also explicit in the table). The logic of profitability in terms of social status and monetarily might have raised the conflicting ideas and notions in the minds of all caste men and as a result of which, almost all caste group people are venturing into various kinds of occupations and eventually different types of market. This open occupational system reminds the clear concept of varna system of the pre-vedic period, where the system was very flexible which latter on became water tight compartments over a period of time.

This open system is based on one's capacity, affordability, potentiality and expertise and not much (now) on the caste background. Earlier, customers did not have the choice of choosing their shop owner or shop in particular on any ground (but economic). Now, the scenario has changed and all caste men are in the market and the margins or discounts are offered by one and all. This phenomenon of entry of different castes in to the market scenario is reiterated by the cross verification and analysis of location of the shops by their caste background. As and when the town expanded the new shops emerge and in that process, the entry of 'new' caste groups is further more clarified by their background. Along with the shift in the core market position from one location to another (graphically presented in the appendix C) explains the transformation.

Caste-wise Location of the Shops' Table:

CASTE OF THE SHOP OWNER * LOCATION OF THE SHOP CROSS TABULATION							
CASTE OF THE SHOP OWNER	LOCATION OF THE SHOP						TOTAL
	CITY CENTER	CITY MARKET	SHOPPING COMPLEX	RESIDENTIAL SHOPPING COMPLEX	SINGLE SHOP IN THE RESIDENTIAL AREA	STREET VENDOR	
BRAHMIN	0	3	0	3	12	0	18
LINGAYAT	0	0	0	9	9	3	21
MARWADI	3	6	0	0	0	0	9
VAISHAYAS	6	12	0	3	6	0	27
OTHERS	0	3	9	12	6	3	33

DHARJI	3	3	0	0	0	0	6
BHAUSARA KSHATRIYA	0	6	0	0	0	0	6
TOTAL	12	33	9	27	33	6	120

The presence of traditional castes in city centre and city market in large number, followed by the presence and emanation of non-traditional castes in residential areas confirm again two important factors of evolution of Shimoga market and 'market' as a whole. First, the emergence of 'new', non-traditional castes into the business can be seen as a change in the process of evolution. Secondly, the presence of caste wise shops and their development in the residential area, where residential areas are socially segregated but integrated at their own caste groups, reiterate the relationship between the caste of the customers and the shop owners. This phenomenon and the correlation between the castes are explained in detail later in the chapter.

This development can be analysed as, what Coser, says the social conflict and this is more functional than being dysfunctional. Similarly, this could also be seen as the part of rationalisation process as Weber identifies. But, this social and special segregation is branded as being communal and irrational. In fact, this is what rational to the society or at least for the members of the society who visualise that this development eases their transaction process every day. This can also be witnessed as the culturally deliberated attempt to come together even in terms of economic frontier.

Conclusion:

Market as an institution has not emerged in one day but it has taken lot of time and it continues to evolve as and when the social structure alters and as long as institutions are interlinked with each other. Family business and generations running the same business is not only specific to one society but across the globe. The information and training gets imparted right from the childhood and hence they are engrained in the minds of the younger ones. In addition, the families are a part of larger social system and the social structure gets reflected in the market as well. Further, with the advent of technology, formal training and accessibility to all other sections of the society, now more representation is visible from the excluded as well. With

the increase in the market spaces the opportunity to establish and to do business has also increased. Hence, more customer base as the income levels are increasing which means there are opportunities for more business establishments. As a result, more opportunities have sprung up. This allows now to those sections of the people who were earlier either denied or were afraid of entering into these spheres. Markets when it expands it provide opportunity to people. Interestingly, there were certain areas of market opportunity which were not explored and hence were no man's land and some with selected people's domination are no longer so, people seem to explore all areas where better opportunities to work are available and take them as challenge. Market is not only economic entity, but more so of social reality which speaks of contextual structures and are very interesting to see. These are some sources of information which help investors to explore and establish.

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