

Provincial Capital and Social Networks: Study of Propertied Classes in a North Andhra Town

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in Partial Fulfillment of the Requirements for the Award of

DOCTOR OF PHILOSOPHY

IN

DEPARTMENT OF SOCIOLOGY

BY

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17SSPH02



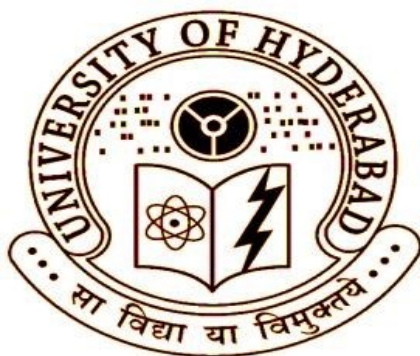
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**DEPARTMENT OF SOCIOLOGY, SCHOOL OF SOCIAL SCIENCES,
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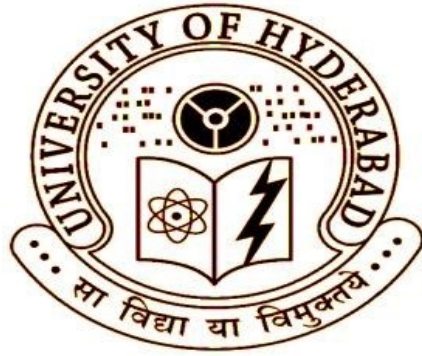
DECLARATION

I, **Rambarki Raviteja**, hereby declare that this thesis entitled “**Provincial Capital and Social Networks: Study of Propertied Classes in a North Andhra Town**”, submitted by me under the guidance and supervision of Prof. N Purendra Prasad, is a bonafide research work for the award of Doctor of Philosophy in Department of Sociology from the University of Hyderabad. I also declare that it has not been submitted previously in part or in full to this University or any other University or Institution for the award of any degree or diploma. I hereby agree that my thesis can be deposited in Shodhganga/INFLIBNET.

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CERTIFICATE

This is to certify that the thesis entitled **“Provincial Capital and Social Networks: Study of Propertied Classes in a North Andhra Town”**, submitted by **Mr. Rambarki Raviteja**, bearing Reg. No. **17SSPH02**, in partial fulfillment of the requirements for the award of Doctor of Philosophy in Sociology, is a bonafide work carried out by him under my supervision and guidance, which is a plagiarism-free thesis.

The thesis has not been submitted previously in part or in full to this or any other University or Institution for the award of any degree or diploma. Further, the student has the following publication(s) before submission of the thesis/monograph for adjudication and has produced evidence for the same in the form of acceptance letter or the reprint in the relevant area of his research:

A. Publications in Academic Journals:

1. Prasad, P and Rambarki, R. 2023. Wealth elites and their accumulation dynamics: Hyderabad City Region. Wealth Inequality Working Paper | Number 52
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1. Presented a paper titled “Uttarandhra Sahithyam lo Saamajika Amsaalu: Bhoomi Samasya mariyu Nayaa-Udhaaravaadha Maarpulu” in the Two-Day UGC International Conference on Telangana, Dakshina Bharatha Saahithya Udhayamaala Samaalochana, organised

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Further, the student has passed the following courses towards fulfilment of the coursework requirement for Ph.D.

Sl. No.	Course Code	Course Title	Credits	Results
1	SL801	Advanced Sociological Theory	4	PASS
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DECLARATION

CERTIFICATE

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Chapter-1

Small Towns and Capital Accumulation: Introducing the Research Problem

Introduction: Context (s) of urbanisation

Urbanisation in India can be understood within two distinct contexts. The first pertains to India's position in global urbanisation. Over the past five decades, there has been a shift in global urbanisation dynamics, moving from Global North to Global South, often referred to as the 'Asian urban century'. In other words, more than seven out of every ten urban residents worldwide are now found in developing countries, with approximately half of the world's urban population residing in Asian nations (UN-Habitat, 2012, cited in Roy, 2014). The second entails the role of towns in the urbanisation pattern in India. The percentage of the urban population in India has steadily increased, from 11% in 1901, 17% in 1951, 28% in 2001, and 31.1% in 2011 (Kundu, 2011). Even as the 2011 census indicated the growth of small and census towns, their numbers are underwhelming (Mukhopadhyay et al., 2020). For instance, researchers like Denis and Marius-Gnanou (2011), using the Settlement Agglomeration (SA) approach¹, identified nearly 6,500 of these SAs, in stark contrast to the official count of 3,289 towns with populations of 10,000 or more. Their findings also indicated a percentage of 37%, a significant divergence from the official figure of 27.8% reported in the 2001 census (Guin, 2019).

Similarly, between 2001 and 2011, the count of census towns surged from 1,362 to 3,894, and the proportion of individuals residing in these towns increased from 7.4% to 14.6% (Pradhan, 2013). If we adopted a population threshold of 5,000 for defining urban areas, which is the case in many countries, it would mean that roughly 61% of India's population² resides in urban settlements with fewer than 100,000 inhabitants (Mukhopadhyay et al.,

¹ They define Settlement Agglomeration (SA) as an urban entity, characterised by a contiguous built-up area with a population of 10,000 or more. This contiguous built-up area comprises settlements that are spaced no more than 200 meters apart. Satellite imagery is used to pinpoint these contiguous built-up areas, and their respective population sizes are determined by summing the population figures of the individual settlements within them (Guin, 2019).

² Although this parameter does not hold entirely true for India, it is kept here for the purpose of indicating trends of urbanisation.

2020). Numerous scholars, including Bhagat (2005b), Dupont (2002), Kundu (2007), and Dhaliwal (2004), have turned to census data to define small towns based on population size. While their specific population thresholds may vary, most of them concur that small towns typically fall within the population range of 20,000 to 50,000 (Raman et al., 2015). However, while these definitions primarily emphasise population size and demographic variables, it is crucial to consider additional factors, such as the extent of commercial activities, networking with other small towns, the presence of business-oriented villages, the emergence of affluent and political elites, labour movements, and caste mobilisations. Clearly, census categorisation is unable to reveal the true picture of urbanisation.

The significance of the towns is informed by the fact that nearly 70% of the urban population and one-third of the total population are thought to live in towns. An estimated 60-68% of India's urban population resides and works in non-metropolitan areas, while the non-corporate informal sector generates more than two-thirds of the Gross Domestic Product (GDP) (Harriss-White, 2015). Interestingly, this phenomenon is not unique to India; in fact, a significant portion of the global urban population resides in small and medium-sized cities, which have received relatively little attention in research (Bell & Jayne, 2006). For this very reason, it is increasingly important to examine small towns from different vantage points (Raman et al., 2015). Given the ubiquitous nature of small towns in India and their importance in the capitalist economy and urbanisation and, thereby, for globalisation, 'the urban theory has to take account of the material realities of the urban' (Roy, 2015).

Section I: Policy, Capitalist Development and Urbanisation

In the post-independence period, policies initially focused on rural areas and later on small and medium-sized towns to promote their economies and establish connections with their hinterlands. However, after the 1990s, economic liberalisation policies shifted their emphasis to the existing larger metropolitan areas. This paradigm shift was based on the belief that cities serve as the primary engines of economic growth and should, therefore, take precedence in policymaking (Sivaramakrishnan, 2011). Consequently, several policies that previously supported small-scale and cottage industries, often decentralised in nature and linked to local resources, which facilitated job creation without significant migration, were replaced by policies favouring the economies of agglomeration (ibid).

Drawing on the different scholarly works, Patel (2009) classified the emergence of colonial towns in two ways: one, administrative (Delhi) and cantonment towns (Lucknow, Pune) and second, commerce and trade-related towns such as Calcutta, Bombay, Madras, Hyderabad. Further, she emphasises that the evolution of Indian urbanisation can be traced to three growth phases. The initial phase, which commenced in the 1940s, witnessed the development of capital-intensive industrialisation, giving rise to cities like Bokaro, Bilai, Durgapur, and Rourkela. The second phase, emerging in the 1960s, was characterised by the growth of small-scale labour-intensive industries, leading to establishing provincial towns such as Surat, Faridabad, Ghaziabad, Ludhiana, Kanpur, and Meerut. The third phase of urbanisation, linked to the service economy driven by globalisation, began in the late 1980s, extending to cities like Bangalore, Hyderabad and Pune (Patel, 2009). In a later phase, driven by both neoliberal restructuring and the establishment of new federal states, the imagination of greenfield cities became necessary as the new frontiers of capital accumulation and these cities include Amaravati in Andhra Pradesh, Naya Raipur in Chhattisgarh, Gurugram and Greater Noida in the Delhi area, Rajarhat in Kolkata, Electronic City in Bengaluru, and Cyberabad in Hyderabad (Prasad, 2021). It is important to emphasise that capital accumulation and the emergence of urban settlements are closely interconnected. This connection is influenced by the interaction of regional and global economies with local dynamics, migration patterns, the role of the state and its policies, and agricultural histories (Patel, 2009; Chari, 2004; Gururani, 2020). Similarly, the growth of small towns can be closely linked to the trajectory of capitalist development in India. These towns often serve as microcosms reflecting the country's larger economic trends and shifts.

Section II: Research Topic and Theoretical Premises

We can identify several key premises based on the literature in agrarian studies and urban studies. Firstly, it is important to note that there is no straightforward, linear progression from rural to urban or from agrarian to industrial societies. In other words, the relationships between rural-urban dynamics and agricultural-capitalist systems are complex and multifaceted. Secondly, the development of Indian capitalism is marked by regional disparities and distinct historical paths, which is to say, the urbanisation process is not consistent throughout India's different regions (Harriss-White, 2016). Thirdly, urban researchers and policymakers, particularly since the 1990s, have shown a strong focus on metropolitan cities. While India boasts nearly 8,000 towns, most scholarly attention is

directed at a select few major metropolises. Consequently, the growing importance of regional capitalist trajectories and the role of small towns in comprehending the logic and nature of urban processes receive less attention in comparison to major cities. This ‘metropolitan bias’ fails to provide a comprehensive view of urbanisation and overlooks the rising significance of small towns in the urban transition, especially considering that most of India’s urbanisation is driven by these small towns (Mukhopadhyay et al., 2019). Fourthly, there is a rising significance of non-farm incomes (Shah & Harriss-White, 2011). Moreover, there are shifts in the surplus transfers. It is not just about agrarian surplus moving into non-farm sectors; the surplus invested in various sectors is not solely derived from agriculture but can also originate from diverse non-farm sources.

Scholars like Harriss-White (2015) and others argue that towns can experience growth independently of their proximity to major cities or their global connections. In essence, certain small towns have the potential to foster new economic activities that are not reliant on major cities or their global ties. On the other hand, one of the key insights from subaltern urbanisation scholars is that the growth of large metropolises does not come at the cost of smaller towns. In fact, Chandrasekhar and Sharma (2014) identified three key factors influencing urban growth. First, there is the natural growth and expansion of the area. Second, reclassification from rural to urban can occur due to changes in the occupational character of the settlements. Third, urban growth can also result from net migration. Among these three factors³, rural-to-urban migration typically contributed only one-fourth of urban growth (Chandrasekhar & Sharma, 2014, as cited in Mukhopadhyay et al., 2020). In other words, smaller towns continue to proliferate as more and more villages transition into towns. Consequently, the evolution of urbanisation in India does not conform neatly to the conventional trends found in current urban theories, which primarily focus on urban transitions based on the experiences of large metropolitan areas (Mukhopadhyay et al., 2019). As such, scholars of subaltern urbanisation, such as Zerah and Mukhopadhyay, emphasise the importance of perceiving urbanisation as a networked process rather than one characterised by a hierarchy of cities.

³ Between 2001 and 2011, the urban population saw an increase of 90.9 million. Out of this total, 38.5 million can be attributed to natural growth and the expansion of urban areas, 31.8 million resulted from reclassification due to changes in the occupational character of the settlements, and the remaining 20.6 million were the result of net migration. Notably, 32.1 million people migrated from rural to urban areas, while 11.5 million individuals moved from urban to rural areas, indicating a bidirectional population flow (Chandrasekhar & Sharma, 2014, as cited in Mukhopadhyay et al., 2020).

These small towns are characterised by dynamic urban population growth, on the one hand, and relative infrastructural deprivation and a predominant informal economy with scores of unorganised labour on the other. Also, the unique growth and development of the small towns are influenced and shaped by local factors such as agriculture and allied activities, non-agricultural activities, caste and political networks and external factors such as neo-liberal policies, national and international markets, state regulation or non-regulation, etc. This is to say, although these towns are increasingly integrated with national and international markets, their socio-economic base is locally rooted and culturally supported. The significance of examining small towns and the regional political economy extends beyond mere theoretical curiosity. To elaborate, small towns in various Indian states have their economies primarily influenced by diverse caste and religious communities, each imprinting their unique subcultures on economic activities. These influences can differ across sectors, regions, and historical periods. Despite their centrality, these dynamics have received limited attention in academic research.

To understand why small towns are growing in India, subaltern urbanisation scholars emphasise that the growth of small towns and the urban transformation of villages often represent a manifestation of India's current socio-economic transition. This transition is characterised by a decline in agricultural job opportunities and a lack of significant employment generation in the industrial sector, which limits migration to major cities. As a result, despite the challenges of obtaining resources in these small towns, individuals opt to remain in familiar surroundings where they can rely on the local sense of solidarity (Mukhopadhyay et al., 2019). Additionally, better road connectivity on the one hand and the scarcity of job opportunities in villages on the other contribute to the rise of significant rural settlements and small towns, which also attract the clustering of villages around manufacturing activities, for instance knitwear industry in Tiruppur (Chari, 2004). Consequently, there is an emergence of new economic activities in the small towns of India. The emergence of new economic activities in areas like the construction sector, para-transit services, cell phone-related services, private education, private healthcare, and hotels frequently involves a higher degree of self-employment and returning migrants. This hints at a transition towards post-agrarian urbanism in places that urban researchers have largely overlooked (Jodhka & Kumar, 2017). Critical urban studies scholars assert that small towns are at the frontline of the transition and, in fact, accommodate a higher share of non-regular workers compared to larger cities and provide access to resources and non-farm activities

(Mukhopadhyay et al., 2019). Considering the significance of small towns in the processes of capitalist accumulation and urbanisation, this study aims to position itself within the existing body of research on small towns **(location I)**.

Regarding small towns, it is worth noting that a significant portion of town studies have focused on regions with substantial urbanisation, such as Tamil Nadu, West Bengal, and Punjab (Raman et al., 2015). What is particularly intriguing is understanding the underlying factors. In Tamil Nadu, the small-town economy is primarily shaped by manufacturing, particularly in the textile and leather industries, in conjunction with the influence of OBC politics in the state. On the other hand, Punjab has experienced the advantages of the Green Revolution, resulting in a robust agrarian surplus. While the state of Andhra Pradesh has not undergone industrialisation like Tamil Nadu, specific regions within Andhra Pradesh have benefitted from agrarian surpluses facilitated by canal irrigation and the Green Revolution. This, in turn, has led to the emergence of regional elites and their expansion. This dynamic has fuelled regional imbalances and competition among provincial elites from different regions of Andhra Pradesh, including South Coastal Andhra, Rayalaseema, and North Andhra. It is worthwhile to note that the early location of the provincial capital is the provincial town, which subsequently diversified. While there is a significant body of research on South Coastal Andhra (Upadhyay, 1988; Parthasarathy, 1997; Benbabaali, 2018) and Rayalaseema (Prasad, 1996; Balagopal, 2004), there is limited research on North Andhra, especially concerning provincial elites. Additionally, the present socially and politically dominant castes, Kammas and Reddys, represent the respective regions. In this context, the present study aims to position itself in a North Andhra town to examine how the political economy of Andhra Pradesh impacted the emergence of elites from the North Andhra region **(location II)**.

In their review of literature on small towns, Raman et al. (2015) observed that while many studies have delved into the social, political, and economic aspects of non-metropolitan areas, they have predominantly centred on topics such as labour, migration, the entrepreneurial culture, social change, and local politics and governance. They further note that much of the existing literature can be categorised into three main areas: specific caste studies, like Chari's (2002) examination of Gounders, Birla's (2009) analysis of Marwaris, and Rudner's (1994) work on Chettiars; specific industry studies, including Upadhyay's (2004) focus on the IT sector and Engelsohven's (1994) study of the diamond industry; and studies focused on

particular localities, as exemplified by Harriss-White's (2015) research on Arni town, Harris's (2003) exploration of Madras, and Hazlehurst's (1966) investigation into Punjab. Among these works, some, like those by Chari and Harris, address the role of entrepreneurship in small towns and its connection to land and caste-based land ownership. However, in general, the attention given to the transformation of land in small towns is somewhat limited. The current study seeks to explore a specific aspect, namely the emergence of a propertied class and the dynamics of provincial capital. It places particular emphasis on the pivotal factors that contribute to the formation of this class. Within this framework, agrarian land assumes a crucial role, as the historical developments in agrarian contexts greatly influence the processes of accumulation (**location III**).

As small-town economies are predominantly informal and beyond state regulation, it would be interesting to understand the underlying social and political networks such as caste, gender, and class. These factors influence differential access for individuals and social groups to infrastructure, means of production and distribution of resources, which would, in turn, alter the balance of power asymmetrically. The important characteristic of small towns is that the provincial capital dominates the economic space within small towns. Harriss-White (2003, p.41) defines the provincial capitalist classes as a loose coalition of non-monopoly comprising small landowners, rich and middle peasants, merchants of rural and semi-rural townships, small-scale manufacturers and retailers that mattered the most for the direction and pace of the development. In the current study, the concept of 'provincial capital' serves as a valuable framework for examining small towns' socio-economic nature and composition of the elites. Provincial capitalism is an economic and political system in which the trade and industry of a province are rooted in villages and small towns in rural areas. Resources and labour are sourced from the surrounding hinterlands through market systems. Two important points should be noted. First, this provincial economic system is deeply embedded in institutions such as religion, caste, gender, and ethnicity. Second, local communities play a central role in the economic operations of these towns. Many scholars have conceptualised towns as 'hubs' and vital 'linkages' between rural hinterlands, major cities, and the global neoliberal capitalist order. However, towns do not just function as hubs and linkages but also become increasingly integrated into the global capitalist system, to the point that provincial capital is gradually losing its independence from the global capitalist order (Scrase et al., 2015). This has two significant implications. Firstly, there is a growing sense that the provincial economic character of these towns is slowly eroding. Secondly, the

global capitalist order challenges and transforms provincial economic activities (Rajan, 2017). These two outcomes can potentially disrupt the local communities that have traditionally upheld provincial capitalism.

As mentioned earlier, Indian capitalism is marked by significant regional variations. This gets further complicated by the diverse nature of Indian society, encompassing distinctions in caste, language, ethnicity, tax regulations, labour laws, and their roles in social hierarchy and politics. In other words, Indian business comprises numerous subfields, each possessing a certain degree of autonomy. Most importantly, the economic actors differ across all regions and sub-regions and invoke competition as they navigate these diverse fields to generate wealth (Jodhka & Nuadet, 2020). Despite this, few works have traced the structural roots of wealth in Indian businesses, even though there are caste-specific studies on Indian business communities (ibid). The globalisation and steep social and economic inequalities resulting from globalisation and historical forces (Savage, 2018) have given rise to recent interests in wealth and wealth accumulation processes and wealthy elites of various geographical scales.

If one observes the post-1991 phenomenon, these are the broader trends. Firstly, India's most recent economic success stories have been in relatively skill-intensive or capital-intensive industries (software, pharmaceuticals, vehicles, auto parts, and so on) and e-commerce-based firms (Bardhan, 2020). Secondly, there is not much evidence that the dominance of incumbent firms has declined in the Indian industrial sector even after economic liberalisation (Alfaro & Chari, 2012). Thirdly, there were many new entrants from 1991 to 2014-15, among India's 50 biggest conglomerates in 2014-15, only 15 were part of a similar list of 1990-91. The 35 new entrants comprised many who were small, if not non-existent, in the pre-reform era (Damodaran, 2020). Fourthly, Recent reports on wealthy individuals in India indicate a significant presence of elites from small towns or those who originated from such towns (Hurun India, 2020, 2021; Economic Times, 2022; India Today, 2022). While most small towns are not the primary locations for capital and skill-intensive sectors, what is driving the growth of small towns and the provincial elites, especially in relation to the stock and financial markets (**location IV**)?

The following research questions and objectives are identified based on the four locations identified above.

Section III: Research Questions and Objectives of the Study

Research questions:

1. What is the relevance of the agrarian question to the emergence of the provincial elite and for the expansion of the secondary circuit of capital?
2. How does the provincial elite mobilise resources in dry-agrarian regions (where surplus is scarce), and in the process, how do they engage with rural-urban and urban-regional linkages?
3. Who constitutes 'provincial propertied classes' today and what are the pathways through which provincial elite transcend the provincial circuits? What are the significant barriers?

Research objectives:

1. To understand the logic of the provincial capital and propertied classes in a North Andhra town.
2. To examine the key dynamics through which surpluses (both agrarian and non-agrarian) get converted into capital in urban processes.
3. To analyse the importance of a network of towns in responding to circuits of capital.

Section IV: Methodology

As the present study is on provincial capital (business and propertied classes) and their circuits in the accumulation processes, it is very important to narrate the story of a region from a political economy perspective because it foregrounds how wealth has been generated. Since the North Andhra region has received less scholarly attention than other regions of Andhra Pradesh, such as South coastal Andhra Pradesh and Rayalaseema, the challenge has been to embark on foregrounding the region and its political economy that has been shaping the region, economy, livelihoods, and culture. Thus, a systematic understanding of the evolution of agricultural and non-agricultural trade and its practices, new businesses and industry, and their sociological character is significant for explaining the provincial capital. Since the proposed field site is North Andhra town, this thesis engaged with the *Uttarandhra*

(North Andhra) region with a descriptive-analytical narrative to trace the historical account of the region in terms of agriculture, trade, industry, land regimes, and service economy that are contingent, directly or indirectly on the contemporary capitalist processes. I worked on the political economy of North Andhra (chapter 3) based on secondary sources. The sources, such as Gazetteers of Vizagapatam (Francis's 1902 and Carmichael's 1869) provided useful information on the region, which was a part of the Madras presidency. Studies focusing on the relations between Zamindars and East India Company have been scrutinised thoroughly. Other sources include monographs, personal dairies, and various accounts of Bobbili Zamindar, of which Rajam was a part, have also been consulted. For quantitative data about landholding patterns, irrigation, industries, etc., government data sources such as Agricultural Statistics, Census of land holdings, and different ministries were consulted wherever they deemed fit. Though scanty on the North Andhra region, secondary scholarly works were also reviewed for the purpose of this study. Given the paucity of work on the region, vernacular literary sources such as short stories and novels have been consulted and the same have been used sparingly and with caution. Furthermore, I tapped into vernacular magazines such as *U. Ra. Ka. Ve⁴* and the works of local writers and novelists whenever necessary to enrich my research. These methods collectively allowed me to construct a detailed account of the political economy of North Andhra and its social and economic fabric.

For the purpose of empirical study, Rajam town of North Andhra has been selected (the rationale for the selection is given in Chapter 4). In the field site, a pilot study was conducted over two months in June 2018 and October 2018, with few preliminary questions. The purpose of this pilot study was to guide in developing subsequent research questions, objectives, and the questionnaire for the full-fledged fieldwork.

Regarding the quantitative data sets, I obtained information on 55 registered business firms in Rajam town from the Zaubo Corp website, which contains data provided by the Ministry of Corporate Affairs (MCA) about registered companies. During the fieldwork, I mapped out the caste identity of the promoters of these registered companies (see Annexure 2). Additionally, I collected data about 277 business establishments and the caste of the owners, relating to 19 types of businesses (see Annexure 3).

⁴ Uttarandhra Rachiyathalu Kalaakarula Vedhika.

Spanning approximately nine months, from September 2019 to March 2020, with additional work in June and July 2020, I conducted extensive fieldwork in the town. I joined social media groups, including WhatsApp and Facebook, to immerse myself in the town, fostering connections with local residents. In addition, I became an active member of *Rajam Rachiyathala Vedhika*, a writers' forum organised by school teachers. I not only attended the monthly meetings of Rajam Rachiyathala Vedhika but also participated in various meetings on different themes and issues organised by Andhra Pradesh Teachers' Federation (APTF) and United Teachers' Federation (UTF). I frequented the George Coronation Club⁵ (GC Club), a popular recreational facility in the town, to acquaint myself with the townspeople. I cultivated relationships with locals, including school teachers and journalists through these channels. Leveraging these connections, I established contacts with various stakeholders, such as local business people, real estate developers, and traders.

Given the focus of my research on provincial elites, I employed a technique known as 'identifying notables' in the town. 'Notables' are individuals who hold prominent positions in business, politics, community organisations, and social activities within the community. Building relationships with these individuals was a challenging task. To facilitate this, I leveraged the connections that I have developed through my involvement with the *Rajam Rachiyathala Vedhika*, with some of its members introducing me to the notables in the town. I actively utilised purposive and snowball sampling techniques. Along with this, I stayed in touch with the town's happenings by regularly reviewing newspapers, commercial advertisements, classifieds, real estate flyers, and pamphlets related to new commercial establishments and took notes and recorded the names of prominent individuals in the town. This approach provided me with essential information to initiate discussions before administering the prepared questionnaire.

The fieldwork proceeded in two ways. First, I engaged with knowledgeable individuals within the town to gain insights into its overall developments in the town over the years. Subsequently, I conducted semi-structured interviews with specific individuals. In certain cases, I delved into the family histories of local businesspersons through in-depth case studies. In total, I conducted interviews with 51 (see Table 1.1 and Table 1.2) individuals

⁵ GC Club was established during the early 1940s to commemorate the coronation of King George VI.

hailing from various castes and occupations, with a mixture of both brief and extensive discussions, often meeting some of them multiple times.

Table 1.1. Caste profile of the respondents			Table 1.2. Occupation profile of the respondents		
S. No	Caste of the respondents (All male respondents)	No. of respondents (Total=51)	S. No.	Profession/Occupation	No. of respondents (Total = 51)
1	Vysya	8	1	Business people	14
2	Turpu Kapu	18	2	Small (petty) Business	4
3	Velamadora	3	3	Teachers	7
4	Telaga	4	4	Journalist	4
5	Devangula	5	5	Construction/Builders	4
6	Koppula Velama	2	6	Real Estate	5
7	Dalit/SC	3	7	Weaving	1
8	Yadhava	2	8	Government Officials	2
9	Patnaik	2	9	School Correspondent	2
10	Pattusalee	1	10	Politicians	3
11	Outside North Andhra	3	11	Workers Union	2
			12	Doctor	1
			13	Lawyer	1
			14	General Manager in Jute Mill	1

I tried to ensure a broader representation of castes among the businesses. Regarding female respondents, despite my attempts to interview women from business families, women preferred not to participate, stating that their husbands would be the ones to speak to and requesting that I return when their husbands are available. Obtaining information related to businesses, investments, and wealth was a methodological challenge in this study. Respondents exhibited reluctance to discuss these topics openly, deeming them ‘intimate’ and ‘private’. Additionally, some school teachers expressed apprehension, fearing that I might be a government official conducting undisclosed school inspections. In such situations, my established rapport with certain local individuals proved invaluable, reassuring the

respondents that the interviews were conducted for research and educational purposes rather than government-related enquiries. Building this level of confidence among the respondents was a time-consuming and diligent process.

My approach consisted of a two-fold strategy. Firstly, when I encountered an individual from a particular caste, I would enquire about the caste, its presence in the town, and notable businesses associated with it. This provided an overarching understanding of the caste within the community and identified key figures. Secondly, if I identified a specific respondent as crucial for gathering information, I would initiate direct contact with them, either individually or with the assistance of local contacts. This allowed me to establish a rapport and conduct an interview. In cases where direct contact was not feasible, I would seek out individuals who were closely associated with or knowledgeable about the intended respondent. Surprisingly, it was often these secondary sources that provided valuable insights. This dual-pronged strategy facilitated cross-verifying the information received and compiling the final dataset. Since the subject revolves around wealth and individuals' personal details concerning their assets, not many are willing to disclose such information. To counteract this to some extent, informal sources, such as rumours and allegations, are being cautiously utilised to corroborate the available information. Additionally, provocations, including the intentional misquoting of data or misinformation, are occasionally employed to prompt respondents to share information. While this technique does not always prove effective, it has certainly been helpful in obtaining certain fragments of information.

During the field study, I made an effort to gather information related to the trading activities in the towns and tried to identify the families involved in these activities, as well as commission agents and middlemen. Additionally, I explored how these individuals diversified their ventures into agro-related units such as rice mills, cashew nut processing, groundnut processing, oil mills, and sugarcane crushers. I also examined the credit relations involved in pooling capital to establish these units and how the trading activity and surpluses contributed to the development of small to medium industrial units, including jute mills, cable industries, ironworks, cement production, biscuit manufacturing, aluminium factories, and sugar processing plants. Finally, I investigated the outcomes for those involved and their diversifications when industrial activity declined.

Section V: Structure of the Thesis

After data analysis, the thesis is structured into seven chapters, including the Introduction and Conclusion. Chapter 1 introduces the research problem while locating the study within the broader research context, defines the research questions and objectives, and outlines the methodology.

Chapter 2 delves into three primary aspects. First, it explores the ongoing debates within urban theory and highlights the significance of studying small towns, offering a fresh perspective on the urban question in today's context. Second, it aims to analyse the relevance of the agrarian question in the context of contemporary urbanisation, capitalist accumulation, and the formation of provincial elites. Lastly, in conjunction with the above aspect, the chapter examines the pathways that explain the emergence of provincial capital and underscores the importance of frameworks such as Social Structures of Accumulation (SSA) and regional political economy as valuable tools to understand this emergence. Drawing upon these three lines of inquiry, the chapter ultimately culminates developing a theoretical framework for the proposed study.

The proposed study focuses on provincial capital and propertied classes, and as part of empirical research, a specific North Andhra town has been chosen. To provide context for this selection, Chapter 3 outlines the political economy of North Andhra. The central question in this chapter revolves around how various caste communities have influenced the North Andhra region over the past two centuries. Utilising land and caste as analytical variables, the chapter examines shifts in social dominance over time and how dominant Other Backward Class (OBC) castes have disrupted the established social hierarchy of feudal landlords. Alongside this analysis, the chapter also addresses the marginalisation of Dalits, Tribals, and the Fishing community within this context.

Chapters 4 to 6 are grounded in empirical data concerning small-town elites. Chapter 4 examines the socio-economic characteristics of Rajam town, shedding light on significant shifts within the town and how these shifts impacted/led to different regimes of accumulation. This chapter also serves the purpose of offering a substantial foundation for the subsequent chapters.

To discuss provincial capital and propertied classes, a helpful distinction is made between the old and the new logic of provincial capital, although it is worth noting that this distinction may not be sustainable due to the evolving trajectory of provincial capital. These discussions are covered in Chapters 5 and 6. Chapter 5 centres on the emergence of the provincial capital and its trajectory in a small town and cultures of wealth creation. Through case studies of key players in Rajam town, this chapter illustrates how various social networks, primarily family, caste, and political affiliations, played crucial roles in the emergence of the provincial capital. The chapter also delves into the role of mercantile capital in laying the foundation for global capital within this context.

While Chapter 5 initiated the discussion on the old logic of provincial capital, often drawing surpluses from agricultural trade and mercantile activities, Chapter 6 builds on the previous chapter about different cultures of wealth creation and emphasises the discussion on the new logic of provincial capital, focusing on land, neoliberal consumption, and the privatisation of essential services such as health and education. In doing so, this chapter explores how the interactions between provincial and non-provincial networks helped new players penetrate the town's economy and compete with existing players. Furthermore, this chapter discusses how employment and small-scale commodity production enable a few farming communities to impose limits on accumulation by retaining ownership of parcels of agricultural land and 'self-converting' them into real estate properties. The final chapter provides the discussion and offers some conclusions.

Limitations:

The study encountered a significant limitation arising from challenges in identifying a specific wealth threshold category due to difficulties in obtaining detailed wealth information. Consequently, the research methodology underwent a crucial transformation, transitioning from a quantitative paradigm to a more intricate qualitative approach. This adjustment was essential for navigating the inherent complexities associated with precisely delineating distinct wealth categories among the targeted elite group. Although the nature of this study necessitated the adoption of the snowballing technique, it presents a potential limitation in achieving a fully representative and unbiased sample.

Chapter-2

Urban Question and Regional Political Economy: Towards a Theoretical Framework

The twenty-first century is witnessing unprecedented levels of urbanisation, with over half of the world's population now residing in urban areas. This significant moment in history marks the urbanisation of the world (Merrifield, 2011, 2013; Brenner & Schmid, 2017). Roy (2018) observes that even though the global North has predominantly shaped urban theory, current urbanisation trends are shifting towards Asian countries, which she calls the 'Asian turn'.

As discussed in the preceding chapter, small towns are crucial for urbanisation and capitalist accumulation. However, despite their undeniable significance, there is still a lack of comprehensive understanding of small towns and regional and sub-regional political economies. Examining this increasing complexity entails exploring why urban imagination has predominantly fixated on metropolitan cities, megacities, and city outgrowths, not just in the global north but also in the global south, including India. This shift in focus raises questions about its implications for the field of urban studies literature and urban theories.

Classical sociological theorists like Marx, Weber, and Durkheim have directed their attention to the economic transformation, mode of production, and cultural underpinnings of economic phenomena. Parsons and Simmel have also explored economic aspects from a sociological perspective. For Marx, 'all social relations are material relations' and 'all material relations are essentially social' both so interconnected. The second formulation yields more nuances in understanding the social character of the economy, economic actors, and economic activities, whereas the first focuses on production relations. Similarly, EP Thompson broadened the definition of class and says that class is a social and cultural construct that cannot be defined in isolation but rather in relation to other classes (Parthasarathy, 2015). Additionally, Polanyi's concept of embeddedness underscores how economic exchanges are socially embedded in all three forms: reciprocity, redistribution, and the market. Despite the significance of studying economic actions, sociological scholarship has given it relatively little attention. While the 'economic' did receive some attention in the context of agrarian and village studies, and specific economic themes like labour, factories, and trade unions did attract the attention of some sociologists, there remains a notable absence of a sustained and

robust academic tradition focused on sociological studies of the economy in India (Mushin & Thakur, 2021).

Overview of urban theory:

The Chicago School of Sociology is rooted in the human ecological approach to studying urban processes, focusing on factors like size, density, and heterogeneity to define what constitutes an urban area. This approach viewed the city as a complex social and cultural entity. However, during the late 1960s and early 1970s, the subject matter of urban sociology underwent a significant transformation. Manuel Castells critiqued the Chicago school paradigm for its failure to acknowledge the fundamental role of capitalism as a framework for social organisation. According to Castells, this omission led to a neglect of the profound political influences shaping urbanisation and cities (Scott & Storper, 2014). The urban crisis during this period, marked by racial conflicts, poverty, and political mobilisation within communities, brought about a radical shift in the focus of urban sociology (Walton, 1993). This era propelled the question of class struggle to the forefront of analysis, highlighting issues related to wealth distribution and political demands emerging from the grassroots. In response to these developments, numerous scholars have carried forward this revised framework for the study of urban sociology.

Before the 1960s, the evolution of urban processes and the changes occurring within city spaces were predominantly understood and explained within the context of the national economy, a perspective often referred to as 'Methodological nationalism'. However, this conventional viewpoint was contested by notable scholars, including Lefebvre, Castells, and Harvey, who discussed urban processes globally. These theorists have "*argued that uneven development had to be studied both in a broader geographical context and in relation to worldwide capitalist production*" (Ren, 2018; p.500). In the 1980s, the shifts in the global economy gave rise to the globally important cities, whose prominence transcends the nation-state boundaries. Resultantly, the concept of world cities and the global city framework began to emerge in response to the restructuring of the global economy, changes in the mode of production, and the subsequent rise of global cities. Around the same time, the urban question became increasingly political as feminist scholars like Doreen Massey introduced intersectional categories such as race, gender, and ethnicity into the analysis of urban space and expanded their application to the broader field of urban studies. As we entered the

twenty-first century, post-colonial urban theories, forwarded by scholars such as Robinson, Roy, and others, gained prominence within urban studies. These theories challenged both the metropolitan bias present in urban theories and the universal assertions of Euro-American theories. Additionally, theoretical frameworks like actor-network theory and assemblage theory emerged to provide intricate, context-specific descriptions of urban contexts (Walton, 1993; Scott & Storper, 2014, 2016; Ren, 2018).

Over the past five decades, urban studies have witnessed a significant paradigm shift, and four principal theoretical frameworks have come to guide research on urbanisation within the context of capitalist functioning. These frameworks include the concepts of world cities and global cities, with influential contributions from Friedman and Sassen; the neoliberal framework, which incorporates the perspectives of Harvey and Marxist political economists; post-colonial theory advanced by Robinson and Roy; and the concept of planetary urbanisation, as articulated by Brenner and Schmid. These theoretical lenses provide valuable insights into the multifaceted nature of urban development and its intersection with capitalism.

Section I: Marxist Political Economy

The process of capitalist development is believed to transform the economy from a predominantly agricultural to an industrial one, leading to the concentration of economic activities in urban centres. This process, driven by the need for capital to accumulate and expand, requires an expanding market and an adequately housed labour force within commuting distance of factories and offices (a process that explains the urban agglomerations). However, this process also creates social class contradictions, such as conflicts over land use, rent, and access to public services. These contradictions give rise to social struggles between capital and labour or between property and industrial capital. The state plays a crucial role in mediating these conflicts, as it often aligns with capital and creates a conducive atmosphere for capitalist accumulation. At the same time, the state must also navigate the demands of the labour force and address the social class contradictions that arise from capitalist development. The contours of political power shape the state's response to these conflicts, with different political regimes adopting different strategies for managing social struggles. Ultimately, the structural logic of capitalist accumulation shapes the social and economic landscape, with the concentration of wealth and power in the hands of a few

capitalists and the simultaneous displacement and exploitation of the working class. As the global city and neoliberal frameworks grapple with these issues, both frameworks are discussed below briefly.

Global City:

The urban processes were linked with the capitalist mode of production, specifically tied to industrialisation and migration, where everyone lived in segregated neighbourhoods. Consequently, urban sociology predominantly emphasised the significance of the city itself, while the underlying processes were relegated to the background (Patel, 2018). In essence, the transformations within the world economy⁶ have led to a global-scale restructuring of production and labour arrangements. This shift has led to transnational corporations operating across multiple countries, fundamentally altering the urban landscape. It has also resulted in the hierarchical ranking of cities based on their significance in the global economy. As this restructuring involves significant changes in capital, labour, and specialised professional classes, it has impacted the built environment and social-spatial organisation of urban populations.

While Friedmann and Wolf referred to these cities as ‘world cities’, emphasising their close connections through transnational flows of corporate activities, information exchange, branch office locations, and personnel travel (Ren, 2018), Sassen (1991) coined the term ‘global cities’. Sassen’s perspective emphasises the role played by the concentration of producer services such as finance, accounting, legal services, and more. These cities serve as the command-and-control centers of the global economy.

The global city thesis addresses three overarching questions: How do global cities influence global urban markets, how have global cities reshaped the built environment, and how have these two factors transformed socio-spatial processes (Ren, 2018)? This has given rise to three associated processes. Firstly, there is a high concentration of financial and business

⁶ “Sassen (1991) traces their rise to a series of shifts in the world economy since the 1970s: (a) the global dispersal of manufacturing, as transnational corporations have relocated production to countries with cheaper labour costs; (b) the need of transnational corporations to coordinate production and management activities in their global network of operations; (c) the diffusion of producer-service firms providing such coordination in sectors such as finance, law, insurance, accounting, and advertising; and (d) the tendency of these specialized producer-service firms to agglomerate in large cities to take advantage of their infrastructural networks, skilled labour force, and other amenities that smaller cities cannot offer” (Ren, 2018; p.500).

services in top-tier world cities, typically located in developed countries. Secondly, there is a fragmentation and dispersal of labour-intensive manufacturing and polluting industries to low-wage, non-developed countries. Lastly, there is a profound polarisation and fragmentation of the labour force, along with an increase in labour informality (Walton, 1993).

While this approach produced key insights for urban sociology research (in terms of how global cities act as a command and control the capitalist processes that transcend the national boundaries and yet this reproduces hierarchies of attention that serve to drop most cities in most regions of the world 'off the map' (Robinson, 2002). Hence, the global city thesis is insufficient and irrelevant to the analysis of the functioning of global capitalism (Robinson, 2002). As Roy (2009) further argues, the global city framework, on the one hand, is highly hierarchical in nature in relation to its importance in the global capitalist economy and on the other, it cannot "account fully for the materialisation of such a hierarchy, and even less so in relation to the long histories of colonialism and imperialism" (Roy, 2009; p.824).

Neoliberal framework:

Although urbanisation is often identified with capitalism, this can be found in all kinds of societies (capitalist, pre-capitalist, socialist or any other mode of production). As Walton (1993) points out,

"Urbanisation is the demographic expression of agricultural commercialisation, industrialisation, market centralisation and state formation. Although these processes have unfolded most rapidly under Western capitalism, urbanisation on a grand scale has also occurred in China, the former Soviet Union and the various developed and developing countries with mixed economies" (Walton, 1993; p.307).

Nevertheless, what holds significance in this context is the emergence of urban conditions under the influence of capitalist forces, stemming from accumulation strategies on the one hand and political mobilisations opposing these strategies on the other. Castells and Harvey have explored the urban question by examining how the circulation of capital, power, and knowledge has played a pivotal role in shaping the urban environment, driven by capital's quest for accumulation. Urbanisation has thus been elucidated as a product of capitalist processes.

Castell's collective consumption and its associated function of space in the capital accumulation strategies are central concerns of this framework. His work lays emphasis on

the segregation of different classes, division of work, and differential access to resources, especially collective resources and the resultant social movements. He then argues that collective consumption plays a pivotal role in defining the capitalist system (Walton, 1993; Ren, 2018; Patel, 2018). Explicating on this point further, the urban system operates across four realms: production, consumption, exchange, and politics. The state serves as a mediator, interacting with capitalist interests, elite groups, its own workforce, and the general population. Urban crises arise from the state's inability to effectively manage resources for collective consumption, leading to the emergence of urban social movements (Patel, 2018).

On the other side, Harvey has developed a Marxist analysis of how urbanisation proceeds under capitalism, how capitalist urbanisation shapes consciousness, and also the terms of political conflict (Walton, 1993). He proposed a theory of Marxist political economy approach, which explains the capitalist accumulation in contemporary times. This approach equates the capitalist accumulation processes with the urbanisation processes. In a way, he highlights how capitalist urbanisation facilitates the capitalist class to chalk out strategies for accumulation. Talking about Harvey's approach in the case of Paris City, Walton (1993) says:

“The contradictions of capitalist development provide a background against which urban renewal, political conflict, mobilisation in space, and revolution occur in related but unpredictable ways. Harvey's purpose is precisely to set up this tension of theoretical logic and empirical contingency as a way of challenging our explanatory schemes” (Walton, 1993; p.309).

Harvey delved into the historical relationship between capital accumulation and the production of urban space, elucidating how capital exercises control over key instruments in the process of accumulating wealth. Furthermore, he outlined the movement of capital across different circuits, namely the primary, secondary, and tertiary. The primary circuit primarily involves industrial production, where the overproduction of goods can lead to a demand crisis. To counter this, capital is invested in the secondary circuit, often resulting in the development of the built environment. Since this process involves land and its conversion into various infrastructures, it becomes a focal point for capital accumulation. Under neoliberal policies, this circuit has also become intertwined with speculative accumulation due to dynamic land pricing. By implementing favourable policies, the state assumes a crucial role in regulating the movement of capital across various circuits. However, according to Harvey, central to the crisis in capitalism is an over-accumulation problem. One of Harvey's central concepts for analysing how capital addresses this impending crisis and

sustains its accumulation processes, along with the resulting urbanisation, is the concept of the 'spatial fix'. Harvey (2001) summarily says:

that (a) capitalism could not survive without being geographically expansionary (and perpetually seeking out "spatial fixes" for its problems), (b) that major innovations in transport and communication technologies were necessary conditions for that expansion to occur (hence the emphasis in capitalism's evolution on technologies that facilitated speed up and the progressive diminution of spatial barriers to the movement of commodities, people, information and ideas over space) and (c) its modes of geographical expansion depended crucially upon whether it was the search for markets, fresh labour powers, resources (raw materials) or fresh opportunities to invest in new production facilities that were chiefly at stake (Harvey, 2001; p. 25-26).

Both the global city and neoliberal frameworks have been influenced by neo-Marxist scholars within urban political economy. Their primary focus is understanding how urban structures and processes are moulded by the unequal economic relationships within larger world systems, encompassing concepts such as core and periphery and development and underdevelopment.

Production of space, circuits of capital and informality:

Many scholars have integrated the concept of space into their analytical frameworks due to its significant implications for social action and political contention. To such an extent that the neoliberal approach to urbanisation heavily relies on the concept of 'production of space' when examining capital accumulation and urban development (Roy, 2014). As Friedland (1992) suggests, "*the social organisation of space and the spatial organisation of society have become two facets of a single preoccupation*" (cited in Walton, 1993; p.314). This interconnectedness holds profound political implications and is a subject of concern for Marxist scholars. Both claims and counter-claims on the urban space have permeated the analysis.

As Marxist scholars pointed out, space, like a commodity, has use and exchange value, shaping how space is being organised. Space is a fluid, ever-evolving social construct shaped by power dynamics and inequality (Massey, 1991). Massey (1991) contends that globalisation is not solely spatial expansion; it encompasses the establishment and preservation of social and political ties between locations. Recognising globalisation's diverse impacts on various individuals and communities is crucial (Massey, 1991). Production of space is historically one of the prominent accumulation ways through which surplus is produced and gets invested through the commodification and exchange of space (Harvey, 2005).

With state support, accumulation occurs through practices such as gentrification, urban space restriction, reshaping the built environment, and creative destruction. Initially linked to the secondary circuit of capital (Roy, 2009) and serving as a buffer (Merrifield, 2013), these processes have now shifted to the primary circuit of capital (Roy, 2009). They have also become central to the global economy due to their contemporary significance in speculative accumulation strategies and the rapid privatisation and monetisation of public spaces intended for collective use (Merrifield, 2013).

The informal economy and labour have increasingly replaced the formal sectors and unionised labour forces with flexible, casual and low-wage work (Walton, 1993). The capital is moving to low-wage sites, which has severe implications for the labour force across these sites and raised the contestations. Relating the phenomenon of informality to the production of space, Roy (2009) says that informality has been structured into the production of space (Roy & Alsayyad, 2003).

“The informality produces uneven geography of spatial value, thereby facilitating the urban logic of creative destruction. The differential value attached to what is ‘formal’ and what is ‘informal’ creates the patchwork of valorised and devalorized spaces that is, in turn, the frontier of primitive accumulation and gentrification” (Roy, 2009; p.826).

While informality was once confined to public spaces, it has now become integrated into and manifests within urban processes, forming a crucial component of capital accumulation in today’s global capitalism. In other words, in the contemporary working of the capital at various levels, informality is not a marginal or peripheral phenomenon; rather, it stands as a central aspect of urban life (Roy, 2003).

Drawing on the works from global South cities, Roy (2014) highlights that informality and capitalist economy are pervasive in nature and that political and economic structures shape informal urbanism. It’s often seen as a lack of state regulation, but contemporary scholarship on informality in global capitalism emphasises that it is not devoid of regulation. Instead, it’s structured through various forms of extra-legal, social, and discursive measures (Roy, 2014). This includes social regulation within households, caste systems, social networks, and kinship networks (Walton, 1993; Harriss-White, 2004). In essence, it is crucial to recognize that informality, being a dominant mode of work and central to capital accumulation and urban processes, is not a relic of pre-capitalist times; rather, it is a capitalist mode of production (Roy, 2014; Harriss White, 2003).

Although the neoliberal framework is commonly employed, it has faced criticism for its overemphasis on capitalist accumulation processes in analysis, often neglecting other sociocultural and political factors intertwined with urban processes (Ren, 2018; Bunnell & Maringanti, 2010; Scott & Storper, 2014, 2016; Walton, 1993). Both the global city and neoliberal frameworks have faced criticism from post-colonial urban theory, represented by scholars like Jennifer Robinson and Ananya Roy. These criticisms encompass several key points. First, both the global city framework and the neoliberal framework have been faulted for neglecting the influence of deeper historical trajectories, such as imperialism and colonialism, which have significantly shaped both capital accumulation and urbanisation (Roy, 2018; Patel, 2018). Second, they have been criticized for their Eurocentric and metropolitan biases. Third, there's an observation of an excessive emphasis on economic, particularly capitalist processes. This leads to an over-determination of economic factors and an excessive focus on capitalist processes, which can overshadow the non-economic factors that also play roles in influencing and shaping the urban process. The post-colonial framework transcends these limitations by encompassing complex historical, political, and sociocultural processes extending beyond capitalist economic relations.

Section II: Post-Colonial Urban Theory

India and many post-colonial countries have followed distinct paths in terms of urbanisation and capitalist development compared to Western nations. This difference arises from their unique historical circumstances and colonial legacies (Robinson, 2006). Additionally, these countries did not experience the same level of advanced industrialisation as their Western counterparts (Ren, 2018). Theoretical work on urbanisation has predominantly originated in the global North, often based on a limited number of cities, leading to misrepresentations of urbanisation and capital accumulation in the global South (Roy, 2011). This presents several issues. Firstly, the theoretical framework developed from the experiences of a few global cities in the North cannot be directly applied to the South due to distinct particularities and historical contingencies. Secondly, considering the statistical shift of urbanisation from the Global North to the Global South, the theory should also evolve accordingly (Roy, 2009; Roy, 2011). Taking these premises further, the post-colonial theory seeks to demonstrate the parochial character of universal knowledge claims made by Euro-American centric theory (Spivak, 1999), and it challenges the mainstream global urban theory and metanarratives emanating from the global North. Various post-colonial urban theorists, such as Robison

(2002) and Roy (2009), have critiqued the geography of urban theory. While Robison calls for a robust urban theory that can overcome its asymmetrical ignorance, Roy (2009) advocates for the located history of urban or new geographies of theory.

Jacobs' (1996) work on London City is one of the early influential post-colonial works (Roy, 2009; Scott & Storper, 2014). He highlighted how the colonial historical legacy of London shaped its contemporary spaces in terms of ethnicity, urban development and negotiations over cultural identity (Roy, 2009). Likewise, in her work 'Ordinary Cities', Robinson (2006) argues that all cities are equally unique, and none can claim to represent other cities. She emphasises that all cities across the global North and South should be placed on an equal footing and the cities should be viewed as sites of difference, making each city an equally significant subject of investigation. This approach is crucial for understanding the uneven development characterised by and shaped by global capitalism.

Robinson's framework emphasises informal practices, networks, and institutions in shaping urban development in the global South. She argues that these activities, like squatting and street vending, are not just survival strategies but also crucial for urban production, generating social, economic, and cultural value. While reviewing the work of Robinson, Patel (2018) says that

“[Robinson] contends that throughout the 20th century, the founding questions of urban studies drew on a specific (Northern) version of urban modernity to define universal accounts of urbanity and thereby excluding many cities from other parts of the world and particularly from the South in contributing to broader theorisations of the urban. Robinson believes that the cities of the South have had a peculiar and specific growth not common with the cities of the North and that this is related to colonialism, which organised capital accumulation in distinct ways. An epistemic alliance that reduces the analysis of Southern cities to that of the North allows theorists, Robinson suggests to posit a theory of backwardness of Southern cities and thereby not explore the contradictory processes that structure both urbanisation, city growth and modernity in the South” (Patel, 2018; p.4).

Triggered by the variegated consequences of global economic restructuring, some cities from the global South have also ascended in prominence in the global economy and are conceptualised as globalising cities (Brenner, Year and others). However, as indicated above, the global city framework cannot fully take into account the historical genesis of the city as it overly lays importance on the cluster of economic activities that are at play. In fact, Roy (2009) critiques the global city thesis and says:

“This is agglomeration economics writ large. However, is also a Darwinian ecology of cities: the survival of the fittest in the keen competition of network capitalism. In the alpha-beta-gamma worldwide rankings, ‘mega-cities’ are usually off the map, seen as ‘big but powerless’ entities, while

global/ world cities are presented as nodes of a globalization that is unidimensionally driven by finance capital” (Roy, 2009; p.821).

Consequently, there is an effort by a plethora of scholars, primarily represented by post-colonial thinkers, to transnationalise and globalise the study of cities. In their pursuit of establishing a post-colonial urban theory and a ‘new geography of global urban theory’, Roy and Ong introduced ‘the concept of worlding’ thus extending this perspective to the global South. This approach recognizes the role of cities in the global South as worlding nodes and incorporates a variety of cities to elucidate how the flows of capital, labour, and information traverse these urban centers, ultimately contributing to the creation of global connections and global regimes of value (Roy, 2014). The concept of ‘worlding of cities’ represents a shift in theory, transitioning from the global North to the global South and from the concentration of economies to multiple centers of the world economy. This shift highlights the existence of numerous cores and peripheries within the global South. In other words, there is an increasing repertoire of stories that explain the flows of labour and capital (or, circulation of labour or capital) within the global South.

Drawing inspiration from area studies, Roy (2009) advocates for both location-based urban theory, which considers geographical origins, and dislocated urban theory, which recognises that urban processes often extend beyond their geographical origins. She terms this approach ‘strategic essentialism’, which brings out

“Authoritative knowledge that is fine-grained and nuanced but exceeds its empiricism through theoretical generalisation. Such forms of essentialism and dislocation, it is argued, are needed to dismantle the dualisms that have been maintained between global cities and mega-cities, between theory and fieldwork, and between models and applications” (Roy, 2009; p.822).

While critiquing post-colonial theory, Scott and Storper (2015) maintain that urban growth is rooted in the laws of geographical economics: agglomeration economies, urban land markets, specialisation, and inter-urban trade, which post-colonial urban theory has not fully considered. Scott & Storper (2014, 2015) critique that although the post-colonial assertions are important empirical variations (thereby, important interventions), they do not offer much theoretical abstraction. Furthermore, post-colonial theory is committed to particularism, and its claims on Euro-American epistemologies are biased and exaggerated, and strong methodological commitment to theoretically unstructured comparativism (Scott & Storper, 2015). Likewise, scholars such as Brenner (2011) contend that the post-colonial urban theoretical framework overlooks the ‘context of context’. In essence, the ‘context of context’

refers to the influence of global political and economic processes driven by capitalist globalisation, which shapes planetary urbanisation. This expansive phenomenon, extending from the Euro-American sphere to encompass all corners of the earth, has been inadequately acknowledged (Brenner, 2011). Currently, there is strong disagreement between neoliberal theorists (which are largely based upon Euro-American urbanisation) and postcolonial scholars (which are based on the experience of post-colonial cities and their transformation) on how to treat local variations of urban restructuring. Whereas the former insists that the neoliberal thesis already acknowledges path-dependent urban restructuring along with market-driven criteria in individual cities, the latter rejects any attempt at generalisation and stresses local particularities (Ren, 2018). More often than not, as pointed out by Leitner and Sheppard (2016)

“The polarization stems from contrasting assertions as to what the basis for urban theory should be; political-economic approaches stress capitalist-economic processes, whereas postcolonial approaches stress culture, identity and representation” (Leitner & Sheppard, 2016; p.3).

The latter’s argument has been that meta-grand theories of Euro-America do not suffice to explain the experiences of the post-colonial cities, and the theories that originated in the global North simply cannot be applicable to analyse the urban condition of the global South. This line of criticism has a significant impact on the urban theory at large. Then the question arises: Is it that post-colonial urban theory only questions the global urban theories which are based upon Euro-American urban studies, or is it the case that they just elevate the “contextual differences” to the level of theoretical claims?

For this, Roy (2015) says that one needs to theorise the historical differences as a fundamental constituent of global urban transformation and says, “*to think via historical difference is not to avoid generalisation but it is to insist that general processes (in this case, a rural–urban matrix of property and power) are not necessarily universal*” (Roy, 2015; p.12). Roy (2014), in fact, notes that “*all theory is provincial and parochial, and thus empirical*” (Roy, 2014; p.16). Above all, she emphasises that the postcolonial critique of urban theories originating from the global South in contrast to those from the global North should not be perceived as a mere geographical reversal. Instead, she posits that post-colonial urban theory highlights the power, subjectivity, and agency of the global South in formulating an urban theory. To put it succinctly, the call for provincialising and post-colonializing knowledge systems represents an epistemological disruption rather than simply a geographical inversion (Roy, 2017).

In this context, it is crucial to consider post-colonial theory, which challenges the global city paradigm, Euro-centric theories, and singular causal explanations (such as economic determinism) as the one that stands out for its emphasis on specificities. Furthermore, its goal is to reject a priori theorisations and advocate for inductive reasoning while also highlighting the agency of the subaltern and provincialising knowledge systems. In essence, post-colonial urbanism firmly acknowledges historical peculiarities, including colonialism and imperialism. Consequently, it can be described as an urban condition shaped by colonial experiences, subsequently influenced by postcolonial national and global political and economic trends.

Calling for robust and coherent urban theory, global urban theory proponents such as Scott and Storper (2014) argue that historical particularities are true, but still, one needs a robust and coherent urban theory that explains even the particularities. In this backdrop, they propose an ‘urban land nexus’. This framework explores the relationship between the urban land and the production and reproduction of social and economic activities in the urban. It is essential to differentiate between phenomena observed in cities that do not stem from urbanisation and those that constitute integral components of cities, actively shaping the form and principles governing urban results (Scott & Storper, 2016). Following this, they (2014) refer to this feature as the “urban land nexus”, denoting a complex network of land uses that reflect how the social and economic activities within the city come together to form a diverse, polarised, and spatially intricate pattern. Essentially, the urban land nexus constitutes the foundational structure of intra-urban space (Scott & Storper, 2014).

They identify three broad divisions in the urban land nexus: Production space, social space, and circulation space. While the first two⁷ are fundamental divisions of the urban land nexus, the third space “is represented by the infrastructures and arterial connections that facilitate intra-urban flows of people, goods and information” (Scott & Storper, 2014; p.8). In the same breadth, they say that “the essential nature of urban land is that it is simultaneously private and public, individual and collective and that its shape and form express the intertwined dynamics of the individual actions of firms and households and collective action on the part

⁷ “Firms and households represent the foundational elements of two broad divisions of the urban land nexus, identifiable respectively as the production space of the city where work and employment are concentrated, and the social space of the city as manifest in residential neighbourhoods, typically differentiated by variables such as income, race and class” (Scott & Storper, 2014; p.8)

of diverse institutions of control and governance” (ibid). As such, these processes are mediated by both market and non-market logic.

Another significant urban theory that underscores the transformation of cities and its implications for both capital and labour is the Los Angeles school of thought, as exemplified by scholars such as Edward Soja and Allen Scott. This school of thought delineated the changes in the post-Fordist, globalising city of Los Angeles, characterised by flexible specialisation, disintegration of labour, growing inequality and emerging polycentricity, which served as indicators and manifested trends observed in similar cities worldwide (Scott & Storper, 2016). The assemblage theory is also highly influential in the field of urban studies. Latour’s (2005) Actor-Network Theory (ANT) offers a framework for exploring the complex web of relationships between human and non-human elements that collectively shape social reality. In this approach, both human and non-human elements can exert agency, with networks serving as the fundamental unit of analysis. When applied to urban studies, it views the city as an entity that is constructed at specific urban sites through various processes involving sociotechnical networks, hybrid collectives, and alternative topologies (ibid). However, this approach has faced criticism for its perceived orientation towards naïve objectivism. Nonetheless, it finds application in the context of thick descriptions and ethnographic research. In the Indian context, noteworthy contributions include McFarlane’s (2011) research on poverty and informal housing in Mumbai. This work underscores the importance of paying attention to various urban materialities when comprehending the daily lives and challenges poor people face, ultimately shaping urban realities (ibid).

The urban socio-spatial transformation has been formulated as part of larger market-oriented regulatory reforms with the aim of creating a conducive atmosphere for capital accumulation and restoring elite power (Harvey, 2005). The state played a pivotal role in the whole process of safeguarding private property and guarding the capital against the resistance of various groups of people. Across the countries, neoliberal policies have increasingly turned cities into key sites of capital accumulation. The local governments have also adapted to this mode of governance where they favoured private capital and this neoliberal turn has to be seen in the context of the changing role of the state from being a regulator to the facilitator or as an agent of the capital. While the Marxist political economy highlights the global capital accumulation strategies that are at work, the post-colonial urban theory lays emphasis on how colonial histories, local particularities and the resistance by the people against the workings

of capital produce the urban space⁸. Both are true and important but are not sufficient to explain the global capitalist processes. In any given place, they are not mutually exclusive. *“Neither neoliberalism, which tends to downplay variations, nor post-colonialism, which is preoccupied with local particularities, is adequate to capture the different pathways of urban restructuring in a diverse range of cities”* (Ren, 2018; p.503). Thus, there are different pathways and trajectories of how capitalist forces unfold in different places based on historical and geographical factors. It is in this context that one needs to focus on the path-dependent and context-specific relationships between the deregulatory reforms (neoliberal policies adopted by the state in collision with the capital) and locally inherited governance regimes. Hence, the urban, which has been made a political subject and the politics that capital accumulation unfolds have been a central concern for many Marxist and postcolonial scholars. The concepts/formulations such as politics of the governed (Partha Chatterjee). Right to the City (David Harvey) and insurgent citizenship by city-dwellers (Ananya Roy) are some of the potent works in this direction. In other words, the intersection between political governance regimes and urban politics and their implications on capital accumulation and urbanisation needs to be grounded.

Section III: Planetary Urbanisation and the New Urban Question

Urbanisation, social change, and capitalist accumulation have been central concerns for numerous urban theorists. Accordingly, these theorists have conceptualised the urban process in various ways. When anticipating the transformation of society into an entirely urbanized one, Lefebvre (1970) referred to it as the ‘urban revolution’. In the context of analysing cities amidst global economic restructuring, marked by the rise of global finance and investments, and while promoting the ‘world city’ thesis, Friedmann and Wolff (1982) termed this phenomenon an ‘urban transition’. Presently, within the framework of urbanisation shaped by neoliberal policies and political governance, Brenner and Schmidt (2017) characterise it as ‘planetary urbanisation’. Interpreting Lefebvre’s work in the context of ongoing debates on the urban question, Merrifield (2011) says,

“The urban is not the passive surface over which people encounter other people: the sheer proximity of people to other people, the sheer simultaneity of activities, of events and chance meetings, is the very definition of the urban itself. In encountering one another, people produce space, urban space; they become urban people, Lefebvre says, ‘polyvalent, poly-sensorial, capable of complex and transparent relationships with the ‘world’” (Merrifield, 2013; p.8).

⁸ for instance, Partha Chatterjee’s political society framework and a slew of works on those lines.

For Lefebvre, transitioning from the concept of the city to the urban entails a shift in analytical focus—from an absolute entity (the city as an object) to a relative one (the urban as a planetary process and as a fabric). He strongly advocates for discontinuing the use of the term ‘city’ and encourages the adoption of ‘urban society’ instead. Employing the term urban society, as opposed to city, emphasises the ongoing process and the state of becoming. Lefebvre contends that the urban fabric encompasses more than just the physical structures within cities; it signifies all expressions of the city’s dominance over rural areas (Merrifield, 2013). Neoliberal policies have resulted in uneven development worldwide. These previously rural and suburban areas have now become integral components of neo-industrialist production, financial speculation, and predominantly, capitalist accumulation through unregulated exploitation. As Merrifield (2011) says, “*this phenomenon has resulted in the swallowing up of old-style city-forms, as urbanisation shed its skin and corroded its shell*” (Merrifield, 2011; p. 474). Capturing the moments of this polyvalent change, Merrifield (2011) says:

“Millions of peasants and smallholders across the globe are each year thrown off their rural land by big agribusiness, by corporate export farming, by the ‘rational’ dynamics of the neoliberal world market; these people lose the means to feed themselves as well as the means to make a little money. So they come to an alien habitat they can little afford or understand, a habitat which is now strangely neither meaningfully urban nor exclusively rural, but a blurring of both realities, a new reality the result of a push–pull effect, a vicious process of dispossession, sucking people into the city while spitting others out of the gentrifying center, forcing poor urban old-timers and vulnerable newcomers to embrace each other out on the periphery, out on assorted zones of social marginalization, out on the global banlieue. The urbanisation of the world is a kind of exteriorization of the inside as well as interiorization of the outside: the urban unfolds into the countryside just as the countryside folds back into the city” (Merrifield, 2011; p.474).

Hence, these centres and peripheries so developed should not be seen as opposing forces, and their divisions cannot be neatly delineated through fixed definitions or by simply classifying them as global south or north. Instead, these numerous centres and peripheries are inherent within the process of capital accumulation itself, ingrained within its secondary capital circuit (Merrifield, 2011, 2013). In other words, contemporary global capitalism has produced multiple monopolies of capitalism (Taylor, 2000). Further, Merrifield (2013) says that planetary urbanisation implies that urbanisation is no longer limited to a spatial concept but instead comprises a series of changes that impact every aspect of social and economic activities. In other words, urbanisation is not just about the growth of cities but also about the transformation of social and economic relations globally and it is an urban fabric that envelops everything. Consequently, he (2013) argues that planetary urbanisation has fundamentally transformed the urban question. So, this requires a new approach to

understanding the relationship between the urban and the social. In essence, planetary urbanisation is characterised by the “*uncontainable and unstable spread of urbanisation throughout the world*” (Merrifield, 2013; p. 910). This has significant implications for the urban question, as traditional approaches to urbanisation are no longer sufficient to understand the complexity and scale of contemporary urbanisation. It is in this moment of global capitalism that one must figure out the work of Brenner and Schmid’s planetary urbanisation.

Brenner and Schmid (2015) propose a new epistemological framework to understand the different processes that are at play and to understand better and engage with planetary urbanisation, as pointed out by Merrifield (2013). One of the key features of this new approach to the urban is the recognition of the interconnectedness of different urban spaces and processes. Hence, the concept of planetary urbanisation provides a useful departure from the traditional understandings of urbanisation and provides a new epistemological framework for analysing contemporary urban processes (Patel, 2014).

Taking from Merrifield (2013), Brenner and Schmid (2014) say:

“Today, urbanisation is a process that affects the whole territory of the world and not only isolated parts of it. The urban represents an increasingly worldwide, if unevenly woven, fabric in which the sociocultural and political-economic relations of capitalism are enmeshed. This situation of planetary urbanisation means that even socio-spatial arrangements and infrastructural networks that lie well beyond traditional city cores, metropolitan regions, urban peripheries and peri-urban zones have become integral parts of a worldwide urban condition” (Brenner & Schmid, 2014; p.751).

Brenner & Schmid (2017) argue that the urbanisation process is driven by the proliferation of infrastructure networks that enable the circulation of goods, people, and information across the globe. These planetary urban processes fundamentally alter and reshape the spatial organisation of the planet and transform the relationship between urban and non-urban areas. Simply, planetary urbanisation is an uneven socio-spatial urban development triggered by the variegated capitalist processes which “*contextually specific patterns and pathways*” (Brenner, 2018; p.578). Brenner & Schmid (2017), on the one hand, question the existing definitions of the urban and associated urban theory and, on the other, challenge the “context-independent applicability” and “universal validity” of the urban theory. They observe that

“Every attempt to frame the urban in analytical, geographical and normative–political terms have in fact been strongly mediated through the specific historical–geographical formation(s) in which it emerged”⁹ (Brenner & Schmid, 2017; p.164).

In other words, they believe there should be a strong relationship between the theoretical definitions of the urban and the historical-geographical context in which they emerge. This proposition holds true whether one defines the urban as a local phenomenon or a global state. In other words, the contexts in which theories are developed should also be comprehended from both a localised and interconnected perspective. Therefore, they vehemently say that the urban theory and the context in which it emerges, whether it is post-colonial or Euro-American, is essentially provincial in nature (Brenner & Schmid, 2017). Hence, as Schmid (2018) says, “*how the specificity of urban territories results from a dialectical confrontation of generalised processes and strategies with concrete, localised conditions and determinations*” (Schmid, 2018; p.601) is important for analysing the urban condition.

As part of planetary urbanisation, Brenner & Schmid (2017) developed three ‘moments’ of urbanisation: concentrated urbanisation, extended urbanisation and differential urbanisation. They highlight that there is no definable boundary between the city (concentrated urbanisation) and the rest of the world (found expression in extended urbanisation) and differential urbanisation. While concentrated urbanisation is a quite well-found expression in the agglomeration and the emergence of different cities, extended urbanisation is urbanisation beyond the spaces of agglomerated cities and the development of city peripheries, resulting from urban growth. This is, according to them, an ongoing process, often involved with land (both public and private) and dispossessions, resulting in both primitive accumulation and accumulation by dispossession. On the other hand, differential urbanisation is concerned with socio-spatial transformation through creative destruction (Harvey) and implosion-explosion (Lefebvre). Differential urbanisation highlights the dual nature of urban transformation: It can drastically and sometimes violently alter existing socio-spatial structures while also potentially creating opportunities for generating distinctions and, consequently, for further innovative changes in socio-spatial relationships (Brenner & Schmid, 2017; p.53-56).

⁹ – for example, Manchester, Paris and classically industrial models of urbanisation in the mid-nineteenth century; Chicago, Berlin, London and rapidly metropolitanizing landscapes of imperial–capitalist urbanisation in the early twentieth century; and Los Angeles, Shanghai, Dubai, Singapore and neoliberalizing models of globally networked urbanisation in the last three decades

All three processes are linked with each other and result in and make possible the capitalist accumulation. This framework brings in the relationship between the urban and non-urban areas and how they are entangled in capitalist accumulation through urbanisation processes. However, Brenner and Schmid are quite alert to their claims and say that the ‘rural’ or ‘non-urban’ areas have not vanished and assert that these spaces still exist and can have vital roles in specific regions. They also emphasised that the idea of planetary urbanisation does not replace the need for in-depth research on particular areas undergoing socio-spatial change globally. Rather, they stress that the framework only broadens the scope for examining transformations in places, whether classified as ‘rural’ or ‘urban’ (Brenner & Schmid, 2015).

Overall, two important points emerge: First, urbanisation has shifted its focus from cities to being viewed as an urban fabric encompassing everything (Merrifield, 2013). Second, urbanisation is not depicted as a homogeneous, linear-evolutionary process but rather as uneven spatial development, attentively recognising various pathways of development, each specific to its context.

In outlining the contemporary urban question, Roy (2016) engages with the planetary urbanisation framework and asks what is really urban about critical urban theory. In their framework of planetary urbanisation, Brenner and Schmid (2014) say,

“There is no longer any outside to the urban world, the non-urban has been largely internalised within an uneven yet planetary process of urbanisation. The urban/rural binarism is an increasingly obfuscatory basis for deciphering the morphologies, contours and dynamics of socio-spatial restructuring under early twenty-first-century capitalism” (Brenner & Schmid, 2014; p.751).

However, Roy (2016) contends that rural is more than just non-urban; it serves as a ‘constitutive outside’. She (2016) argues that even if one acknowledges urbanisation everywhere, one must still rigorously analyse and empirically explore how the urban is formed, experienced, and contested—whether as a capital accumulation process, a governmental classification, or a historical occurrence. In essence, three points are important for Roy (2016): the constitutive outside of the urban, the urban as an uneven historical geography and the urban as a governmental category. Moreover, there is a constitutive outside of the urban and the non-urban areas simply cannot be seen as rural getting urbanised (Roy, 2016). There is this line of thought that rural is getting urbanised, and on the other, the rural and urban are co-constituting each other (Gururani, 2018; Roy, 2016). For Roy (2016), the process of urbanisation is a never-ending process. It is at this matrix that the contemporary urban question needs to be posed. Precisely for this reason, the urban question

is an urban land question and is, therefore, inextricably linked with an agrarian question (Roy, 2016). Thus, the urban question is not an epistemological riddle that promises some timeless solution. Rather, it is a historical problem that lends itself to various particular solutions that take the general form (Walton, 1993). As planetary urbanization theory acknowledges the path-dependent and context-specific nature of urbanization and capitalist accumulation, isn't it important, in that case, to emphasize how one should provincialize these processes?

Section IV: Provincializing the Urban Theory

There is a transformation in urbanisation trends from metropolitan to regional urbanisation, thus generating the city regions¹⁰ (Soja, 2016). Capturing this shift, Soja (2016) argues that metropolitan urbanisation is a distinct phase, emerging from highly centralised industrial urbanism, and it is now giving way to a new phase of multi-scalar regional urbanisation.

As indicated in the introduction, there are many new economic activities that emerged in the small towns, increasingly so in the globalisation era. Irrespective of major policy interventions, they emerge on their own as candidates for urban transformation, either due to natural population growth, merging of villages and reclassifying them as urban or for their economic activities or a combination of all. For this reason, small towns are *sui-generis* in India. Indian urbanisation primarily involves the transformation of places, characterised by the urbanisation of rural areas where people live, rather than the relocation of people through migration¹¹ (Mukhopadhyay, 2012). They hold a place in the urbanisation process as links between rural and urban and as part of the global economy (Zerah & Denis, 2017). Irrespective of their centrality in the urbanisation process, the small towns received less

¹⁰ "The concept of city region is not just an expression of globalization but represents a more fundamental change in the urbanisation process, arising from the regionalisation of the modern metropolis and involving a shift from the typically monocentric dualism of dense city and sprawling low-density suburbanisation to a polycentric network of urban agglomerations where relatively high densities are found throughout the urbanised region" (Soja, 2016; p.684).

¹¹ "Using census data, Chandrasekhar and Sharma (2014) show that migration from rural areas has never contributed more than one-fourth of urban growth since 1971. From 2001 to 2011, of the 90.9 million new additions to the urban population, 38.5 million were due to natural growth and expansion of area, 31.8 million resulted from reclassification from rural to urban due to changes in the occupational character of the settlements, and only the remaining 20.6 million were due to net migration. Indeed, 32.1 million people moved from rural to urban while 11.5 million people moved from urban to rural areas, indicating a bi-directional population flow" (Mukhopadhyay, Zerah and Denis, 2020; p.6).

attention in urban studies research. Bunnell and Maringanti (2010) call this ‘metropolitan bias’ in urban theory.

Bell and Jayne (2009) and many other scholars argue that metropolitan bias blinds one to see the full picture of urbanisation and undermines the role of small towns in the larger globalisation, capital accumulation processes and the phenomenon of urbanisation. This is a paradigm in urban sociology research that privileges the global city agglomerations and their networks. In this paradigm, the research focuses on specific prominent cities, particularly the large metropolitan financial networks, highlighting their extended linkages and involving other cities only when they are related to and contribute to supposedly ‘global’ economic networks (Bunnell & Maringanti, 2010). The frameworks of global city narratives and neoliberalism have grossly overlooked the in-situ urbanisation (Ren, 2018). They neglected the role of local histories and institutions that shape and nurture the local economies. Drawing on this, the subaltern urbanisation scholars call out the metropolitan bias of the urban theory in India and incorporate this idea to decentre outside the megacities.

Hence, an attempt has been made to delineate the significance of small towns in urbanisation processes. This significance draws attention to the concept of regional multi-scalar urbanisation in India. As Mukhopadhyay, Zerah, and Denis (2020) argue, the subaltern urbanisation framework is built on two core principles. First, in line with Guha (1982), it emphasises that the achievements and contributions of individuals or groups are independent of the elite. Second, it underscores the importance of the urbanisation occurring in non-metropolitan India, particularly the growth of smaller urban settlements that defy conventional trends. The subaltern urbanisation scholars borrowed the idea of the agency [political or otherwise] of the local actors and the spaces and historicity (as advocated by Roy) and ordinariness of the urban spaces (Robinson, 2006). Based on those theoretical inputs, these scholars extended the framework to study and analyse the settlement agglomerations (10,000 to 1,00,000), which are distinctively beyond the large agglomerations (as advanced by global urban theories) nor directly orchestrated by the state (Mukhopadhyay et al., 2017). They aim to uncover the unspoken layer of small towns, shaped by local actors, and extend their framework to hitherto overlooked but significant sites of urbanisation¹², i.e., *“the urban condition of small towns”* and *“decentring outside the megacities”*

¹² This in-situ urbanisation is one of the dominant features of Indian urbanisation (Mukhopadhyay et al., 2020).

(Mukhopadhyay et al., 2020; p.3-4). Hence, the concern is not just about the poverty and vulnerability in the small towns but also about how local economic players, entrepreneurs and local elites shape their future within those small towns. In other words, the subaltern urbanisation framework is not much about the subordination of these towns vis-à-vis overall urbanisation but more about the political agency of these places and about how the local actors innovate the ways to assert their agency and use various types of networks in articulating their capital accumulation interests.

The New Economic Geography theory largely suggests that the growth of small towns is driven dominantly by exogenous factors, mostly due to their geographical advantage in terms of connectivity to the metro cities. According to this model, localities are not ‘freely floating islands’ (Fujita & Mori, 2005) and the growth of non-metro locales is driven by the spillover effects of metropolitan growth. However, studies on small towns in Tamil Nadu have shown that their economic growth depends not much on the proximity to metro cities. Instead, on their agrarian histories, caste and kinship network-based production and marketing by integrating themselves into global circuits of capital¹³. Mukhopadhyay et al. (2020) highlighted that the economic and social transformation of the small towns goes beyond the “major” influences, such as proximity to the metropolitan city, location of major industries by the corporates, and expansion of the global markets into the small towns. Instead, their development into an urban settlement, a hub of economic activities, arises from their local histories and contexts. Now, the localised needs (education, health and consumption) and economic aspirations (to buy urban property, for instance) are being recast into making the local capital and its accumulation.

Many scholars have written on the rural-urban interlinkages and their nature with the questions: Are small towns parasites that extract surpluses from nearby villages (Lipton 1977 and Horriss 1984)? Alternatively, do they mutually co-exist (Gururani, 2020). In understanding this aspect, it is important to see the actors involved in the activity, the government policies and who are ‘gatekeeping’ these policies. It is not that the state is just imposing them from the top down and showing bias toward urban locations. Rather, there are enough players from rural areas who, in their trials to push upwards, have the urban locations as the sites of investment and bring the land market into the speculation. In this context,

¹³ (Chari’s (2009) work on the knitwear industry in Tiruppur and Harriss-White’s (2003) work on Arni, a grain market town, are helpful references).

subaltern urbanisation provides an analytical handle to understand these dynamics. Following from post-colonial urban theory and subaltern urbanisation framework, it is understood that small towns are important economic and social agents in the broader macro-economics and therefore, the localised (regionalised) urban processes and capital accumulation processes should be given due attention.

Small towns assume significant importance within the context of the regional political economy. Several factors have contributed to this shift, including the decline of large-scale landlordism (4 hectares and above), the diminishing influence of the new farmers' movement since the 1990s, the implementation of formal liberal economic policies, and the emergence of regional political parties. These developments have led to the dominance of a specific caste-class composition in certain regions, where they wield authority in gatekeeping, access to resources, and control over state power. This transformation has had a profound impact on the dynamics between business and the state. Post economic reforms, the dominant trend had been 'entrepreneurial capitalism' (Damodaran, 2020), in which regional business elites and propertied classes from regionally dominant castes with strong agrarian roots are pushing upwards (Balagopal, 2004).

Overall, the subaltern urbanisation framework is quite alert to the claims of postcolonial urban theory (agency, ordinariness, historicity and particularities) and planetary urbanisation theory (uneven spatial development (which is path-dependent and context-specific), complete urbanisation processes). By taking insights from these theories, the subaltern urbanisation framework focuses on the way through which the political governance regimes, agency of the local actors and unbounded urban processes are related, which is one of the prime concerns for understanding the regimes of accumulation and how small towns are situated in this process.

While acknowledging the undercurrent that subaltern urbanism¹⁴ offers, Sheppard, Lietner and Maringanti (2013) problematise its early formulations, which deliberately shifted the focus from the questions of state and capital and highlighted the survival of the poor and subversion in their collective action in leading daily lives. They (2013) asserted how even the subalterns engage with the state and capital in articulating their economic and cultural interests (see, e.g., Chari's fraternal capital) and precisely for this reason, they (2013) urged

¹⁴ Advocated by Ananya Roy and various post-colonial urban theorists.

to transcend the dualisms with regard to the role of the state. Considering this perspective, provincialising the theory entails recognising and embracing the wide array of urban experiences, perspectives, and developmental pathways that extend beyond the prevalent city-centred or metropolitan narratives, which themselves tend to focus disproportionately on a handful of cities in the global North. To put it differently, this approach underscores the significance of analysing the specific social, economic, and political contexts that shape the paths of urban development, thereby understanding the formation of regional wealth and the ways in which different local actors are positioned within these processes. In this context, it is crucial to analyse spatial patterns of urban development and capital accumulation. These patterns disrupt and blur various boundaries, whether they pertain to rural versus urban areas, small cities versus large cities, or mainstream versus subaltern urbanisation (Kundu, 2017). Therefore, it is suggested that one should approach the question in terms of relationships that emerge from interactions among different sets of actors and from various vantage points. In this case, urban areas extend into rural regions, and rural areas become intertwined with urban areas. Despite having their own dynamics and specificities arising from local economies, they cannot be isolated from the influence of global capital (ibid). This implies that provincialization involves the process of decolonising mainstream knowledge claims while avoiding the reduction of the entire phenomenon to mere particulars (Chakraborty, 2000). In this section, an effort has been made to provincialise urban theory. However, it is equally important to delve into the relationship between the agrarian question and contemporary urban and capitalist accumulation processes (in the next section). This is significant due to an argument articulated by Bernstein (2004) regarding the ‘resolvment’ of the agrarian question within the context of capitalist accumulation.

Section V: Agrarian Question and Contemporary Relevance

Various scholars have highlighted a striking paradox: agricultural incomes are proving insufficient for social reproduction, yet many people continue to engage in agricultural work. In this context, the extensive acquisition and conversion of agricultural land into urban infrastructure and real estate properties represent a significant shift in understanding capital accumulation processes. However, urban studies have paid less attention to the constitutive role of agrarian change in the urbanisation process, a phenomenon referred to as ‘agrarian urbanisation’ (Balakrishnan & Gururani, 2021).

The works of Gururani (2020) on Gurugram and Balakrishnan (2018) on the Mumbai industrial corridor delve into how region-specific landed constituencies have both shaped and been shaping the capital accumulation and urbanisation processes. In this context, they identify two crucial issues: first, the need to pay close attention to the uneven spatial development of capitalist agrarian transformation, and second, the recognition that the region itself constitutes socio-spatial processes of agrarian accumulation and that it is imperative to understand how agrarian histories influence present and future urban processes. Consequently, factors such as region, agrarian land, caste, urbanisation trajectories, and capital accumulation strategies intersect and transcend the rural-urban and urban-regional divides. Previously, the shift of capital from agrarian to non-agrarian sectors, as well as from rural to urban areas, was predominantly evident in manufacturing, including small-scale industries. However, this trend is increasingly prevalent in rentier activities, land speculation, and real estate. As a result, land, as a commodity, constantly moves in and out of circulation, and plays a role in the extraction of surplus value, and significantly influences the trajectory of urban development (Balakrishnan & Gururani, 2021; Upadhyay, 2021).

Before delving further into the agrarian question, it is important to understand that it pertains to the process of generating surplus from agriculture with the aim of transferring these funds into industrial production. The state plays a crucial role in ensuring both the generation of agricultural surplus and the transfer of funds to industrial settings, which in turn allows for the absorption of labour released from agriculture. Regarding the agrarian question, Bernstein (2004) says:

“The ‘classic’ agrarian question, I would suggest, is the agrarian question of capital. To the extent that its logic of agrarian transition succeeded (and may still succeed?) in accomplishing the social transformation and technical development of agriculture and in ways that contribute to industrialisation, then the agrarian question of capital is also that of labour as the two definitive classes of a new mode of production, representing historical progress (Bernstein, 2004; p. 200).

There are three segments that are crucial to the agrarian question: Dispossession of peasant cultivators, consolidation of resources and transferring those funds into non-agrarian purposes and absorption of labour. The argument that modern industrial development can transform rural spaces and potentially alleviate economic, political, and social backwardness is based on a binary and linear characterisation of the transition (Moyo et al., 2015). This linear perspective is problematic for many reasons. Also, this linear perspective overlooks the significance of the agrarian question in the context of regional businesses and the current processes of capitalist urbanisation.

Firstly, as Byres (1991) contends, ‘transitions’ should not be viewed as unilinear, nor should they be seen as unfolding from a stable economic logic. Instead, transitions should be understood as the diverse and heterogeneous social and spatial manifestations of capitalist development within specific historical and geographical contexts.

Secondly, if the agrarian question of capital subsumes within it the question of labour, what explains the fact that there are many reserve armies of labour with the rising unemployment rates and precarity of the jobs informed by scores of inconsistent and informal works? The question, then, is whether agrarian labour really subsumed in the agrarian capital and have they diversified as successfully as agrarian capital did. Many scholars, including Piketty (2013), have argued that capital can accumulate itself and it no longer needs labour for the generation of surplus, subject to the rate of interest on the fixed assets being more than the national growth rate.

Thirdly, the agriculture-industry linkages are very weak and the rate of manufacturing is very slow in India (Cowan, 2018). There is an argument that the linkages between agriculture and industry, as well as between the hinterlands and towns, are weak as the need for capital is satisfied by the presence of global finance capital. For instance, Hariss-White (2016) argues, in the case of Arni town, that the relationship between urban accumulation and the accumulation in the hinterlands has been less. While the sectoral linkages originating from the agricultural sector may have been “bypassed” with the advent of liberalisation in India, the agrarian question still maintains its relevance in various forms. In other words, place-making and utilising the land for ‘productive and unproductive uses’ serve as mechanisms through which land is exchanged and changes hands, what scholars refer to these processes as ‘speculative urbanism’ (Balakrishnan, 2019) and ‘speculative accumulation’ (Upadhyay, 2020). For instance, a significant amount of agricultural land is being converted into urban landscapes for many purposes, such as housing, educational institutions, commercial complexes, hospitals, etc. The requirement of agricultural land is essential for the expansion of the secondary circuit and for its transformation in the urban vicinities, making the agrarian question of capital relevant for contemporary capitalist manifestations.

Fourthly, the global financial networks and foreign direct investments may have “resolved” the agrarian question of capital at certain levels, as Bernstein (2004) argued. However, the emergence of regional elites in business and politics, the increasing significance of a rentier

economy, and the presence of propertied classes in towns and cities—effectively acting as “shareholders” in the urban areas, as discussed by Gururani (2020) regarding Gurugram and Balakrishnan (2019) regarding Maharashtra—has made the agrarian question relevant in contemporary times, particularly within certain economic contexts. For example, when discussing the concept of agrarian urban-uneven development in Maharashtra, Balakrishnan (2019) directs our attention to economic corridors, thereby shifting the focus of urbanisation away from the cities towards these economic corridor regions. She emphasises the pivotal role agrarian elites play in contemporary urbanisation, highlighting not only the surpluses they generate but also the regulatory power they wield in state legislatures, particularly in matters related to land. The twin institutional reforms of liberalisation and decentralisation since the early 1990s have fundamentally transformed land and property relations in India, shifting from a state-controlled land system to dynamic land and real estate markets. Alongside these changes, regional business aspirants, whether from agrarian communities or other backgrounds, have gained support due to the rise of regional political parties in the states and the formation of coalition governments at the national level (Damodaran, 2020). Consequently, understanding the region’s agrarian history and the dynamics of land use is paramount for comprehending the urbanisation process and the emergence of propertied classes and political elites. This underscores the enduring significance and relevance of the agrarian question even in contemporary times. So, in essence, as argued by Roy (2016), the agrarian question is entangled with the urban land question, which is central to urban transformations, a rentier economy and the growth of propertied classes. This entails the challenging task of translating the complex histories of agrarian settlement into urban property relations that are comprehensible to both global and domestic capital.

Another significant point of departure is to consider why the examination of the land question in urban areas is often limited to major cities (Gururani, 2020), city peripheries (Vijayabaskar & Menon, 2018), economic corridors (Balakrishnan, 2019), or special economic zones (SEZs) (Levien, 2013). It is not always necessary to focus only on big-scale ‘development initiatives’ and ‘dispossession narratives’ to understand the land question. In fact, the contemporary land question is equally significant in small towns, where it often occurs through more discreet “below-the-radar” voluntary land deals (Vijayabaskar & Menon, 2018; p.572). In the preceding sections, an effort has been made to delineate the contemporary urban question and explain why shifting the focus to small towns by provincialising both urban and capitalist accumulation is crucial. In that process, the interconnectedness of

agrarian and urban questions, particularly in relation to the land issue, has been highlighted. With this background, the upcoming section will delve into the conceptual approach for addressing capitalist accumulation in regions and sub-regions.

Section VI: Provincial Capital and Regional Political Economy

In the realm of understanding Indian business, two predominant approaches stand out. Firstly, there is an approach that delves into the examination of the spirit and culture associated with specific business castes, such as the Baniya community. Secondly, another set of scholarly works revolves around tracing the evolution of the relationship between the state and capital, thereby characterising the landscape of Indian capitalism. Given these two broader trends, it is equally important to redirect our focus away from that approach and instead examine how local players establish connections, gain access to resources, wield state power to establish their businesses and devise accumulation strategies at the provincial level. The provincial level assumes particular importance due to India's historical diversity, with a wide range of communities, cultures and traditions living together and across regions. Moreover, India has undergone transformative changes as newer communities have entered the realm of business ownership and management. This process has resulted in reconfiguring community and caste cultures (Damodaran, 2008; Jodhka & Naudet, 2020).

The scholarship on Indian capitalism has shown that it is not only the urban industrial class, represented by the Bania caste, but also dominant peasant castes, primarily belonging to the Sudra category, that have also prospered within the capitalist framework. They have expanded their interests in businesses located in towns and cities, leveraging their political influence and caste networks to facilitate this transformation. Consequently, they have evolved into what can be described as 'provincial propertied classes', 'capitalist farmers' and 'regional capitalists' (Balagopal, 1978; Baru, 2000, 2004; Damodaran, 2008; Parthasarathy, 2015). Based on the above understanding, the present study seeks to analyse the regional political economy, diverse and regionally-specific capitalist trajectories, and social, cultural and institutional understanding of the economy in small towns (Amin & Thrift, 2000).

For this purpose, some of the notable works in this direction are considered as theoretical and empirical entry points. Balagopal (1987a) defines the rural rich, who are as class co-extensive with the urban trader-professional-financier-contractor class, for the purpose of political analysis, as provincial propertied class and says they can straddle rural-urban divides. The

provincial capital and the caste-class that it is represented by are the enemies of both the rural masses and imperialism and big capital (Balagopal, 1987a; p.2178) which is why they invoke the idea of the village against the urban.

“A typical family of this provincial propertied class has a landholding in its native village, cultivated by hired labour, bataidars, tenants or farm servants and supervised by the father or one son; business of various descriptions in towns-trade, finance, hotels, cinema and contracts- managed by other sons; and perhaps a young and bright child who is a doctor or engineer or maybe even professor at one of the small town universities that have sprouted all over the country during the last two decades” (Balagopal, 1987a; p. 1545).

Similarly, drawing from her work and the works of others, Hariss-White (2021) attempts to characterise the Indian capitalist class, whereby she highlights

“The fractions of capital which are widely recognised as corporate versus family business, national versus provincial, industrial versus commercial, apex versus intermediate, point not only to India’s fragmented capitalist class but also to a viscosity of smaller units of capital. This stickiness used to be sectoral, social and spatial but is now more locally spatialised than it is sectionalised or socialised” (Harriss-White, 2021; p.108).

Also, as Parthasarathy (2012) puts “*economies at different stages of capitalist development and with different rural-urban demographics will have quite different class fractions and class divides*” (Parthasarathy, 2012; p.17). Overall, Indian capitalism is characterised both by the national-big capitalists (from particular castes, mostly mercantile castes) who push from above and by provincial capitalists (from dominant Sudra peasant castes) who push from below (Balagopal, 1995; Baru, 2004). In simpler terms, there are moments of interaction between them to indicate a qualitative relationship between the circuits of provincial capital and non-provincial circuits or between the national-big capital¹⁵ and the provincial capital.

In spatial terms, Damodaran’s (2008) work highlighted that while the erstwhile mercantile communities successfully navigated across pan-Indian and even transnational arenas, the wealth and resources controlled by lower castes tended to be confined to local contexts, rarely extending beyond regional borders, with few exceptions (Kalaiyarasan & Vijayabaskar, 2021). In this context, they raise a pertinent question: Why, in certain instances, does provincial capital stay confined to provincial boundaries without entering the

¹⁵ There are at least three ways how monopoly capital unfolded in Indian scenario. First, business houses used their economic power to reinforce their position through lobbying state institutions. Second, by virtue of their first mover advantage, they could also control access to capital generated in the formal banking system. Third, during the phase of planned import-substitution-led development (until the early 1990s), they managed to acquire licences to produce goods cutting across sectors (Kalaiyarasan and Vijayabaskar, 2021)

broader non-provincial circuits? They attribute this phenomenon to several factors, including the dominant influence of specific caste groups in non-agrarian accumulation, contemporary challenges related to agrarian surplus in the neoliberal era where agriculture appears to be marginalised, and the influence of sub-national political trajectories. These factors are identified as significant barriers preventing provincial capital from extending its reach into non-provincial circuits¹⁶. Alternatively, one must also ask the routes through which non-provincial capital (i.e., national-big capital) enters the provincial circuits, limiting or facilitating the emergence of provincial capital.

To go further, the diminishing of the rural economy and feudal modes of surplus extraction pushed the dominant rural castes into the cities. These castes felt that the control of economic space and access to political networks and administrative mechanisms are important for venturing into new economic activities both in rural areas and urban areas and in the region as a whole (Parthasarathy, 2012). As a result, the provincial capitalist class finds itself grappling with a dual challenge. Firstly, it cannot engage in agricultural surplus extraction through traditional feudal production methods as effectively as did pre-1990s. Secondly, it faces stiff competition and barriers when investing in modern capitalist systems. Consequently, this internal logic compels the provincial capitalist class to seek alternative means of surplus extraction while preserving its social dominance. As Parthasarathy (2015) succinctly puts it:

“The emergence and spread of provincial capital in India is to be explained in terms of the rise of a provincial rich peasant class, a phenomenon that affects class formation, political power, capital flows and investment patterns. The expansion of provincial capital is not necessarily linked solely to processes of capital accumulation; status, social mobility, the maintenance and extension of socio-political domination, and the intrinsic nature of provincial capital also explain its expansion. Provincial capital and peasant politics ally with global capital, and take advantage of the opening up of new regional and global trade routes which account for urban practices in metropolitan cities, and the processes of urbanisation in the countryside” (Parthasarathy, 2015; p.835).

Parthasarathy (2012) says the post-1990s phenomenon should be examined through two overarching lenses. Firstly, it entails understanding the rationale behind neoliberal policies and how they manifest spatially across diverse regions in India. Secondly, it involves

¹⁶ Although both Konga Vellalar Gounders from Tamil Nadu and Jats from Haryana have significantly benefited from green revolution and generated agrarian surplus, the political pathways helped the Gounders to ascend their position and enter into the non-provincial circuits, while Jats are side-lined because of presence of certain castes (baniya) in non-agrarian accumulation and the cultural economy of valorisation of land-based livelihoods (Kalaiyarasan and Vijayabaskar, 2021)

investigating how provincial elites strategically mobilise their resources of various kinds to implement and tailor these policies to their advantage. In this context, it is imperative to engage with the provincial capital, which was dominated and controlled by peasant castes with access to the state, resources, and electoral politics. These castes, in fact, played a significant role in influencing the trajectory of neoliberal economic reforms, including the political regulation of these reforms and the management of global economic linkages. To better comprehend provincial capital, one should redirect their focus from overemphasising global capital regimes, which are undoubtedly significant, and instead delve into the internal mechanisms and rationale of provincial capital. This political process constitutes an essential component for analysing the emergence and consolidation of provincial capital. For instance, electoral politics has played a significant role in challenging Brahmin hegemony within politics, paving the way for Sudra peasant castes and influential OBC castes, largely facilitated by the rise of regional political parties.

The provincial capital, which is predominantly controlled by dominant peasant castes, employs various fiduciary networks for capital acquisition. These networks include sourcing capital from their agrarian surplus, moneylending, accessing state funds, utilising local financial channels, and participating in Ponzi schemes or *chittis* (Parthasarathy, 2015). It is crucial to note that access to the credit market is significantly shaped by caste and kinship networks. Caste-based financial mechanisms, such as the Hundi system and its variants, provide more affordable loans to specific communities, such as the Chettairs and Marwaris. Two key studies outlined here emphasise the role of networks in both capital mobilisation and economic regulation. First, Chari's *Fraternal Capital* (2007) explains how Gounders in Tiruppur utilise fraternal networks (caste and kinship networks) to organise production within the knitwear industry and maintain control over the market. This is achieved through mutual support and cooperation among community members who are 'self-made' and rely on '*Gounder toil*'. By describing this process as provincialising capital, Chari traces how the industrial present (the knitwear industry) has been shaped by their agrarian past and their control of agricultural lands. Her work, presenting the capitalist history of a Gounder community from a decentred vantage point, underscores the significance of the agrarian question in the urban-industrial context and emphasises the continuing relevance of caste and kinship networks in the globalised economy.

The second example involves the mobilisation of Nadars, who unite around their caste identity to assert control of the economic space in a small town near Madurai. Subramanian (2002) demonstrates how the erosion of caste hierarchies occurs through the capture of the economic base by members of non-Brahmin castes. Each of the ascendant castes, in this case, Nadars, mobilised around their caste to source capital and cheap labour and to lobby the State for infrastructure and policies to support enterprises. Caste networks are also used to regulate the local informal economy. These networks, based on caste, community, and households, serve to mobilise capital and gain control over the regional economy by providing access to the state.

In the absence of state regulation, social institutions such as caste, class, gender, kinship, and others take precedence in governing economic activities (Harriss-White, 2004). Discussing the role of social institutions in regulating the economy, Harriss-White (2004) highlights the importance of caste and the dual role that caste associations play. Firstly, they serve as institutions that regulate the economic conduct of members within each caste group. Secondly, they act as intermediaries in the political relationship between these groups and the state. This role resembles that of 'non-class mediators of class interests'. However, it would be inaccurate to label them as entirely non-class since class dynamics are indeed present within the caste as well and significantly influence its workings. Rather, it should be seen as the social character of the economy and the class interests that certain castes come to represent.

There is a strong relationship between business and politics (Bardhan, 1984). However, the question is: which capital gets the privilege? In this context, regional politics plays a significant role. Thus, regional politics has significant relevance to the contemporary agrarian question. Because regional and sub-regional capitalism cannot be understood without serious engagement with the agrarian question, as already discussed regarding its importance and relevance. When the contestation between local and global capital is paramount, the role and nature of the state become very important. Small capital has lost a competitive advantage with the rules-based taxation post-demonetization and GST reforms (Damodaran, 2020).

Baru (2000) and Damodaran (2008) trace the emergence of Kammas and Reddys as a powerful capitalist class within the political economy of Andhra Pradesh. The provincial elite, in their pursuit of political power at various levels (state, regional, and district), formed

alliances with different castes from the region. Both elites and non-elites from their own region collaborated to gain access to power. This, in turn, intensified competition between elites from various regions within the state of Andhra Pradesh, resulting in the redirection of state finances and resources away from other regions in favour of their own.

In essence, besides capital accumulation, retaining social dominance and influence through access to the state is crucial for the provincial capital. Scholars point out that historically, the accumulation of non-farm capital was primarily controlled by mercantile castes. However, this dynamic was disrupted with the ascent of non-mercantile Sudra-dominant peasant groups entering the various businesses. Broadly, this phenomenon can be attributed to the following factors. Firstly, the agrarian surplus generated by the Green Revolution served as the foundation for their rise. Secondly, these caste groups demonstrated their ability to access state power and bureaucratic machinery. Thirdly, families invested in the professional education of their children in elite institutions. Fourthly, they navigated and operationalised economic reforms while accessing formal loans. Fifthly, they leveraged caste and community networks at both the local and state levels and beyond. Lastly, they engaged in surplus extraction through extra-legal means, contributing to the emergence of a lumpen ruling class (for all these broad trends, see Balagopal, 1987, 2004; Upadhyaya, 1997; Damodaran, 2008; Parthasarathy, 2015; Haragopal, 2010). Furthermore, their expansion has continued largely unaltered during the neoliberal period, encompassing sectors such as pharmaceuticals, software, construction, media, healthcare, hotels, poultry, education, and real estate, among others.

Discussing the intersection of capital and politics within urban and rural contexts, Parthasarathy (2012) emphasises that capital and politics are deeply intertwined with cities and villages, connecting them to nearby and distant regions, albeit with variations over time, social transformations and economic changes. The provincial capitalist class, due to its origins, economic interests, and political involvement, straddles both rural and urban spheres, functioning from what Parthasarathy (2015) describes as a ‘dual urban-rural location’. This spatial aspect is pivotal in analysing provincial capital, stemming from specific regional dynamics. Drawing from Massey, Parthasarathy (2015) says one must “*give credence to the “region” as a category, and historicise the mutual influence of regions on their economic trajectories, social forms, and their articulation with global flows of capital*” (Parthasarathy, 2015; p.835).

Arguing further, Indian capitalist development is characterised by the regional varieties and its own historical trajectories. Harriss White and others (2015) provided evidence to show the uneven spatial patterns of capitalist development in India, whose spatial irregularities are sometimes contained within the state boundaries and sometimes transcend them. They highlighted that along with historical forces, geographical and social forces shaped these regional variations. Similarly, while examining the shift from the political economy of regions to the regional political economy, Agnew (2000) underscores two significant insights. Firstly, it becomes evident that regions are not homogenous entities; rather, their economic, political, and social attributes are influenced by their unique historical and cultural contexts. Secondly, it becomes clear that regional development is not merely determined by global economic forces but is also profoundly shaped by local politics, institutions, and actors.

For instance, in exploring the local forces behind Delhi's regional capitalists, Dasgupta (2017) highlighted how the important political shifts and local agroecological history shaped contemporary real estate-based accumulation. He (2017) says that the partition in 1947 resulted in the migration of many people (from Punjab, mostly the Jat Sikhs) to Delhi, who have since then been playing a critical role in the city's economy. He further says that, during the pre-1991 command economy, many businessmen migrated to the city and secured access to the state by paying bribes and corruption. He notes that those drawn to Delhi during that period were seeking to control essential resources like real estate, minerals, and petrochemicals, to gain monopolies over heavily regulated assets such as telecoms or media, or to secure contracts for state projects like construction and heavy industries. They actively sought partnerships and patrons within the political and bureaucratic systems, ushering in a culture of networking, lobbying, and kickbacks that continues to define the city's social dynamics (Dasgupta, 2017). The oligarchic elite shifted their focus on the service economy, such as real estate, finance, insurance, etc., after the 1990s, when the state also hugely depended on the private players for providing high-class infrastructure. The entire story about Gurugram and its spatial transformation from agricultural pastorals to high-rise commercial complexes and office spaces is the story about land acquisitions and dispossessions and the new speculative accumulation, real estate and landed property (ibid).

Overall, the sociological process of provincial capital and propertied classes is a phenomenon of significant importance for three reasons. Firstly, it allows us to comprehend how Indian capitalism is evolving spatially. Secondly, it enables us to identify the factors that either

facilitate or hinder the influence of global capital within India's various regions. Lastly, it provides insight into the political and cultural processes through which provincial elites articulate and expand their economic interests and social dominance over those beneath them, thereby solidifying their position. However, there has been limited discussion on how caste intersects with the transfer of capital from rural to urban areas, as well as within urban and regional circuits of capital (Kalaiyarasan & Vijayabaskar, 2021). Therefore, they (2021) argue that it is crucial to acknowledge the existence of caste-based barriers to entry.

When explaining provincial capital, various aspects must be taken into account, including the competition between different castes, both among dominant castes and between upper and lower castes, in the political arena. Additionally, one must consider inter-regional and intra-regional dynamics, as well as inter-class and intra-class dynamics, in terms of asserting social dominance and articulating economic interests. Furthermore, it is important to examine how provincial capital flows intersect and their spatial implications for rural-urban and urban-regional linkages. In essence, it is essential to carefully scrutinise the points at which the provincial capital intersects with the national-big capital and the significance of these intersections.

In the light of the discussion presented, some of the questions follow. Given the diminishing agrarian surplus in the era of neoliberal globalisation, even in regions with capitalist farming, how can we see the emergence of provincial capital distinctly? Are there distinct characteristics that define provincial capital and its modes of investment? Notably, many studies and examples have concentrated on areas with rich 'agrarian pasts' and green revolution histories, facilitating the rise of provincial capital. Nevertheless, how do we comprehend and account for the presence of provincial capital in dry regions, which is largely absent in the existing literature? In regions where agrarian surplus is scarce, how do the provincial elite mobilise resources, and how do they engage with rural-urban and urban-regional linkages? Moreover, do provincial capital entities successfully transcend caste barriers, and if so, how do they do it? Are caste-based hurdles the sole impediments to the emergence of provincial capital and their expansion into non-provincial circuits? Lastly, what is the broader impact of the caste-driven political economy, as well as narratives surrounding inter-regional wealth accumulation and political rivalries, on provincial capital? These questions underscore the intricate and multifaceted nature of provincial capital, emphasising the need for further examination and analysis within diverse regional contexts.

Section VII: Social Structures of Accumulation

While discussing the political economy perspective within urban sociology, Walton (1993) asserts that a complex interplay of economic, political, and social factors shapes urban spaces and structures. He emphasises the significant influence of political factors, including the interests of various groups and the distribution of power, on the evolution of cities. Walton also underscores the role of sociological factors such as race, ethnicity, and social class in shaping urban development. In essence, Walton (1993) asserts that the transformative impact of the global economy on urban development patterns further complicates the intricate relationship between economic, political, and social factors (Walton, 1993). In light of this, the social structures of accumulation (SSA) approach acquires significance.

The SSA framework emerged as a response to the oversimplification (missing of the social) of the neoclassical economy, which failed to account for the inherent complexity of capitalism. In essence, the SSA approach challenges the dual reductionisms that afflicted neo-classical economics: it rejects the reduction of capitalism to mere market operations and the further reduction of markets to purely economic logic (Basile & Harriss-White, 1999). The SSA approach offers a crucial perspective for analysing the influence of non-economic institutional and social factors, such as caste, gender, local power dynamics, and politics, on economic outcomes and the formulation of capital accumulation strategies. These local power dynamics are, in turn, shaped by historical, political, and social contexts, as well as factors like land ownership and caste. This framework underscores the variations in interests and sources of power among different social groups and illustrates how these power dynamics manifest in the institutional structures that underpin capitalist development. In essence, it delineates the defining characteristics of the capitalist process during a particular period and places importance on the regulatory aspect of the economy and the broader capitalist processes (ibid).

This approach highlights the interplay between four critical elements in capital accumulation: the relationship between the state and the economy (i.e., the state's role in economic regulation); the dynamics between different capital entities (whether they exhibit healthy competition or lean towards monopolistic tendencies); the interactions between capital and labour (the strength or weakness of labour unions and issues related to labour protection); and prevailing ideologies (whether it promotes a free-market economy or state capitalism, among

others). However, the crucial point to consider is how these institutional and social factors undergo change and what drives this change. Historical forces shape institutions whose influence on the economy endures over time, even as these institutions may have lost prominence while still shaping power relations and economic outcomes (Banerjee & Iyer, 2005). Basile and Harriss-White (1999) identified some key elements in driving the accumulation, which include

“Institutions structuring labour and management and those managing demand and consumption; the character of industrial organisation; the institutions of finance; the role of the state and of political parties; social institutions of race and gender and the dominant culture or ideology” (Basile & Harriss-White, 1999; p.31).

In this approach, importance was attributed to civic organisations in the analysis of markets, indicating how these organisations play a contradictory role in shaping the politics that underlie markets and capital accumulation (Basile & Harriss-White, 1999). In conceptualising new social structures of accumulation in India, they (1999) employed the concept of civil society that

“Consists of the political, cultural and ideological hegemony which a social group exercises over society and by means which the economy is regulated. This notion of civil society combines the two important spheres of social life: economic interests and ideology. The institutions which result (including those crucial for accumulation) are the outcome not only of social contradictions and conflicts but also of the ideological factors by means of which social consent is gained and interests are imposed. Ideology is then recognised as being a major component of the institution-building process” (Basile & Harriss-White, 1999; p.32).

They emphasise the central role of caste in the civil society of the SSA approach because it is a flexible force both ideologically and politically, enabling it to articulate the social and economic interests of various social groups effectively. Citing the works of Upadhyaya (1997) and Reiniche (1996), they illustrate how caste has demonstrated its adaptability by integrating seamlessly with other civil organisations, collectively exerting influence on economic and social life. The social regulation that emerges as a result of the secularisation of caste is “corporatist”, which is a form of regulation of the relations between the state-economy, capital-capital, capital-labour and ideology, all of which contribute to shaping the social structure of accumulation. In effect, “*corporatism limits class conflicts inter alia by involving both capital and labour in the ‘self-government’ of the economy*” ((Basile & Harriss-White, 1999; p.35).

Stretching this argument to contemporary times, the neo-corporatist view suggests that economic interest organisations can be established or influenced by the state for its own

accumulation goals, potentially lacking a democratising effect. Powerful interest groups also aim to enhance the town's welfare, often through limited acts of charity, which can be seen as legitimising their accumulation efforts. These self-regulation and economic governance endeavours align with an ideology that conceals class interests under the veil of the broader community interest (Basile & Harriss-White, 1999). In this approach, caste serves a triple role: as an ideological force, as a formalisation of social structures into institutional processes (with a particularly strong link between ideology and institutions), and in creating conditions for the overlap between the economy and society. In other words, caste plays a dynamic role both within the community and in its interaction with the state. The caste's socioeconomic role is partially self-regulating, while the other part is directed towards the state, whose role and relationship with the economy change over time (ibid). Different social networks, along with access to various resources such as credit, markets, education, and information, play a crucial role in wealth creation, and these factors are often influenced by caste. It is evident that there are disparities in access to these wealth-creation resources between upper castes and lower castes (Desai & Dubey, 2012).

Towards a Theoretical Framework:

A framework is now presented, synthesising the theoretical inputs gathered from the preceding sections. Theoretically, although there is a planetary urbanisation (urbanisation of the entire world), path-dependent and context-specific uneven spatial development needs to be given attention (Brenner & Schmid, 2013). In doing so, drawing from the post-colonial urban theory, it becomes necessary to situate the problem both in located (particular histories) and dis-located urban histories (overall trajectories induced by larger forces). In other words, one should have a framework that is attuned to both particular historical contingencies and broader political-economical trajectories. This entails paying attention to both urbanisation 1, as exemplified by planetary urbanisation, and urbanisation 2s, as specified by post-colonial theories, exploring the relationship between the 'complete urbanisation society' thesis and in-situ urbanisation, characterised by political and economic contestations (Derickson, 2015). Furthermore, following subaltern urbanisation, the agency of the subaltern (i.e., autonomous) should be shifted from the political claims of the poor towards the agency of the local economic elite who articulate their economic interests. Taken together, although the trajectories of capital are global, they are not universal and are situated in particular histories. Since they are particular and historical, the local origins of global forces are important to

explore sociologically. Hence, understanding the contemporary relevance of the agrarian question to urbanisation and capital accumulation becomes crucial because it entails intertwining the agrarian question with the urban question. In other words, it involves examining the relationship between agrarian histories and contemporary urban industrial accumulation (Chari, 2009 and Harriss-White, 2010), speculative accumulation, and the expansion of secondary circuits (Balakrishnan, 2018; Gururani, 2020; Upadhyay, 2019), as well as the urban land nexus (Scott & Storper, 2014; 2016). As Sassen (1991) puts it, recent urban research has expanded to consider how local, national, and global forces overlap to drive spatial change.

In this context, it is proposed that small towns are academically important to explore as non-metropolitan sites of urbanisation, serving as hubs for provincial capital and its flows, which have socio-spatial implications for rural-urban and urban-regional linkages (or, simply, exploring the regional political economy). Within this framework, the nature of provincial capital and its broader networks are being examined to elucidate the local forces of global capital. Consequently, it is imperative to investigate what are the resources employed by the provincial capitalist class, predominantly represented by dominant peasant and mercantile castes, to perpetuate their dominance and legitimise their social power (SSA approach). For Bourdieu, these resources exist in three forms: economic, social, and cultural, and they can be convertible. Power relations and the competition among various social groups for regional dominance are shaped by their ability to navigate the realms of political, economic, social, and cultural spheres. Caste plays a role in this dynamic. In essence, urban spaces serve as repositories of accumulated capital, encompassing not only economic but also cultural and social dimensions. These dimensions intersect within urban locations, generating diverse meanings and facilitating the conversion of the Bourdieu's capitals. Taken together, drawing from Savage (2018), this thesis attempts to examine how these urban areas become the sites of elite formation.

Chapter- 3

Political Economy of North Andhra

Introduction: North Andhra Region and Social Composition

Based on the agro-ecological and geographical conditions, Andhra Pradesh has been divided into three different regions, namely North Andhra, South Coastal Andhra, and Rayalaseema (Subramanyam, 2002; Rao & Bharati, 2003; Vijay, 2012; Prasad, 2017). Despite receiving an annual rainfall of almost 1000 mm, the North Andhra region is often regarded as one of the less developed regions within Andhra Pradesh. This region is located above sea level and slopes towards the ocean. Consequently, despite having numerous rivers and good annual rainfall, rainwater rapidly flows into the sea due to the absence of an efficient irrigation system to harness and utilise this valuable water resource. The region was once part of the Madras Presidency and was subject to the Zamindari system, where nearly ninety per cent of the lands were under the various Zamindars. Banerjee and Iyer (2005) pointed out that economic progress flourished in the areas governed by Ryotwari settlements due to the robust property rights system they upheld, compared to the areas governed under Zamindari settlements. Consequently, the North Andhra region, historically, has been considered backward. Additionally, the region is marked by notable distinctions compared to other regions, which are discussed below.

Social Composition and other specificities:

Andhra Pradesh has no uniform caste structure, as there are inter-regional and intra-regional variations. For example, North coastal Andhra differs greatly in terms of caste composition from other regions in Andhra Pradesh (Suri, 1996). Rajus and Velamadoras, politically influential land-owning communities, often represented the landlord class in the pre-independence period and are notably present in North Andhra (Srinivasulu, 2002). Rajus are present in both South Coastal Andhra and North Andhra, while Velamadoras are concentrated in North Andhra Pradesh and North Telangana (Suri, 2002). In the context of North Andhra, the presence of Rajus and Velamadoras¹⁷ is of great significance because they formerly represented the landlord class during the Zamindari period before independence.

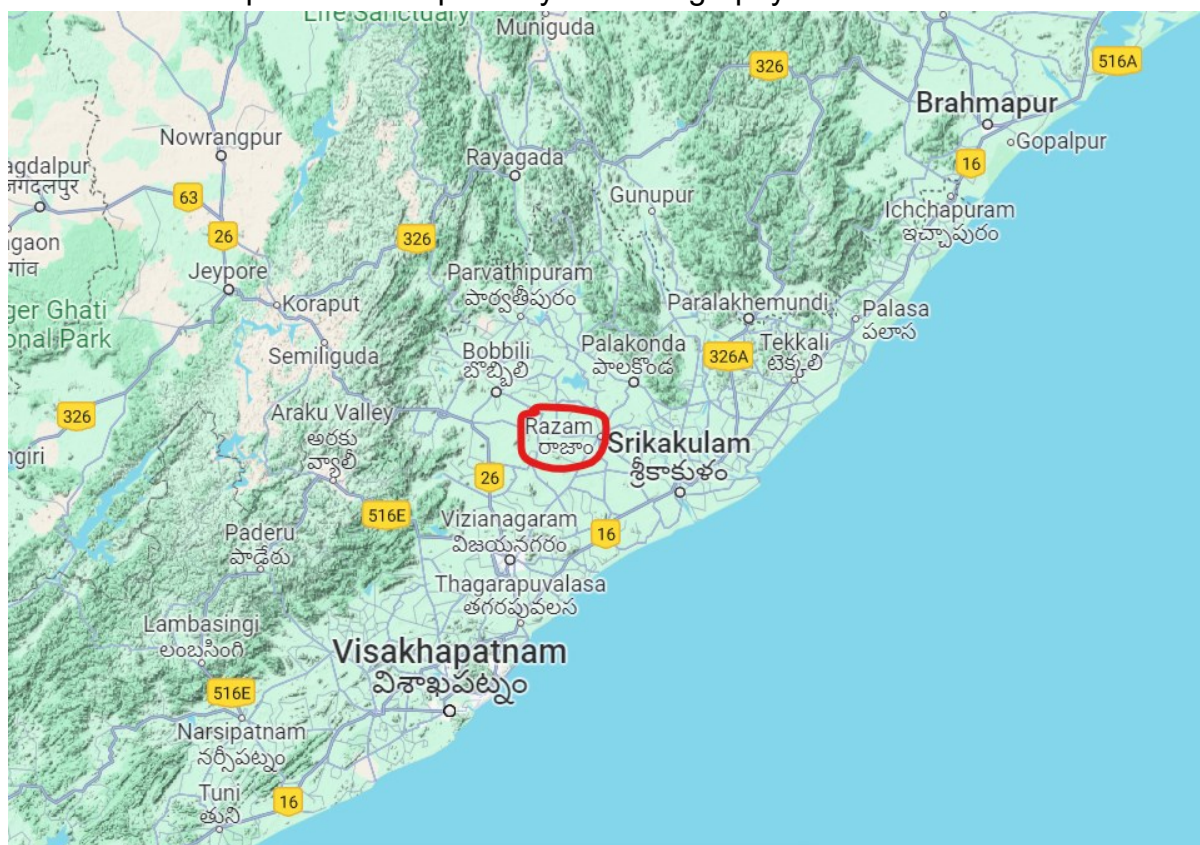
¹⁷ The population of Rajus and Velamadoras is not available for North Coastal Andhra. However, their share in the state population stands around 1% and 1-2%, respectively (Suri, 2002).

Like in other districts, there is also a presence of Brahmins in North Andhra, some of whom were Inamdars under Zamindari rule. Komatis, who assert their status as Vysya and engage in the traditional occupation of trade, are evenly distributed across all districts of Andhra Pradesh, including North Andhra districts (Suri, 2002).

Map No. 3.1. Map of Andhra Pradesh Districts



Map No. 3.2. Map of Physical Geography of North Andhra



Source: Google Maps

In contemporary North Andhra, there are a few noteworthy distinctions. Firstly, in the three northern coastal districts of Srikakulam, Vizianagaram, and Visakhapatnam, the politically influential communities include the Turpu Kapus, Kalingas, Polinati Velamas, and Koppula Velamas, are not commonly found in other regions of Andhra Pradesh. Although these communities may be considered dominant in some aspects, they hold a backward status for the purpose of reservation in educational institutions and government employment. Second, the Reddis and the Kammas, the two dominant castes in state politics, are notably absent in these districts (ibid). Thirdly, the region's geographical positioning is of particular significance. It is situated amidst the Eastern Ghats, with an extensive 550-kilometer stretch of dense forest on one side and a 350-kilometer-long coastline on the other, making the region densely populated in Andhra Pradesh (see map 3.1 and map 3.2). Consequently, North Andhra is home to a substantial population of tribal communities, accounting for nearly 11% of the region's population and fishing communities, making up nearly 3% of its population (District Handbook, 2015; Appalanaidu, 2018). Similarly, there is a significant presence of Dalits (majorly Mala, Madiga and Relli) with nearly 9% of the region's population. Along with these castes, the region is also home to various castes such as Telaga, Devangula,

Pattusale, Chakali, Mangali, Yerukala, Reddika, and various others (see Annexure 1 Table N for a complete list of castes).

The question then is how the historical influence of Zamindari settlements, the absence of two dominant political communities in Andhra Pradesh, namely Kammas and Reddys, and the limited availability of irrigation facilities have collectively shaped the North Andhra region and what implications this holds for the region elites. This chapter aims to uncover some facets of this question by drawing upon secondary sources.

Section I: The Region, Polity and Land Administration

The present North Andhra region¹⁸ was once an integral part of the Kalinga Kingdom¹⁹, which spanned from the Mahanadi River in the north to the Godavari River in the south. The region witnessed the rise and fall of numerous large and small empires, including Mauryas, Magadha, Nanda, Maratha, Thurpu Gaangulu, Arvaacheeya Gaangulu, Gajapathi, Satavahanas, Chalukyulu, Cholulu, Krishnadevarayulu, Golconda Nawabs, Moghuls, French, Dutch, Portuguese, and British, all of which left their mark on the land and its people.

Before the British assumed control of the North Andhra region in 1766, it was ruled by various kingdoms, with the Kutub Sahi dynasty being particularly prominent in the medieval period. The Golconda kingdom ruled the region from 1512 until the late 19th century for nearly one hundred and eighty years. During their rule, Faujdars were appointed to govern the northern districts of the Golconda dynasty, known as the Northern Circars, encompassing Chicacole, Rajahmundry, Eluru, Kondapalli, and Gunturu. The Kutub Shahi dynasty ended in 1687 when Mughal Emperor Aurangzeb advanced into the South and brought the whole country under his direct control. He appointed Subedars of Deccan, under whom served various local subordinates overseeing smaller territorial divisions. This administrative structure mirrored the Faujdars of the Golconda regime. Despite the Subedar of Deccan being initially subservient to the Mughal emperor, he gradually asserted independence from Mughal

¹⁸ Many parts of Ganjam and a few parts of Vizagapatnam joined with the newly formed Orissa state in 1936. After independence, the entire region was called Visakhapatnam District till the bifurcation of the district into Visakhapatnam and Srikakulam districts in 1956. Again, in 1970, Srikakulam was further divided into Srikakulam and Vizianagaram districts.

¹⁹ The Kalinga territory was further subdivided into three distinct regions: Uttara Kalinga, encompassing the area from Bengal to Chilika Lake (now Odisha); Madhya Kalinga, covering the region from Srikakulam to Simhachalam (which is present-day North Andhra); and Dakshina Kalinga, extending from Simhachalam to the Godavari River.

authority in the 1720s. Consequently, he began appointing his own officers to govern the Northern Circars. Anwar-ud-din, who gained fame during Carnatic wars, was the first Faujdar of Srikakulam under this new administration. Although external powers like the French and British initially confined their involvement to commerce and trade, they eventually interfered in the region's political affairs, given the constant feuds between the local rulers during the first half of 18th century (Anjaneyulu, 1982). For instance, the French supported the Vizianagaram Zamindars during the Battle of Bobbili in 1757, which resulted in the defeat of the Rajahs of Bobbili. Although the French aimed to establish dominance over the region, their influence proved short-lived, as the English East India Company outcompeted them and acquired the Northern Circars from the Mughals in 1765. While the Vizianagaram Zamindar emerged as a formidable force in the region, the area fully came under British administration, particularly following the death of the Rajah of Vizianagaram during the Battle of Padmanabham in 1794.

Nevertheless, it is essential to emphasise that due to the weak central authority in this region and the undermining of the Faujdars' positions by local Zamindars/ Rajas/ Chiefs/ Feudatories, the real power rested with these local rulers. In other words, during this period, power was widely distributed. Consequently, while the Kutub Shahis and Nizams held authority over the Northern Circars, they struggled to control the local Zamindars. Notably, in the mid-18th century, the Vizianagaram Zamindars emerged as prominent figures in the region, posing a significant challenge to the Nizam's authority.

“The political history of the Chicacole Circar between the second half of the seventeenth century and the first half of the eighteenth century was the history of the rise of the Vizianagaram rulers. They exacted a tribute from the other Zamindars, undermined the Faujdars and emerged as the foremost power in the Circar” (Anjaneyulu, 1982; p.10).

However, after the region came under British administration in 1765, Provincial Councils were set up to oversee revenue collections from the Ryots by Zamindars and other intermediaries. However, in 1792, Lord Cornwallis, the Governor-General at the time, abolished these councils and replaced them with collectors who were answerable to the Board of Revenue. Despite these efforts, the British had to resort to a permanent settlement as the earlier interventions proved ineffective. In 1802, a permanent settlement was introduced in North Andhra, similar to the one in Bengal, under the Madras presidency. Under this settlement, the land was categorised into three types: Haveli lands (reserved for the support of the Royal family and its immediate dependents), Zamindari lands, and Hill lands. While the

East India Company controlled the haveli and hill lands, the Zamindars controlled the Zamindari lands (Haragopal, 2006). Zamindars and other landholders responsible for estates were allowed to settle their *Peshcush*²⁰ at a fixed amount under the permanent settlement. After paying the defined Peshcush, the zamindars were granted permanent ownership of their estates, referred to as 'proprietary rights of the soil' (Francis, 1909). Subsequently, these zamindari lands were leased out at rates that fluctuated annually, with the Company administration doing little to shield the cultivators from exploitation in the hands of Zamindars (Haragopal, 2006). It is crucial to emphasise that almost ninety per cent of Vizagapatam consisted of zamindari land, with the remaining portion being haveli land (Anjaneyulu, 1982). In contrast, the Haveli lands, not directly controlled by Zamindars and other landlords, were divided into various Muttas and auctioned to the highest bidders (Francis, 1909).

Under the settlement, the Vizagapatam district was divided into three divisions, each under a collector. The first division included Vizagapatam and Kasimkota Haveli lands. The Haveli lands of Vizagapatam and Kasimkota were divided into sixteen proprietary estates. The total permanent assessment on these estates was set at Rs. 3,18,710 and was sold at auction to the Raja of Vizianagaram. The second division included the Vizianagaram Estate and seventeen restored or ancient Zamindaris²¹, which were returned to their existing owners at a total Peshkush of Rs. 8,02,580. The third division comprised Chicacole and Tekkali Haveli lands and Kimidi Zamindari. Six of sixteen proprietary estates were carved out of Chicacole and Tekkali Haveli, and Parlakimidi Zamindari became part of the Vizagapatam district. The Raja of Vizianagaram purchased three estates (Carmichael, 1869; Francis, 1909; Anjaneyulu, 1982; District Handbook of Srikakulam, 2011).

This section aims to outline the transfer of power from local Zamindars to the British and shed light on the land revenue policies adopted by the British to maximise their revenues. Overall, the period from 1769 to 1834 was not only marked by the transfer of power from Native zamindars to the British but also by the emergence of Vizianagaram Zamindar in the British administration (Anjaneyulu, 1982). Following the acquisition of the region, the company shifted its focus from trade and commerce to land revenue collection and

²⁰ revenue payable to the colonial Government.

²¹ The Vizianagaram Zamindari family conquered these Zamindars. After the British assumed control of the region, the Zamindaris were assigned to their respective Zamindars for good behaviour at a fixed Peshcush.

introduced the Permanent Settlement Act in 1802 to maximise its revenues. However, from a political perspective, the Zamindari settlement failed across the Andhra region because Zamindars were in a chronic state of discontent and disaffection and began neglecting to pay their *Peshcush* (ibid). In other words, even under the administration of the EIC, local Zamindars belonging to Kshatriya, Velamadora, and Hill Zamindars continued to exert considerable influence and retain control over vast tracts of land.

Section II: Colonial North Andhra

Along with the introduction of the Permanent Settlement Act, the British also implemented a series of agricultural reforms that had varying impacts on different regions. Examining the process of agricultural commercialisation and the development of social classes within the Madras Presidency, scholars Washbrook (1973) and Baker (1976) have pointed out that the introduction and expansion of commercial agriculture led to the rise of a distinct group of rural elites. They emphasise that certain land-owning castes, benefiting from their advantageous positions in various markets (land, labour, goods, credit), were able to transition into commercial agriculture. This shift involved cultivating cash, non-food and surplus food crops for the market. Consequently, they could amass wealth, strengthen control over the rural economic landscape, and establish themselves as prosperous agrarian elites. This group represented a small fraction of affluent peasants who also engaged in credit activities by providing loans to dependent rural peasants. However, according to Satyanarayana (1991), the idea that the commercialisation of agriculture led to the formation of two distinct polarised classes, as proposed by Washbrook and Baker, might not hold true. Instead, he (1991) suggests that the influence of agricultural commercialisation affected all strata of the peasantry and, in reality, exacerbated the disparities between various peasant groups in rural areas.

Nonetheless, the important insights from these studies are as follows: One, that the nature of soils, rainfall, irrigation facilities and the landholding patterns collectively played a significant role in the nature and degree of the commercialisation of agriculture in Madras presidency. Second, the small peasantry, in both dry and wet regions, had to rely on credit/loans advanced by the moneylenders to carry out agricultural production, although the small and middle peasantry in wet regions is positioned at a better place compared to their counterparts in dry regions. Third, notwithstanding the reasons, the entire peasantry

(irrespective of the size of the landholdings) responded to the commercialisation of agriculture. While the rich peasantry responded to the price rise of commercial crops, the remainder was forcefully shifted to commercial crops both voluntarily and involuntarily. In other words, irrespective of the reasons, the logic through which the peasants have been integrated into the circuits of mercantile capital is the same. The necessity of fulfilling rent, revenue, and debt obligations drove the peasantry to cultivate cash crops intended for the market (Satyanarayana, 1991).

As a result, the commercialisation of agriculture during the first half of the 20th century had increasingly replaced the subsistence nature of the agricultural economy. In some parts of the Vizagapatam district, the commercial significance of paddy and sugarcane began to emerge during the last decades of the 19th century (Rao & Rajasekhar, 1991). Most importantly, this shift has led to the domination of merchant capital over the peasantry. The commercialisation of agriculture has made the entry of merchant capital into the peasant economy in two ways: advancing the loans to peasants and marketing the agricultural commodities. With its dual activities, merchant capital exerted control over agricultural commodity production, effectively depriving farmers of their own produce (Satyanarayana, 1991; Harriss-White, 2023). The data gathered from village survey and settlement reports suggests that, except for a minority of affluent and prosperous peasants, a significant portion of the small and medium-sized farming community relied on economic support from merchant-money lenders (Sundarayya, 1956). In essence, the commercialisation of agriculture and the agrarian trade was closely interlinked with the merchant-moneylending capital. In this setting, the upper stratum of the peasantry benefited as they had relative operational and productive advantages over the small and medium peasantry. They are further benefited by the irrigation facilities (however scanty), transport and communication facilities and the growth of market towns. While the rich peasantry has displaced the traditional merchant-moneylending class in other regions, *Komatis* assumed significance in North Andhra region.

Trade in North Andhra was categorised into sea trade and road and rail trade, with Vizagapatam and Bhimilipatnam as crucial ports facilitating trade in the region. These ports recorded imports and exports²². The rail and road connections, extending to the Bengal

²² Imports: Wine, Spirits, oilmen stores from Madras; Cotton wool, twists and thread from Calcutta, Metals (wrought and unwrought) from Calcutta, Goa saly and saltpatre from Calcutta; Coral from Madras; Gunnies from Calcutta; spices from Calcutta; teal from Moulmein (a place in Myanmar). Exports: Piece-goods are exported to Calcutta and few to Moulmein, Madras; Seeds to France and England; Hides and horns to Calcutta,

Presidency and Madras Presidency, linked major towns and cities, including Visakhapatnam, Vizianagaram, Srikakulam, Bobbili, Cheepurapalli, and Pondhuru. Prominent exports such as groundnut, paddy (at a minimum), sugarcane, pulses, and cereals involved significant participation from local caste communities (see Annexure 1 Table O), especially *Vysyas* (*Komatis*), primarily in the plain areas. While influential peasants and artisan community members like Turpu Kapus, Balijas, Devangas, and Pattusalees entered trading, their impact was marginal or intertwined with traditional caste merchants. Peasant caste traders, however, benefited through commissions from these traditional merchants. In turn, the traditional merchants effectively utilised the services of the peasant caste traders, agents, or middlemen when dealing with the peasants in the countryside. The significant aspect here is that the caste and influence (political clout) of these ‘big people’ (*peddha manushulu*) influenced the economic interests of the traditional merchants. Though they may have appeared to be middlemen or agents, they, in fact, represented the interests of the traditional merchants and facilitated business transactions in favour of the merchants.

As a result, the local trading communities, such as Komatis, thrived in towns like Vizianagaram and Srikakulam, running various businesses. On the one hand, Komatis dominated internal trade, focusing on towns and utilising the services of peasant caste people. On the other hand, they had strong trading ties with foreign firms for external trade. In North Andhra, Volkart Bros, Rallis Bros, and the Indian Leaf Tobacco Development Corporation (ILTD) were the dominant foreign players. Rice from coastal Andhra was exported to places in the Madras Presidency, neighbouring states, and abroad (Ceylon, Mauritius). Deccan districts exported oilseeds to international markets, while surplus food grains went to Southern Tamil Nadu and the West Coast. Jaggery, provisions, spices, and condiments were exported to neighbouring states such as Bombay, Hyderabad, and Mysore (Satyanarayana, 1991). The petty traders and small-time business people from the region have participated in the external trade in various capacities and benefited from these linkages. In order to have

Drugs to England; Sugar, Jaggery, Rum, Indigo to England and Australia; Gram to Ceylone and Moulmein; Tobacco to Calcutta and Moulmein; Gunnies to Calcutta and Balasore; Turmeric to England and Calcutta; Chillies to Calcutta. Imports such as cotton twist yarn, and glassware constituted a major share of imports. Gingelly seed and oils, Jaggery, Hides and Skin, Manganese and jute constitute the major share of exports. For the year 1902-03, imports = Rs. 14, 97, 000 and exports = Rs 50,16, 000. Besides Manganese and jute, cotton fabrics from Rajam, Siripuram and Ponduru were sent to Ganjam, Cuttack and Calcutta via rail. Those of Nakkapalli and Payakaraopeta were sent to Godavari. The Jaggery of Anakapalle was sent to Samalkota distillery. The tobacco and chillies of Cheepurapalli were sent to Ganjam and Cuttack (Carmichael, 1869).

control over agricultural production, they actively advanced loans to the peasantry, especially the small, marginal and medium farmers.

In the initial half of the 20th century, agriculture was the predominant economic activity in the North Andhra region. Peasants relied on tanks for irrigation during this era, and most of the land was controlled by Zamindars. In fact, in 1930, the Prakasam committee found 4.7 lakh acres of Ryotwari land, 66.6 lakh acres of Zamindari land, and 33.72 lakh acres of Banjara land in the agency area. In Ganjam and Visakhapatnam, 19.89 lakh acres were Ryotwari, 112.42 lakh acres were Zamindari, and 62.52 lakh acres were Banjara lands. Additionally, Zamindars held rights over forest and banjara lands alongside their agricultural holdings. They had the authority to impose taxes at their will, resulting in a substantial disparity²³ between the taxes they collected and the *peshcush* they paid to the British authorities. As a result, the farmers found themselves trapped in indebtedness because they had to pay huge taxes, invest in agriculture, and support their families. Discussing the nature of the agrarian structure in the North Andhra region during the first half of the 20th century, Rao and Rajasekhar (1991) state that “*Northern Andhra was characterised by stagnant agriculture, the heavy population pressure on land, oppressive tenancy and the out-migration of the poor either to the South Coastal Andhra Pradesh or to North-Eastern Coast and Burma*” (Rao & Rajasekhar, 1991; p.4).

Because of the economic depression in the 1930s and two world wars, some trading families strengthened themselves with black marketing and hoarding techniques and accumulated surpluses. At the same time, some lost their fortunes in the business during that period (Chitra, 2003). During this period, many peasants became indebted and had to part with jewellery, ornaments and land they possessed. This left the peasants at the mercy of moneylenders. Around that time, there was a growing tendency to convert unsecured debts into secured ones at the instance of moneylenders. For instance, during this period, a significant 70-77% of registered farmers in Ganjam, Vizagapatam, and West Godavari found themselves in debt (Satyanarayana, 1991). However, in the Madras Presidency, unlike Bombay and Bengal, the hold of professional moneylenders, often from merchant castes, on

²³ To illustrate, the Vizianagaram Zamindar imposed taxes four times higher than the *peshcush*, Mandasa levied 21 times more, Bobbili 7 times, Kallikota 19 times, and Jalandhra, Dhaarakota, and Cheekati 10 times the *peshcush* (Chitra, 2003). The remainder of the cash was retained by the local zamindars, which had a huge consequence in terms of their wealth and properties.

the peasantry was weak, and the affluent peasantry efficiently fulfilled this role. Consequently, land transactions did not occur between peasant castes and merchants; instead, land was transferred from one agriculturist to another. This invariably benefited the wealthy peasantry in the countryside (Washbrook, 1973; Satyanarayana, 1991). In the case of North Andhra, where most lands were under Zamindars and peasants were primarily tenants, traditional merchants appeared to benefit during that period, unlike the wealthy peasants from the Kamma, Reddy, Kapu, and Raju castes in South Coastal Andhra.

In North Andhra, much like in other regions, there was a prevalence of 'produce grain rents', known as *Namulu*, a system of advancing credit in terms of grains and seeds at 50 to 100 per cent interest (Sundarayya, 1959; Satyanarayana, 1991). The local merchant moneylenders (Komatis) advanced the loans in exchange for grains at harvest time. The quantity was fixed at the time of advancing the loan itself. It was a kind of 'forward contract' where the terms of trade were fixed before and favoured the merchant moneylenders. In other words, during the lean season, typically two months before the harvest, unemployed agricultural labourers seek loans in kind from landlords or affluent farmers with whom they often work as casual labourers or annual farm servants. They promise to repay the loan during harvest by returning 1.5 to 2 bags of paddy for each bag borrowed, equivalent to an interest rate of approximately 200% to 400% per annum. At times, these labourers also pledge the labour of their entire families at half the standard harvest season wage rates, working on the creditor's land until they clear their debt (Sundarayya, 1959). These were some of the prevalent and most exploitative practices upon which trading communities in the North Andhra region have hugely benefited and accumulated wealth. The accumulation of wealth, the interests of the rich peasantry and merchant-moneylending class, and the commercialisation of agriculture are interconnected and, in turn, are associated with shifts in the cropping patterns across regions (Upadhyaya, 1988; Rao & Rajasekhar, 2003).

Cropping pattern in the region:

There are three types of crops: Wetland crops, dry land crops and garden land crops. Generally, this region is marked with one wet crop and two dry crops. Two wet crops are rarely seen in the region without a good irrigation facility. During the 19th century, the North Andhra region was said to have people tilling the land and, depending on pastoral farming, accounted for nearly 70% and 85% of the population in plain areas and hill areas,

respectively (Francis, 1907). During this period, the North Andhra Region has witnessed crop diversity and shifts in crop patterns. Cultivation of paddy, jowar, bajra, pulses, and other cereals was prevalent. However, there was a gradual decline in the percentage area under cereals, pulses and other crops due to the expansion of paddy cultivation and the growth of cash crops like cotton, oilseeds, tobacco and sugarcane in North Andhra districts. Although the expansion of paddy cultivation was less than that of South Coastal Andhra, some parts of Ganjam and Vizagapatam (linked with water facilities) had joined the paddy zone of Coastal districts during the 1930s (Rao and Rajasekhar; 2003). The main commercial crops in North Andhra were paddy, groundnut and sugarcane from 1910-1940. For instance, during 1910 and 1920s, the Ganjam and Vizagapatam together had a share of 48% in the total rice area of Coastal Andhra Pradesh (CAP). In that period (till 1930), groundnut was one of the dominant crops in the region. Between 1911 and 1931, there was substantial population growth in the districts of Ganjam and Vizagapatam, accompanied by an expansion in the cultivation of food crops. These changes were driven by demand from both external and internal markets, prompting a response from the local peasants in this region.

In North Andhra, the growth and expansion of cash crops such as cotton, oilseeds, sugarcane, and groundnut during the early 20th century was a clear indication of the commercial nature of agriculture (Satyanarayana, 1991). However, the important point is that these changes and benefits were not prevalent across the North Andhra region. There were intra-regional differences in the crop diversity and cropping pattern. Among all the cash crops, sugarcane was the dominant crop in the region as the soil favoured this crop. The peasantry in the region responded to the domestic market for sugarcane, which was further helped by the tariff protection for sugarcane. As such, during the 1930s, the area under sugarcane increased in North Andhra. For example, the Gavaras and Kapus, the land-owning castes in the Anakapally²⁴ region, heavily relied on family labour for cultivation and became expert cane growers in the area (Satyanarayana, 1991; Subramanyam, 2002). In many parts of the Bobbili Zamindar, sugarcane cultivation was well-known. The Rajah of Bobbili even leased substantial lands in this zamindari for sugarcane cultivation. He also established a sugar factory near Bobbili before independence, which was later sold to NCS Sugars Ltd. The local Koppula Velama and Turpu Kapus have a historical reputation for cultivating sugarcane in the Bobbili Zamindar. Interestingly, crop diversity, cropping patterns, and commercial

²⁴ Anakapally was known as sugarcane's hub, and its jaggery is well known in internal markets.

agriculture played a crucial role in the development of agrarian and trade towns in North Andhra. These towns, including Anakapalli (known for sugarcane and jaggery trade), Palasa (for cashew nuts), Rajam (with a focus on jute and agricultural commodity trade), Ponduru (specialising in Mirchi and groundnut), Narasannapeta (centred around paddy and rice mills), Palakonda (dealing in tribal forest produce, sugarcane), and Bobbili (a prominent market town and also known for sugarcane), Amadalavalasa (sugarcane) to name a few, owe their growth to these agricultural and mercantile activities.

Anti-Zamindari struggles:

As indicated in the previous section, the 1802 permanent settlement introduced the twin principles of “fixity of tenure and fixity of rent”. However, this settlement did not clarify the rights of Zamindars and Ryots and their respective relations. This worsened the situation. As a result, there was misrule and anarchy, which became the watchwords of revenue administration in the subsequent years in the Zamindari areas (Haragopal, 2006; p.43). The overall land relations were tilted in favour of Zamindars, subjecting tenants to high rents, insecure tenancy, frequent evictions and the practice of forced labour, also known as *Vetti*. The predominance of Zamindari interests, unstable tank irrigation, and the prevalence of ‘produce grain rents’ in the Ganjam and Vizagapatam districts resulted in a gradual depletion of surpluses in the hands of the peasantry. Consequently, this hindered reinvestment and decelerated the transition to agricultural commodity production, contributing to agrarian distress (Rao & Rajasekhar, 1991). The peasant community in the North Andhra districts initiated numerous movements to fight the exploitation and oppression imposed by Zamindars and demand the conversion of grain rents into cash. In 1937-38, the Raithu Rakshana Yatra, led by Kommareddi Satyanarayana and Chalasani Vasudevarao, marched from Icchapuram to Madras to address the concerns of the farming community and challenge the landlords (Sarma, 2022). Localised farmer movements, guided by communist leaders, also erupted in Mandasa, Tekkali, Baruva, and Bobbili. The All-India Kishan Maha Sabha convened in 1940 at Kasibugga, Srikakulam, further highlighting these anti-zamindari struggles. These movements were so impactful that they resulted in the defeat of Tekkali and Bobbili zamindars by the leaders of the movement in the 1937 Madras Legislative Assembly elections (ibid; Venkat, 2007). As most of these movements sought to reduce interest rates and alleviate exploitative practices, it did not result in significant changes regarding agrarian relations, as the power of Zamindars persisted until the system’s abolition in 1948.

This section discussed the agrarian structure and the commercialisation of agriculture under colonial administration and its implications for the region. As most of the land was owned by Zamindars, local Zamindars, including Kshatriyas, Velamadoras, and Hill-zamindars, solidified their positions and amassed wealth through agricultural commercialisation, oppressive tenancy and forced forms of labour. These oppressive structures also facilitated the emergence of merchant-moneylenders, primarily *Vysyas (Komatis)*, who were known for agricultural commodity trading and advancing loans to the tenants in the region. This section also highlighted that despite numerous protests against the Zamindars, it did not alter the agrarian relations in the region, indicating the formidable dominance of the Zamindars and their relations with the colonial administration.

Section III: Post-Independent Period

By the time of independence in Andhra, approximately 27.5% (11.1 million acres) of the total 40.55 million acres were under the control of Zamindars, and 11% (0.45 million acres) were held by Inamdars (Sundarayya, 1956). The abolition of these land tenures significantly reshaped land relations and the agrarian structure post-independence. The Estates Act was abolished in 1948, transferring rent collection rights from former Zamindars to the government. This Act also transferred ownership of communal and forest lands and irrigation sources to the state. In return, Zamindars were granted property rights over Seri lands, which often amounted to hundreds or thousands of acres, and received compensation totalling 1000 million rupees (ibid). Furthermore, Zamindars took advantage of exceptions and loopholes provided by the Act. For instance, Vizianagaram and Bobbili Zamindars have sold most of their lands to the tenants and invested in other avenues, especially the industry. The lands they could not sell had been converted into large-scale sugarcane farms or gardens (Sundarayya, 1956). In other words, whereas most of the Zamindars (belonging to Kshatriya and Velama castes) were able to retain large tracts of land after selling substantial amounts of the land to the local peasant communities, most of the Hill Zamindars, except Kurupam Zamindars were not able to retain much of the lands (Vidyasagar, 2017). Also, the abolition of Inams in 1956 resulted in a division of property rights. Half of the rights went to the actual tiller and the other half to the Inamdar. Numerous legal disputes ensued concerning the categorisation of Inamdars, whether they fell under the Estates Act or minor Inams (Sundarayya, 1959). Regardless, assuming that all Inams were abolished by the government (which is not entirely accurate) meant that the actual cultivator lost half of the land. As

pointed out by Eashvaraiah (1985), during the Andhra Pradesh Tenancy Act of 1956, the responsibility for preventing illegal transfers rested with traditional village officers like *Karanams* and *Munisifs*, responsible for maintaining tenancy records. These officers were crucial in assisting Zamindars and their subordinates in securing higher compensation rates. They achieved this by presenting the estates as smaller in size (as government compensation assessment relied on higher rates for smaller estates) and categorising large land tracts as ‘personal cultivation’. This bureaucratic reform process strengthened the positions of former Zamindars and Inamdars, granting them inalienable and inheritable rights under the Abolition of Zamindari Legislation and the Indian Constitution. Furthermore, as compensation for their assistance, *Karanams* and *Munisifs* also obtained small plots of land, effectively becoming landlords themselves (Eashvaraiah, 1985).

However, in order to understand how the abolition of intermediaries such as Zamindars and Inamdars impacted North Andhra region and how the lands got transferred to the dominant peasant castes, it is required to dwell on the relations between the local Zamindars and the peasants that have existed in the countryside till their abolition. There are three local arrangements in this regard. First, they often appointed their agents, usually kin from the same caste, to collect rents for a cluster of villages. The Vizianagaram Zamindar (Raju) appointed Raju families to collect rent in various villages (e.g., Alamanda village in Vizianagaram District). Similarly, the Bobbili Zamindar (Velamadora) delegated the rent collection of some villages (e.g., Piridi village in Vizianagaram District) to Velama individuals. Second, in some cases, people²⁵ from dominant castes in certain villages were granted the authority to oversee village affairs. For example, the Vizianagaram Zamindar appointed local Turpu Kapu community members to manage rent collection in Kovvada village. Third, Brahmins mainly held Aghaharam or Inam lands. The local peasantry cultivated these lands, paying rent to the Brahmins. In essence, the land was concentrated in the hands of Zamindars (in this region, Rajus, Velamas, Hill Zamindars), Inamdars (Brahmins) till the abolition of Zamindaris in 1948 and Inamdars in 1956. When the Zamindari system was abolished, Zamindars encouraged local peasants to purchase these lands before the abolition took effect.

²⁵ Locally, these individuals were known as “Naidoru” and typically belonged to the Turpu Kapu and Koppula Velama communities.

Two distinctions are important. Firstly, Zamindars/Inamdars entered an agreement with local peasants, leasing land to them at a fixed rent. Some peasants cultivated extensive land, locally known as “*Kapadhalu*”²⁶, with the assistance of agricultural labourers from various communities. After the abolition of the intermediaries, Zamindari and Inamdari lands were allocated to local tenants (peasants/farmers). However, instead of going to the actual tillers, these lands were acquired by those who employed agricultural labourers for cultivation. Secondly, the local peasantry, composed of *Turpu Kapu*, *Polinati Velama*, *Koppula Velama*, and *Kalinga* communities, rallied under the leadership of parties like the Krishikar Lokparty, Socialist Party, and Communist Party in their struggle against the zamindars and landlords. Consequently, land shifted ownership to the dominant people²⁷ among the four communities in Vizianagaram and Srikakulam districts. While only a few individuals from these communities have benefited from the land transfers, those who did were able to secure and maintain support from other members within their respective castes. Because of the significant presence of the Shudra-dominant caste population, as well as a smaller number of oppressive caste population, and due to land transfers that occurred after the abolition of zamindari and Inamdari systems, the oppressive castes found themselves compelled to withdraw from the positions of dominance. Consequently, these four castes gradually replaced the power and authority previously held by the landlord classes in the region, including *Brahmins*, *Kshatriyas*, and *Velamadoras*.

Overall, the abolition of intermediaries for North Andhra (especially Srikakulam and Vizianagaram) meant the gradual displacement of land power of three upper castes, namely, Kshatriyas, Brahmins and Velamadoras, which were to be replaced by Shudra dominant peasant castes in the region namely Koppula Velama, Polinati Velama, Kalinga and Turpu Kapu (Note: the impact of this on Dalits and Tribals will be discussed in a separate section in this chapter).

While this agrarian structure was emerging in North Andhra post-independence, according to the 1953 census survey, nearly 45% of the total population and 53% of the agricultural population in the coastal districts were living as agricultural labourers and landless tenants (Sundarayya, 1956). Although specific data about North Andhra was unavailable, it can be

²⁶ *Kapadhaalu* means vast tracts of land, running into tens and hundreds of acres.

²⁷ This is stressed because these transfers do not encompass the entire population of these communities.

assumed that the proportion of agricultural labourers and landless tenants was even higher, considering tenants did not have land rights and nearly ninety per cent of the land was under Zamindari. In the first three five-year planning periods, importance was given to agriculture. Erstwhile Zamindars and rich farmers greatly benefited from the public investment and ‘captured’ most of the benefits. The 1951–52 Rural Credit Survey conducted by the Reserve Bank of India informed that the majority of funds disbursed by cooperative societies are accessed by large-scale cultivators (Sundarayya, 1956). As a result, poor and medium cultivators often had to rely on landlords and professional moneylenders for credit. The absence of formal loan facilities and the weakness of cooperatives suggest that the merchant class played a predominant role in the countryside. In Coastal Andhra, nearly 60-70% of the loans were taken from moneylenders (ibid). Kalipatnam Ramarao, popularly known as *Kaa.Raa.*, focused extensively on the agrarian life of villages in Srikakulam in his short stories such as *Yagnam*, *Chaavu*, *Keerthikamudu* and *Idhi Asalu Rahasyam*. His narratives delved deeply into several key themes, including the exploitative and oppressive relationships that are inherent in agricultural production, the commercialisation of agriculture, and the appropriation of public funds and investments by village feudal landlords and wealthy peasantry, typically belonging to the upper castes in the region. Ramarao (2017) also illustrated how the upper castes reinforced their dominance within the villages, utilising various government schemes, such as five-year plans and public investments, to extract surplus resources. He shed light on how different state policies contributed to the dispossession of small peasants from various castes in this region. He uncovered the less visible forms of violence perpetrated by the upper castes and ruling classes against the Dalits in the region, making visible the systemic exploitation that the Dalits in the region endured in various aspects of their everyday lives (Ramarao, 2017).

In the early decades of independence and subsequently, the region saw limited industrial growth, with the exception of Visakhapatnam. There were some pockets of industrial activity in Vizianagaram, including the ferroalloy plant in Garividi, the Sugar factory in Bobbili, and the Jute Mills in Chittivalasa and Nellimarla. While some erstwhile Zamindars and wealthy farmers in the region invested in rice mills, jute mills, oil mills, and cashew nut processing units, their numbers were limited. During the 1970s and 1980s, due to a decline in agriculture and limited industrialisation in the region, many small, marginal, and landless people migrated from villages to more distant locations and nearby towns. The disgruntled rich and landlord peasantry, unable to secure labour and perceive agriculture as profitable, also

migrated to urban areas, seeking investment opportunities and alternative paths to accumulate wealth. The emergence of industrial ancillary services and other businesses such as cinema halls, hotels, grocery stores, belt (wine) shops, textile shops, silver and gold shops, tea and pan shops, small-scale commodity producers, and local traders created employment opportunities. Consequently, this period witnessed a significant influx of people seeking livelihoods in growing cities like Visakhapatnam within the region and thriving urban centres like Hyderabad, Chennai, and Kolkata.

However, as towns and cities evolved into melting pots, diverse struggles emerged for their inhabitants. Small, marginal, and landless individuals had to contend with congested housing, precarious employment, and a sense of alienation. On the other hand, affluent landowners and the peasantry found themselves in competition with various players from different regions for economic and political opportunities. They invested their surpluses in urban areas (see Balagopal, 1988), as observed in Visakhapatnam, where the rich peasantry from Godavari and Krishna delta regions flocked to the city for investment opportunities. Visakhapatnam's growth served as a catalyst for these activities, engaging in various businesses, including finance and chit-fund companies. They also acquired land, encroached upon commons, and occupied lands (Chitra, 2003). Likewise, there is a unique group of people who have not participated in productive activities, be it through investment or labour. Instead, this group, mostly *Komatis*, mastered the art of hoarding and participating in black market activities, trading in items like rice, tamarind, alcohol, turmeric, and beauty products such as creams and powders. Through these trading activities, they have accumulated significant surpluses. Some members of the trading community (*Komati*), who had been marginalised, ventured into the forests and began trading there²⁸. This trading and mercantile class of individuals eventually emerged as a powerful moneylending class, providing loans to both local farming communities and enterprising business communities (ibid).

Agrarian Structure and Transformation:

Subramanyam's (2002) study of agrarian transformation and regional disparities in united Andhra Pradesh from 1956 to 2001 revealed distinct patterns in agricultural productivity.

²⁸ Bhooshanm, a Telugu writer belonging to the North Andhra region, depicted the stories of how ruined merchants from plain areas gathered in tribal areas and exploited the tribal people and tribal resources and amassed wealth, which later became the tipping point for *Srikakulam Girijan Rythanga Poratam* (Srikakulam tribal peasant armed struggle).

Initially, during the first decade of independence, South Coastal Andhra exhibited the highest agricultural output per hectare of net area sown, followed by North Andhra, Rayalaseema, North Telangana, and South Telangana, maintaining this hierarchy until the late 1990s. However, in subsequent years, North Telangana experienced substantial growth in agricultural output, primarily due to improved irrigation facilities, surpassing both Rayalaseema and North Andhra in productivity. Notably, North Andhra lagged behind other regions in Andhra Pradesh regarding agricultural performance, with the growth rate of irrigated land being the lowest among all areas. He also highlighted a significant disparity in the impact of irrigation facilities on agricultural output across regions. For instance, he noted that *“a one per cent increase in the irrigated area resulted in a 0.7 per cent increase in agricultural output in the Telangana regions, but only a 0.28 per cent increase in North Andhra and a 0.32 per cent increase in Rayalaseema”* (Subramanyam, 2002; p.91). This observation underscores the uneven development of irrigation infrastructure across the state. In the case of North Andhra, several factors contribute to this phenomenon, including low productivity, inadequate irrigation facilities, and a high man-land ratio²⁹. Despite receiving the highest rainfall in the state (more than 100 cm), North Andhra faces challenges in rainwater and groundwater utilisation due to the limited quality of its tank facilities and the development of modern irrigation facilities.

While nearly sixteen rivers³⁰ flow through the North Andhra region, the development of irrigation projects to create water reserves has been limited. Consequently, agriculture in North Andhra largely relies on tank irrigation, which depends on rainfall. Many proposed projects remain either incomplete or have not even started. This situation also reflects the state's unjust policies during various political regimes in post-independent Andhra Pradesh. For example, the Uttarandhra Sujala Sravanthi project, proposed in 2009, has yet to commence. Once completed, this project aims to harness the Godavari floodwaters with a capacity of 63.2 TMC, covering a total of 8 lakh acres for cultivation and providing drinking water facilities for nearly 30 lakh people across three districts (Sarma, 2021). Similarly, as part of an agreement with the Odisha government, Andhra Pradesh is expected to receive

²⁹ The population density per square kilometre in North Andhra exceeded that of other regions and increased over time, rising from 230 in 1971 to 364 in 2001 (see K. S. James, page 40).

³⁰ Including main rivers and its tributaries- Vamsadhara, Nagavali, Suvarnamukhi, Vegavathi, Mahendrathanaya, Gostani, Champavati, Bahudha, Janjaavathi, Guathami, Saradha, Varaha, Thandava and Pampa.

57.5 TMC (50% of the total 115 TMC). However, Andhra Pradesh has only utilized 17.841 TMC through the Gotta barrage at Hiramandalam, and the proposed project for the remaining water remains incomplete. The Janjavathi project, initiated in 1976, remains unfinished to this day. The Tarakarama Theertha Sagar Project, which aims to construct a reservoir on the Chempavathi river, began in 2007 but has not been completed. Completing the Vamsadhara stage-II, the remaining canal of Thotapalli and Sujala Sravanthi projects could bring three lakh acres under cultivation (Sarma, 2021).

In certain pockets of the region where canal water was accessible, a few caste communities reaped the benefits of the green revolution through paddy cultivation. Notable examples include the Thotapalli regulator reservoir (benefitting Turpu Kapus and Koppula Velama), and Narayanapuram Canal (benefitting Kalingas). Furthermore, in a few other initiatives, Polinati Velamas also reaped benefits. However, despite the Madduvalasa reservoir construction benefiting the Turpu Kapus, the neoliberal policies redirected state priorities away from agriculture by the time the project was completed in 2003. Due to limited irrigation facilities in the region and the delayed commencement and completion of most proposed irrigation projects, such as Vamsadhara Phase-II, Babu Jagajjeevan Rao Sujala Sravanthi, and others, the benefits of the green revolution in North Andhra Pradesh pale in comparison to their counterparts in South Coastal Andhra Pradesh.

As mentioned earlier, the region exhibits a pattern of relatively small landholdings. For instance, in Srikakulam, Vizianagaram, and Visakhapatnam, approximately 76%, 64%, and 61% of households possess land parcels of 2 hectares or less (Further, when examining households with holdings under one hectare, these percentages stand at 50%, 38%, and 37%, respectively) (Sarma, 2019). Historical analysis suggests several plausible reasons for this phenomenon. Firstly, the region has predominantly been under Zamindari settlement, with nearly 90% of the land falling under this category. Secondly, the region's geographical location, nestled between the eastern ghats and the coastline, has limited the availability of flat plains. Consequently, while the number of small and marginal landholdings has been rising, the average size of land holdings has steadily decreased.

In the context of post-independence land struggles, a unique characteristic of the North Andhra region is that these struggles did not revolve around the demand for land redistribution. For instance, even the renowned *Srikakulam Girijana Rythanga Poratam*

primarily protested against the exploitation and usurious interest rates imposed by merchant-moneylenders and Vetti, but it did not center on the call for land redistribution. Similarly, in the post-2000s, protests were ignited by concerns about the influx of private capital through projects like the Sompeta Thermal Power Plant and the Kovvada Nuclear Power Plant (Sarma, 2010, 2011). In both instances, local fishing communities (Theera caste and Kandra³¹ caste, respectively) protested against NCC and East Coast power project companies. These movements were notably driven by the goal of safeguarding their land and environment while opposing the encroachment of private capital. In contrast, contemporary land struggles predominantly focus on demanding higher compensation for losing their lands and livelihoods. Contemporary capitalism has played a pivotal role in facilitating primitive accumulation, with dispossessed groups attempting to establish social and political constraints and their outcomes have been mixed (Adnan, 2014). The successful resistance in the case of Sompeta and unsuccessful resistance and repression in the case of the Kovvada nuclear power plant exemplifies this. The Sompeta thermal power plant was halted due to resistance from the local fishing and peasant community, whereas the protests against the Kovvada nuclear plant largely centred around demands for better compensation.

Migration:

The high man-land ratio, small landholdings, poor irrigation facilities, and limited industrialisation have driven many people out of the villages. Historically, migration patterns were observed from rural to rural, rural to urban, within the same region, outside the region, and outside the state/country. The growth of agro-industries, such as jute mills, sugar factories, rice mills, etc., in places like Garividi, Chittivalasa, Nellimarla, and Bobbili in North Andhra during the 1930s and 1940s attracted impoverished peasants and artisans from the countryside. Many people from different peasant castes, such as Turpu Kapu, Koppula Velama, Kalinga, Polinati Velama, Telaga, and Dalits, joined these sites as wage labourers.

Before independence, another dominant feature in North Andhra was the migration of many people from peasant castes to South Coastal Andhra. Three historical moments witnessed the influx of people from North Andhra to South Coastal Andhra: the construction work for the anicut on the Godavari and Krishna rivers (during the mid-19th century), the second crop

³¹ later joined by agricultural communities like Kalinga and Turpu Kapu, respectively.

regime (around the 1920s)³², and the Green Revolution (mid-1960s to 1970s) (Chennur, 2015). The peasant castes, such as Turpu Kapu and Koppula Velama, constitute the communities from which most of this influx originated, followed closely by Polinati Velama. While widespread seasonal migration occurred during these periods, many settled in these districts. Over time, they have gained notable prominence in local panchayat politics and urban local bodies in South Coastal Andhra. The political significance of these communities is evident from the considerable population residing in the districts of South Coastal Andhra. The dominant castes in these districts, such as Kapus, Rajus, and Kammas, have not only garnered support from these ‘migrants’ in politics but have also, in some cases, endorsed or sponsored candidates from migrant castes to contest against the numerically dominant and emerging BCs (Backward Classes) in the region, such as the Settibalijas (in the case of BC reserved seats in local body elections). While they have become influential in local body elections, a few have transitioned into full-time local politicians, even serving as municipal chairpersons and MLAs in South Coastal Andhra³³.

After the shutdown of many agro-based industries in North Andhra, many people belonging to various social groups have been migrating to various parts of the country and abroad in search of livelihood. Cities like Visakhapatnam, Hyderabad, Chennai, and Kolkata have significant populations from North Andhra districts, many of whom have settled there. While accommodating these rural labouring classes, the towns and cities also made their lives miserable and precarious.

That was also the generation who could not entirely leave the village (mentally) and settle in slotted houses in faraway cities. While they are removed from the villages (forced by lack of secure livelihood in the villages), their lives are tied to meagre wages, small houses, congested streets and precarious and insecure lives in the towns and cities. Labour migration, particularly from North Coastal Andhra to Hyderabad, predominantly consists of individuals from Dalit, Adivasi, and backward caste communities, reflecting a decline in agricultural and related livelihoods in the region (Kannabiran et al., 2010). Agrarian livelihoods have

³² In 1926, the Labor Commissioner of Madras conveyed to the Royal Commission on Agriculture that thousands of individuals migrated from Vizagapatnam, originating in the uplands of Godavari, Kistna, and Guntur, to settle in the regions irrigated by the Kistna and Godavari rivers. Additionally, people from North Andhra migrated to the deltaic areas of South Coastal Andhra (Subramanyam, 2002).

³³ One Turpu Kapu leader by name Routhu Surya Prakash Rao even went on to become an Rajahmundry MLA in 2004 and 2009.

suffered, industrial operations have ceased, and traditional artisan occupations have succumbed to neoliberal capitalism. The advent of major aquaculture players and enterprises has marginalised local fishing community livelihoods. People from these districts have also been migrating to various other states, including Andaman Nicobar Islands, Kerala, Gujarat, Tamil Nadu, and Manipur (Prasad, 2017).

While many people from peasant castes in North Andhra migrated to South Coastal Andhra for a livelihood, the affluent from South Coastal Andhra migrated to the North Andhra region, seeking real estate, business, and agriculture opportunities. Visakhapatnam in North Andhra attracted numerous individuals from South Coastal Andhra (Upadhyay, 1984; Subramanyam, 2002). Some prominent merchant families, like the Nalam family from Rajahmundry and the Pydah family from Kakinada, have maintained historical trading ties with North Andhra. For example, the Nalam family's banking interests stretched from Ganjam in the north to Madras City in the south (Washbrook, 1975, as cited in Chennur, 2015). Further exploration of this phenomenon will be undertaken in the subsequent section dedicated to Visakhapatnam city.

Overall, this section outlined a significant shift in political power and land ownership in North Andhra. Formerly, Zamindars (Kshatriyas, Velamadoras, and Hill-zamindars) and Inamdars (Brahmins) held influence, but they were replaced by dominant peasant castes in the region, including Koppula Velama, Turpu Kapu, Kalinga, and Polinati Velama. Additionally, the section discussed how post-independence state initiatives favoured certain regions over others in their developmental agendas, leading to regional imbalances and in the process, how the dominant castes in the region captured benefits. It also highlights the North Andhra region's gradual transformation into the focal point for neoliberal policies.

Section IV: Land, Tribals and Dalits

According to the 2011 census, North Andhra has a total population of 93.3 lakh, with a significant Tribal population of 11% and a Dalit population of 9%. As indicated in the above sections, four dominant peasant castes own most of the lands because of their connections with the political class and nexus with local administration. In light of these dynamics, it is crucial to delve into the impact of land ownership on the Tribals and Dalits in this region, as it has played a pivotal role in shaping the region's socioeconomic status, political landscape, and migration patterns.

When Andhra Pradesh initiated land ceiling reforms, only 70,000 acres of surplus land were identified in the state. To put this statement in perspective, Vidyasagar (2021) says

“As per state-level records, by 1972-73, only about 70,329 acres of land were identified as surplus. There were at least 10.5 lakh Dalit households, on average, they could have received 0.33 acres. Subsequently, in 1981-82, a total banjara land to the tune of 5.85 lakh acres had been distributed among 4.58 lakh beneficiaries. Dalit beneficiaries were 1.88 lakhs in number and got land of 2.32 lakh acres, which means an average of 1.23 acres to each” (Vidyasagar, 2021; p.).

In North Andhra, land reforms and land ceiling measures failed to yield significant benefits for small and marginal farmers and the landless population. The so-called progressive land reform legislation did not result in substantial land allocation to Dalits in the state or district. For example, in the combined Srikakulam district, only 238 hectares of land were identified as surplus under the 1961 Land Ceiling Act (Vidyasagar, 2020).

In his study of the combined district of Srikakulam, Vidyasagar (2021) describes how the dominant upper castes in the region are coercively dispossessing Dalits of their land. Through specific examples of villages³⁴ in the combined Srikakulam district, he illustrates how land allocated to Dalits is taken away from them. A significant finding from his study is that, on average, the redistributed land was smaller, and even these modest parcels of land were taken away because of the vested interests of the upper castes in the region. The local state machinery (*Karanam* and *Munisif*) played a role in facilitating these dispossessions. Essentially, these state-initiated land redistribution efforts end up as a mechanism for transferring land to the dominant rural peasant castes. When considering the scale of this land dispossession across the state, the statistics are as follows: As of 2013, out of the 46 lakh acres of land distributed by the Government of Andhra Pradesh to the landless, 4.35 lakh acres were being alienated, and the government had taken over 2.88 lakh acres of land. Some beneficiaries have sold these lands (Andhra Jyothy, 2013, as cited in Vidyasagar, 2021). In *Bhoomi Bhagotham*³⁵, Prasadrao (2018) and his team depicted the nature and underlying meaning of land ceiling laws and the exploitative role of village *Karanam* and *Naidu/Munisif*. This play highlights how the surplus lands, although scarce, initially distributed to Dalits and

³⁴ Ajjada (in Balijipeta Mandal), Gopannavalasa (in Merakamudidham Mandal), Tolapi (in Ponduru Madal), Konuru (in Garividi Mandal), Sirusuyada (in Kothur Mandal), Annaram (in Palakonda Mandal), Gochakka (in Garividi), Parvathipuram Mandal), Boddam and Ponugatalasa (in Rajam Mandal), Dalaipeta (in Komarada Mandal).

³⁵ *Bhoomi Bhagotham* is the street play, which was quite popular in North Andhra and also other parts of the united Andhra Pradesh. This was written and performed by Vangapandu Prasad Rao, a popular Uttarandhra folk singer, who was quite active in Srikakulam Girijan Rythanga Poratam and a member of Jana Natya Mandali.

landless individuals, were later seized by the dominant upper castes in the village under the guise of collecting loans from the Dalits. Nevertheless, in Kunuru³⁶ village, Dalits managed to secure some land parcels despite facing strong opposition from Kshatriyas and competition from Turpu Kapus. While this was the situation in some villages, a similar scenario existed in certain Brahmin Inamdari and Agraharam villages. When Inamdars were abolished in 1956, the dominant castes in those villages, such as Koppula Velama in Ajjada, Balijipeta Mandal, and Turpu Kapus and Telagas in Ommi and Rajayyapeta, Rajam Mandal, took over or transferred the land to these communities. In summary, the abolition of Zamindars and Inamdars, followed by land reforms, primarily benefited the local dominant castes, including Turpu Kapu, Kalinga, Koppula Velama, and Polinati Velama, as was the case in other regions.

Secondly, despite allocating small parcels of land to Dalits under land reforms, their attempts to cultivate these plots are hindered by the political influence and dominance of local peasant castes in the villages. For instance, Turpu Kapus in Gopannavalasa, Polinati Velamas in Boddam, and Kalingas in Tolapi prevented Dalits from utilising these lands for their livelihoods. In some villages like Dalaipeta in Kurupam Mandal, lands remained uncultivated due to a lack of irrigation facilities (Vidyasagar, 2021). The complexity of the land issue intensifies with land acquisition for irrigation projects. Despite acquiring land for irrigation projects, many of these projects have either not commenced or remain incomplete.

Additionally, certain villages initially unaffected by submersion were later designated as submerged areas due to the pressure exerted by dominant local peasant castes seeking compensation. Consequently, submersion leaves a significant portion of land unaffected in most irrigation projects. The Koneru Rangarao Land Committee, established and approved by the Andhra Pradesh government, presented recommendations for redistributing land to disadvantaged individuals. One of the recommendations proposed that surplus land acquired for different projects but left unused could be allocated to the landless. Furthermore, the

³⁶ Konuru is a village in Garividi Mandal where Kshatriya families owned almost 90 per cent of the agricultural land. Because of this, they could dominate the entire village. They have registered land in the names of their Dalit workers to escape from the Land Ceiling Laws. When few Dalits demanded ownership and went administration for the restoration of the land to the name it was registered, ruptures started between Kshatriyas and Dalits, which later turned into caste violence in the village. Another dominant community Turpu Kapu initially supported the Dalits which made Kshatriyas on the back foot. But after their caste leader Gorle Sriramulu Naidu became the unchallenged leader under TDP rule, Turpu Kapus began asserting as well. However, with the pressure from NGO 'Shodhana', those few Dalits got the land but could not dare to till the land for a long time (Vidyasagar, 2021).

Supreme Court has affirmed that such land is not required to be returned to its original owners but can instead be distributed to underprivileged individuals (Tharakam, 2012). When landless Dalits attempt to access these lands, they face severe opposition from the local peasant castes, and in some cases, it has resulted in caste atrocities. For instance, an example can be found in Lakshimpet village in Vangara Mandal, where the Turpu Kapus have been responsible for the deaths of five Dalits (Hyderabad Political Economy Group, 2012). Likewise, there is a migrant, Reddy, who acquired a hundred acres of land in Addapuseela village of Vizianagaram district. He received one crore rupees in compensation, even though his land was not submerged and continues cultivating the land using advanced mechanisation, engaging in sharecropping (Vidyasagar, n.d).

Thirdly, Capitalist farmers, comprising wealthy landowners from the region and other regions such as South Coastal Andhra, have purchased substantial amounts of land from small and marginal farmers of various castes, including the assigned lands of Dalits³⁷. In Gochakka village, many villagers have lost their lands to capitalist farmers. Initially, the government acquired the lands from a *Kamma* farmer, using funds from the SC corporation, and distributed them among Dalits. Facing financial losses and mounting debt, the Dalits eventually sold the assigned lands to another settler, Kshatriya, who then cultivated horticultural crops on that land (Vidyasagar, 2021). Similarly, Dalits in Ponugati Valasa, near Rajam town, sold their lands to a Turpu Kapu doctor in the 1970s. Now, the value of the land has surged into the millions (ibid; based on the fieldwork). In the case of Kancharam village in Rajam Mandal, nearly sixty acres of assigned land were sold to GMR, who later “donated” to the government for a housing scheme (based on fieldwork). After purchasing the land, these capitalist farmers typically appoint a farmer, often from a dominant caste background who previously owned significant land, as a manager (to use the expression of Ganteda Gowurunaidu, *Peddha Palerlu*) for these fields. This manager’s role includes supervising the fields, overseeing labour recruitment, and negotiating wages on behalf of capitalist farmers (Naidu, 2020).

In any case, these transactions indicate the accumulation strategies of the ‘influential people’ and how their nexus with the state has manoeuvred public funds into the hands of private

³⁷ While the Andhra Pradesh Assigned Lands (Prohibition of Transfers) Act, 1977, strictly prohibits the sale or purchase of assigned lands, reports indicate that these lands are sometimes transferred to a single influential and affluent individual who can exert influence over local officials in the region.

individuals in numerous ways. The prominent figures who purchased large tracts of land have reaped substantial profits from the ever-increasing real estate prices and the growing demand for land in towns and villages. While there continues to be a surplus generated for capitalist farmers, professional classes, and businesspeople who transcend geographical boundaries, many small and marginal farmers, as well as Dalits, have become estranged from the land, compelling them to seek livelihoods through migration to different parts of the country and beyond.

The tribal question in North Andhra region:

North Andhra can be classified into three natural regions: the hilly region, the coastal region, and the plain areas. The plain areas are buttressed between the other two regions. Among the tribal populations in the region, *Savaras*, *Jatapus*, *Mukha Doras*, *Konda Doras*, and *Gadehas* are prominent. However, *Savaras* and *Jatapus* constitute nearly 70% of the tribal population and played a significant role in the Srikakulam Tribal and Peasant Struggle (Vindhya, 1990; Suri, 1984). These two communities have a long history of involvement in tribal uprisings dating back to colonial times.

The colonial administration ventured into the tribal areas of India due to their rich resources, including mining, teak, and other produce, which disrupted tribal livelihoods and cultures. Throughout India's history, many tribal uprisings have been documented against British exploitation. Notable among them were the Rampa Rebellions in the Eastern Ghats in 1879 and again in 1922-24. Similarly, the tribals of the North Andhra region also rebelled against the colonial administration (Vindhya, 1990; Dhanaraju, 2015). The administration of the tribal regions from the colonial period needs to be highlighted in order to understand its implication for accumulation strategies and tribal uprisings. The Muslim rulers of Golconda appointed the Zamindars to rule over the Northern Circars.

Given the extensive tribal areas in North Andhra, direct governance posed significant challenges. In response, the Zamindars appointed Hill Zamindars to oversee these tribal regions. These Hill Zamindars, in turn, appointed Muttadars to collect rents set by the Zamindars. The Muttadar was the leader of a Mutta, which included several tribal villages. Quoting the Aippan committee, Dhanaraju (2015) notes

“The Muttadars were entrusted to maintain law and order, settle the disputes among tribals, perform rituals and act as a link between the hill men and their over-lord, the Mansubdar. All these functions

established his power over the hill people who accepted his sovereignty. The village headman was responsible to the Muttadar” (Dhanaraju, 2015; p.40).

In other words, the Muttadar system was implemented to enforce both colonial and pre-colonial policies. Even after the abolition of this system in post-independent India, its influence persisted in various forms within tribal areas (Suri, 1984). The colonial administration found tribal areas challenging to govern, particularly in terms of tax collection. Consequently, in 1839, they introduced an agency system, dividing the tribal regions into distinct agency areas, each to be overseen by an ‘agent’ (Anjaneyulu, 1982).

Madras Forest Act of 1882 converted the rich forest areas into ‘reserves’ and the *Podu* cultivation was prohibited in those reserved areas. The Act says that no family could cultivate more than a few acres per year, and the land within a distance of a half-kilometre of the reserved forests could not be brought under *Podu* cultivation. Acts such as this by the colonial administration have uprooted many tribes, mainly Savaras and Jatapus (Suri, 1984). During colonial rule itself, most of the tribes have become de-propertied. Regarding the changes in the agricultural policies of the two dominant tribes in the region, Vindhya (1990) says:

“The Savaras, classified as a ‘protected tribe’, practise podu or shifting cultivation. Among the Jatapus however, the practice seems to have declined over time and in many places, they have adopted settled agriculture (although some of them were forced to revert to shifting cultivation when they lost their lands to non-tribal moneylenders and landlords)” (Vindhya, 1990; p.).

However, their situation was further exacerbated by the influx of small traders from non-tribal areas. In other words, the commercial interests of the colonial administration in tribal areas facilitated the entry of non-tribals into these hilly regions as small traders. The petty traders ventured into the hill areas of Srikakulam and Vizianagaram districts, trading necessities such as salt, kerosene, and liquor in exchange for forest products like tamarind, grains, red gram, honey, etc., through a barter system. These traders, predominantly from the Sondi caste, engaged in trading and provided loans to local tribals at exorbitant interest rates. Repayment was typically made in the form of forest produce (called ‘produce grain rent’). The terms heavily favoured these small traders, whether trade or moneylending. As Suri (1984) pointed out, “*the rate of interest on loans extracted by the Sondis is 100 per cent and if this is not cleared off in the first year, compound interest at 100 per cent is charged on balance*” (Suri, 1984: 347). The tribals were compelled to sell all their crop produce to repay the loans, and many of them found it impossible to settle their debts. As a result, they ended

up mortgaging or leasing their lands for twenty years or longer. Over time, their lands became alienated (ibid; Vindhya, 1990; Venkat, 2007; Prasadrao, 2020). After giving up their land and most of their harvest, the tribals were forced into a form of labour called 'vetti' by the moneylenders (Vindhya, 1990).

While various legislations were enacted to regulate these processes and safeguard the interests of the tribals, their implementation proved largely ineffective. Instead, they became instruments for accumulating wealth by non-tribal traders, contractors, and officials. In other words, the influx of these small traders and their substantial presence hindered the enforcement of these laws and effectively influenced administrative officials to serve their interests. Bhoosaham (2019) effectively captures the scenario in "*oka vaipu shavukaru..maro vaipu ee adhikarulu... mana panchelu oodagoduthunnaru*" (one side these traders and on the other the officials are robbing off our lives).

This situation did not improve even after the independence period. Explaining the socio-economic conditions that necessitated the Srikakulam armed struggle, Suri (1984) says that by the 1960s, "*the plainsmen, who entered the Agency area as petty traders, acquired substantial portions of land. The feudal oppression of the Muttadars continued unabated. The tribals were heavily indebted and become bonded labourers to the trader-cum-moneylenders*" (Suri, 1984; p.357). He further says that "*initially the British, and later the Indian government and the merchants-cum-moneylenders succeeded in their attack on the corporate life of the tribals, their sources of livelihood and their rights on land*" (ibid: 350). For example, a study conducted by Reddy (1988) in the Saluru agency area of Vizianagaram district revealed that approximately forty-five years ago, the first outsider trader entered this region and started lending money at exorbitant interest rates. Tribals could only alleviate their debt burden by relinquishing their land. Within ten years of establishing his presence, the trader had already acquired significant tribal land. This pattern gained momentum as more outsiders followed suit. As a result, only eleven per cent of households in the Saluru agency retained their land (Reddy, 1988).

During the late 1960s, North Andhra witnessed the armed struggle in the district of Srikakulam. In fact, it was the first district to witness an armed struggle after independence armed struggle in Telangana. This was mostly waged by the Tribal population of Srikakulam and led by the communist Party (ML) (Vindhya, 1990). The main demands of the armed

struggle were to provide access to forest and forest produce such as timber, tamarind and firewood; the rights of tribals to cultivate *podu* and waste lands; to increase the wage rate for workers for daily wagers and farm servants; to abolish of customary forced labour or *vetti*; to restore the lands occupied by the non-tribals (in violation of the Land Transfer Regulation of 1917) and redistributed to the tribals; to reduce the interest in loans and ending of malpractices of merchants in purchasing the forest and agricultural produce; to end the harassment by forest and revenue officers; and to distribute the consumer goods and food grains at fair prices (Suri, 1984; Vindhya, 1990; Venkat, 2007).

The Srikakulam movement involved people from both the hills and the coastal plains of the district, particularly from the *Uddhanam*³⁸ area. In the plains, where the movement was smaller, fewer women were actively engaged in the struggle, which eventually led to an armed revolt. The issues in the plain areas differed from those in the tribal areas, but the living conditions and the ecosystem shared similarities. In the plains, similar problems prevailed, including low agricultural wages, high occurrences of *Vetti* (Paleru), exploitation by liquor merchants, who also served as moneylenders, increasing indebtedness, and the sexual abuse of women by these merchant-moneylenders and landlords. These issues also affected women, prompting their participation in the movement and the formation of the Mahila Sangham. While many women were involved in the tribal areas, the wives of Communist Party leaders, such as Sampooramma, Nirmala, Ramasita, and Chandramma, came from landless or poor peasant families. The Mahila Sangham organised an anti-liquor campaign, with women joining forces to destroy liquor brewing equipment. Their anger was also directed towards the Sondis, the local trading caste (Vindhya, 1990).

Some of the partial benefits of the movement include the following achievements by 1967: securing higher wages for agricultural labourers, distributing two-thirds of the farm produce to the tillers, reclaiming nearly 2,000 acres of mortgaged land from the landlords, distributing about 5,000 acres of wasteland to the tribals, annulment of loans amounting to about Rs 3 lakhs, and obtaining improved terms of trade for the tribal community (Vindhya, 1990). The transformations introduced by the post-colonial state, and the exploitation of resources and tribals by plainmen to extract surpluses through various government contracts (e.g., roads and buildings), as well as the diversion of Tribal ashram school funds into the pockets of

³⁸ It is spread over some portions of the districts of Srikakulam district and covers mandals of Ichchapuram, Kanchili, Kaviti, Sompeta and Vajrapu Kotturu.

contractors from the plains, are powerfully depicted in the narratives of Bhooshanm, Ganteda Gowrunaidu, and Mallepuram Jagdeesh. These tribal areas, known for their abundant mineral resources like granite, bauxite and manganese, have become targets for major corporations such as Ras-Al Khaimah Investment Authority (RAKIA)³⁹. In fact, since 2007, numerous governments have attempted to proceed with multi-billion-dollar bauxite mining projects in the Eastern Ghats area, where 600 million tonnes of bauxite reserves are concentrated (Vivek, 2019). However, this process has been marked by continuous back-and-forth, due to local resistance and legal battles. Similarly, there are nearly 200 granite factories in the Visakhapatnam and Srikakulam districts, exporting to China and other countries (Rao, 2023). These mining companies, while polluting the region, are also acquiring tribal lands, often flouting the Supreme Court's Samata Judgement in 1997, which prohibits the alienation of tribal lands.

While the previous sections (Section I to Section IV) emphasised the changing dynamics in terms of land ownership, political power, and the rise of trade, this section examines the impact of these changes on two prominent communities in the region: Dalits and Tribals. Both of these marginalised communities have experienced land alienation by the dominant peasant castes in the region and capitalist forces. During the abolition of Zamindars and Inamdars, Dalits played a crucial role in assisting dominant peasant castes in acquiring significant land by working as agricultural labourers. On the other hand, Tribals have been made to forgo their land and forest produce since colonial times to government officials and merchant moneylenders from the plain areas. Despite their significant presence, constituting nearly 20% of North Andhra's population, both communities have been left behind.

Section V: The Contemporary Political Scenario

The regional dynamics in the formation and consolidation of wealth, and lack thereof, cannot be fully understood without discussing regional politics. Because the emergence of regional capital and politics has a great synergy where they mutually benefit from each other and co-produce each other (Bardhan, 1984; Damodaran, 2008). The involvement of various social groups and historical circumstances significantly shapes the diverse political trajectories. Considering how these contingencies manifest on a broader scale regarding wealth creation is

³⁹ Ras-Al-Khaimah Investment Authority (RAKIA) is UAE based investment authority that has stakes in mining in Andhra Pradesh and also collaborated with Trimex, one of India's mineral and metal conglomerate.

essential. This section confines itself to North Andhra politics and incorporates the discussion on A.P politics wherever necessary. Because the structural shifts in North Andhra politics mirror the patterns of Andhra Pradesh state politics.

Three important shifts can be seen largely in Andhra Pradesh politics. One, at the time of India's independence, Congress enjoyed substantial backing from the urban middle class and Brahmin communities, whereas the Communist party garnered significant support from peasant castes and landless individuals. Over time, the political power shifted away from Brahmins, urban elites, and Zamindars, leading to the dominance of peasant castes like Kamma, Reddy, Kapu, Velama, and Rajus. As a result, Congress found itself compelled to cater to the interests of this emerging political class. During this time, political parties either excluded the lower castes and backward classes from mobilisation or took their support for granted without recognising their leadership (Sharma & Reddy, 1979, cited in Chennur, 2015).

Table 3.1. Caste-Wise Distribution of Elected Representatives from North Andhra Assembly Constituencies from 1952-2019

Year	Brahmin	Kalinga	Koppula Velama	Polinati Velama	Raju	SC	ST	Telaga	Turpu Kapu	Velama	Brahmins+ Rajus+ Velamas	KV+TK+ PV+K
1952	25.00%	3.57%	3.57%		10.71%	3.57%	14.29%	3.57%	14.29%		35.71%	21.43%
1955	6.06%	9.09%	9.09%	6.06%	18.18%		12.12%	3.03%	9.09%	9.09%	33.33%	33.33%
1962	8.11%	5.41%	10.81%	5.41%	2.70%	8.11%	13.51%	5.41%	13.51%	2.70%	13.51%	35.14%
1967	12.12%	6.06%	12.12%	9.09%	12.12%	6.06%	9.09%	3.03%	12.12%	3.03%	27.27%	39.39%
1972	6.25%	6.25%	9.38%	6.25%	18.75%	6.25%	12.50%	3.13%	12.50%	3.13%	28.13%	34.38%
1978	14.71%	5.88%	17.65%	2.94%	14.71%	8.82%	8.82%	2.94%	11.76%		29.41%	38.24%
1983		5.71%	22.86%	8.57%	20.00%	8.57%	8.57%	2.86%	11.43%		20.00%	48.57%
1985		5.71%	28.57%	8.57%	11.43%	8.57%	8.57%		14.29%		11.43%	57.14%
1989		5.71%	17.14%	8.57%	14.29%	8.57%	8.57%		14.29%		14.29%	45.71%
1994		3.03%	21.21%	9.09%	3.03%	9.09%	9.09%		18.18%		3.03%	51.52%
1999		5.71%	22.86%	8.57%	8.57%	8.57%	8.57%		14.29%		8.57%	51.43%
2004	2.78%	5.56%	11.11%	8.33%	13.89%	8.33%	13.89%		19.44%	2.78%	19.44%	44.44%
2009	2.78%	11.11%	11.11%	5.56%	8.33%	5.56%	22.22%		11.11%	2.78%	13.89%	38.89%
2014		5.71%	14.29%	8.57%	5.71%	5.71%	20.00%		17.14%	2.86%	8.57%	45.71%
2019		5.71%	14.29%	8.57%	2.86%	5.71%	20.00%		17.14%		2.86%	45.71%

Source: calculated based on the data gathered during the field work.

The table above illustrates a significant shift in dominance, as the once-prevailing landed communities like Brahmins, Rajus, and Velamadoras have been displaced by the emerging peasant castes, including Turpu Kapu, Polinati Velama, Koppula Velama, and Kalinga, over the years. For example, in 1952, the combined representation of Brahmins, Rajus, and Velamadoras constituted nearly 35% of the total assembly seats in North Andhra, their highest ever in any election. In contrast, the combined representation of peasant castes like Turpu Kapu, Polinati Velama, Koppula Velama, and Kalinga was 23%. However, by 2019, the combined strength of these peasant castes had increased to 46%, while the erstwhile landlord class's combined strength dropped to nearly 3%. With the abolition of Zamindars and Inamdars, lands were transferred to four dominant peasant castes in the region, including Turpu Kapu, Polinati Velama, Koppula Velama, and Kalinga, as previously mentioned. The table above indicates that these peasant castes also came to achieve political dominance in the North Andhra region.

This leads us to the second political shift, the emergence of the Telugu Desam Party (TDP). The data (see Annexure 1 Table C, Table E and Table F) shows that, in the initial decades, North Andhra was predominantly represented by the Indian National Congress, Krishikar Lok Party, Swatantra Party, Praja Socialist Party, and Communist Party. However, the landscape changed with the rise of the TDP, which secured approximately 94% and 82% of the assembly constituencies in North Andhra in 1983 and 1985, respectively. Analysing the phenomenon of NTR and the emergence of the Telugu Desam Party, Kohli (1988) highlights one significant point: the resentment of the backward castes as a result of the disproportionate treatment that was meted out to them by Congress had been encashed by Telugu Desam Party. With the emergence of TDP at the state level, Congress was also forced to maintain alliances of various castes through the network of welfare schemes and reservations and to accommodate the emerging elite among the backward castes (Chennur, 2015). While it is true that BCs such as Yadhavs, Gouds, Mudirajs, and Munnur Kapus, who are next to Kamma, Reddy, Kapu, Velama from Rayalaseema, Telangana and South Coastal Andhra, have found political representation with the emergence of TDP, the situation in North Andhra is quite different. In the case of North Andhra, there is an absence of politically dominant Kammas and Reddys, and there is a significant overlap between the dominant peasant castes and the majority of the Backward Classes (BCs), who are the same. In 1987, the TDP brought the Mandal administrative system, replacing the 330 Panchayat Samitis with 1104 Mandal Praja

Parishads and introducing caste reservations⁴⁰ in local body elections (Vaddiraju, 2020). The reform increased and strengthened the presence of BCs in regional politics. Following this, the TDP government allocated substantial funds to these Mandal Parishads to nurture their party in the countryside (Srinivasulu, 1994).

In this context, it is essential to delve into the ruptures in the elites among the peasant castes. Following independence, many prominent first-generation political families⁴¹ in the region hailed from peasant communities, with the majority of them being landlords. They acquired land after the abolition of Zamindars and Inamdars, leveraging their caste status to recruit labour from landless individuals, who were predominantly Dalits. These landlords cultivated extensive tracts of land under the Zamindars. For certain sections within these castes, land ownership allowed them to maintain the support of their fellow caste members. This, in turn, empowered them politically and contributed to their economic prosperity. However, within these peasant castes, tensions began to surface. The emergence of the TDP amplified these tensions into political expressions, leading to the rise of a few prominent second-generation political families⁴², often from village-level politics. Similarly, some prominent political families, despite their peasant caste background, have roots in trading and business. The Botsa family serves as a prime example. As expected, all these families have cultivated their own networks of supporters within their communities, often extending to other families and villages.

In other words, while these four castes had significant representation right after independence, the emergence of TDP made the dominance of these castes total. As the above table indicates, the Brahmins and Velamas were completely overthrown out of the political

⁴⁰ TDP introduced the 25% reservation to OBCs in local body elections. 34%, 17.56%, 7.61% and one-third are women.

⁴¹ Vasireddy family (Koppula Velama caste, Terlam constituency), Boddepalli Rajagopal (Kalinga caste, Srikakulam/Amudalavalasa), Palavalasa family (Turpu Kapu caste, Palakonda), Gorle family (Turpu Kapu caste, Etcherla/Ranasthalam), Gowthu Lachanna (Segidi caste), Kothapalli Narasayya (SC), Vyricherla and Vyricherla families (ST, Kurpuam) and Sathrucharla (ST, Kurupam), Penmatsa family (Raju caste, Nellimarla/Vizianagaram), Rangarao family (Velamadora caste, Bobbili). Peerukatla family (Turpu Kapu caste, Bhoorja). Dhronamraju family (Brahmin, Visakhapatnam), Konathala family (Gavara, Visakhapatnam/Anakapalli). Except for people like Gowthu Lachanna, who enjoyed popularity and credibility across the sections, most of these are landlords and belong to the dominant peasant communities in the region.

⁴² Notable examples include the Thentu family (Koppula Velama, Terlam Mandal), the Kimidi family (Turpu Kapu, Regidi/Palakonda Mandals), the Dharmana and Kinjarapu families (Polinati Velama, Narasannapeta/Harischandrapuram Mandals), and the Thammineni family (Kalinga, Amadalavalasa Mandal).

system only to reappear after 2004⁴³. If one were to exclude the reserved constituencies⁴⁴, the political dominance of the four peasant castes clearly emerged in North Andhra Pradesh. This meant not only political dominance but the huge resource capturing. Whether in BC reserved or general seats in local body elections and non-reserved constituencies in Assembly and Parliament elections, these four castes predominantly shape the political landscape of North Andhra. This is a significant development as these castes entrenched themselves into local politics. MLAs, MPs, Mandal Parishad presidents, Zilla Parishad chairmen and local-level Sarpanchs have come to be represented by these four castes. For instance, Srikakulam Zilla Parishad chairmen are largely represented by Turpu Kapus, Kalinga and Polinati Velama in the same order. Turpu Kapu, Koppula Velama, largely represented Vizianagaram Zilla Parishad Chairmen. While these four peasant castes have come to dominate local politics, both the INC and TDP have consistently competed against each other in every election. Consequently, both parties have fielded candidates from the same castes for these contests. Similarly, the Hill zamindars, including families like Satrucherla and Vyricherla, dominated the agency areas of Srikakulam and Vizianagaram. Usually, members of these two families or their extended kin represented the ST-reserved constituencies/seats. Most of these political families mentioned above are also involved in various business ventures, including contracts related to liquor, sand, roads, mining, and various dealerships in the North Andhra region. For instance, speculations suggest that Botsa Satyanarayana, through *binami* accounts, exercised significant control over numerous liquor establishments in the North Andhra region (Tharakam, 2012).

While this reflects the political landscape of agrarian communities in North Andhra, traditional merchant communities like the *Vysyas (Komatis)* primarily focus on trading and small-scale businesses within small towns. They engage in various businesses, making significant contributions to the local economy. This economic activity serves as the backbone of these communities, but only a few individuals, such as Grandhi Mallikarjuna Rao (popularly known as GMR) from the *Vysya* community, have achieved global entrepreneurial success. Similarly, in the realm of politics, only a few, like Kolagatla Veerabhadra Swamy⁴⁵, have emerged (Prasad & Rambarki, 2023).

⁴³ That too, confined to one Velama family in Bobbili and Dhronamraju family (Brahmin) in Visakhapatnam.

⁴⁴ These reserved constituencies are also allegedly “supported” by the locally dominant political families.

⁴⁵ He is currently serving as Deputy Speaker in the Andhra Pradesh legislative assembly (2019-2024).

While the TDP's primary goal was to outcompete the INC and build their cadres from top to bottom, this transition notably contributed to the consolidation of BCs, particularly the four dominant peasant castes: Kalinga, Polinati Velama, Koppula Velama, and Turpu Kapu. Since both prominent regional leaders and local leadership belonged to these caste communities, they could build political networks and maintain their dominance. This invariably marginalised many other regional caste communities, such as Telaga, Devangula, Pattusale, Chakali, Mangali, fishing communities, and other 'service castes'. This leads us to the third distinction. Due to the significant presence of fishing communities (Agnikula Kshatriya), comprising nearly 3% of the North Andhra population in certain areas, their representation in North Andhra politics has become more noticeable, although still marginal. North Andhra's case exemplifies the fact that the castes in need of representation are not the BCs as a whole but specifically the MBCs among them (Sambayya, 2009).

Haragopal (2010) says that along with the agrarian surplus and its diversification into different business portfolios, there is

“Another striking development in the political economy of the state of Andhra Pradesh was the rise of a lumpen or mafia class, helped by leakages of huge resources that the state invested in irrigation, roads, public enterprises, mining, and other infrastructural development. This pattern of public expenditure through contractors gave rise to a neo-rich class and a wide range of public funds. This class of people was neither organically linked to agricultural activities nor were they engaged in the industrial or manufacturing sector: a class that made money without risking labour or capital turned into a class of lumpens or mafia who lacked a basic framework of values in public affairs. Thus, a set of opportunistic, money-hunting power elite had been let loose by a faulty developmental model. This class became an important component of the political processes of the state” (Haragopal, 2010; pp.54-55).

Raavi Sastry⁴⁶, using his experience as an advocate, presents the exploitative nature of feudal relations, which are a common feature of the region in his arrack stories and others. In the novel '*Sommulu Ponaayandi*', he brings in how the state (to be specific judiciary and police) and feudal landlords in the countryside (local political arrangements) crush the lives of the ordinary to realise their power and maintain order in the society. In this novel, he explained how the collision of the macro-state and micro-state helped alienate the lands from the Dalits. On the one hand, Raavi Sastry's writings portrayed the marginalised culture and the ruling state's mindset. On the other hand, they also suggested the emergence of a new ruling class, specifically, the lumpen ruling class. As formulated by Haragopal (2010), this class emerged

⁴⁶ Rachakonda Viswanatha Sastry (Raavi Sastry) is a renowned novelist and short-story writer in Telugu literature. He is an advocate by profession.

from the liquor businesses, doing pyraveekar, doing illegal businesses and then taking up small-time contracts by using their networks with the political class.

Section VI: A Case of Visakhapatnam

The study conducted by Prasad and Rambarki (2023) on wealthy elites in the Telugu region revealed that North Andhra accounted for a mere 3% of the 234 primary wealth owners. Interestingly, among this small percentage, there are also wealthy elites hailing from South Coastal Andhra who have established themselves in Visakhapatnam (Hurun India Rich List, 2021; Prasad & Rambarki, 2023). Therefore, North Andhra's regional political economy becomes incomplete without specifically bringing the case of Visakhapatnam into the discussion. Visakhapatnam, situated in the North Andhra region, is one of the important strategic cities in the country. After independence, the city gained prominence for its industrial activities. It hosts a diverse range of industries, including public sector undertakings (PSUs) such as Visakha Steel Plant, HPCL, Shipyard, Coromandel fertilisers, Hindustan Zinc, Bharat Heavy Plate and Vessels (BHPV), Dredging Corporation, many important pharmaceutical units, and many proposed SEZs. This growth provided direct and indirect employment for many locals and created the 'template and definition' for development for the North Andhra region (Prasad, 2017). The industrial growth of Visakhapatnam stimulated economic opportunities in divergent ways for various groups of people, and their self-imagination of the city, in terms of how they visualise themselves in the city, varied based on their social capital and motivation.

During the initial decades of independence, the first wave of industrial expansion witnessed the establishment of numerous public sector companies. These entities played a pivotal role by offering a wide range of opportunities, including employment opportunities spanning blue-collar, white-collar, and informal sectors, as well as business prospects in construction, small and medium enterprises, manufacturing units, and services such as transportation, hotels, healthcare, education, shopping complexes, and more. In his examination of the entrepreneurs of Visakhapatnam and their social backgrounds, Nafziger (1971) notes that the initial wave of entrepreneurs in the city consisted largely of Marwaris and a small number of Sindhis, Khatri and Bhatiyas, who came from outside the region and played a significant role in the manufacturing sector. These communities were among the early entrants to the

city, preceding the Kammas, Reddys, and Rajus, and they were the ones who seized the opportunities presented by the expanding industrial sector (Nafziger, 2007).

In Nafziger's (1971) examination of entrepreneurs within the city, based on a sample of 57 individuals, he observed the presence of entrepreneurs from the Kamma and Kapu castes, who had migrated from South Coastal Andhra and brought with them agrarian surplus. Additionally, local Komatis, who were already prominent in trade, both at the wholesale and retail levels and lacked prior experience in manufacturing, also ventured into the manufacturing sector. In the 1960s and 1970s, with the emergence of new business prospects, a notable influx of entrepreneurs from different regions occurred. Many of these entrepreneurs, who diversified into various types of businesses, hailed from South Coastal Andhra (Upadhyaya, 1988). While peasant castes such as Kammas, Kapus, and a few Rajus from the South Coastal Andhra region, as well as Reddys from the Nellore and Rayalaseema regions, have entered various businesses and have taken over the local economy, it is believed that Kammas among these castes were the dominant ones (ibid).

The steel plant has facilitated the emergence of two types of businesses. First, there were contractor-based businesses where these entities entered into agreements for specific jobs, such as construction and supplying raw materials. The second type of businesses were those established in anticipation of future growth. Numerous small and medium-scale industrial units proliferated in response to this anticipated growth. The entire Autonagar area and the vicinity around the Steel Plant and other Public Sector Undertakings (PSUs) are crowded with such units, established by enterprising individuals who foresaw the potential for growth and greatly benefited from it. The "influx" of these aspiring entrepreneurs with a strong agrarian background and surplus wealth into Visakhapatnam is noteworthy. However, equally significant is the manner in which they rose to economic prosperity and dominance within the city. They leveraged their caste networks and associations to consolidate their presence in the town, initially in the realm of businesses and subsequently in the political arena as well.

"The Kamma caste association in Vizag is mainly an organisation of rich Kamma businessmen (although Kammas in other occupations are also members) which promotes caste unity and the interests of Kammas. It derives its main financial support and leadership from the Kamma business community. All of the office-bearers are prominent Kamma businessmen, and all but one are contractors; these men are leaders of the local Kamma community as well as of the business community. The association provides a forum for extending social networks, and it caters to the needs of its members through projects such as the private school. It also seeks to increase Kamma power and influence by extending patronage to less wealthy caste members, for example, through providing scholarships" (Upadhyaya, 1988; p.1438).

Nevertheless, in the post-1990s and 2000s, it is evident that the established ‘template and definition’ established by public sector units after India’s independence have undergone significant changes (Prasad, 2017). This shift has, in turn, altered the economic landscape and perspective of the leading players in the city. Since the 1990s, the pharmaceutical sector’s growth in North Andhra, primarily centred around Visakhapatnam, has been notably concentrated in areas like Pydiheermavaram and Ranasthalam (located in Srikakulam and Vizianagaram districts), as well as Nakkapalli and Paravada within the Visakhapatnam district. The government has allocated substantial parcels of land to these companies through Special Economic Zones (SEZs). In the name of development and employment for the North Andhra region, successive governments have acquired thousands of acres of agricultural land from local farmers, including those used for pharma companies, power plants, and ports. Prasad (2017) noted that when these different projects were announced, *“the local communities imagined that these projects would provide direct and indirect employment”* (Prasad, 2017; p.193), much like Visakhapatnam’s pre-1980s and 1990s industrialisation era. However, these optimistic expectations have largely gone unfulfilled. Many of the Special Economic Zones (SEZs) assigned to capitalist entities, often acquired by taking over extensive agricultural land with the promises of development and job opportunities, have remained inactive or underutilised (Crorss, 2014). Even in cases where SEZs are operational, concerns about potential local protests, such as that of the anti-Gangavaram port movement in 2006 and the severe opposition to the Sompeta thermal power plant in 2009, have led companies to hire non-local labour. In certain instances, companies have implemented strategies to replace local workers through one-time cash compensation packages (Prasad, 2017; pp. 194-195).

Adding to the complexity, the YSR Congress Party (YSRCP)-led government introduced a three-capital plan for the city in 2019. This decision aimed to challenge the interests of the Kamma community in the newly announced Amaravati and gain control over Visakhapatnam. As a result, it triggered a surge in real estate markets, causing land prices to skyrocket (Prasad, 2022). With the politically and economically influential Kammas and Reddys competing for dominance in the city’s resources and opportunities, Visakhapatnam, after state-bifurcation, seems to be the fiefdom of these two dominant castes, both striving to assert authority over the North Andhra region. This further marginalises the caste communities of North Andhra in the already ‘captured economy of the city’. Also, surpluses generated in North Andhra were insufficient for local caste-communities to diversify and

expand their businesses. They mainly invested in their children's education, enabling them to pursue careers as doctors, engineers, government teachers, lecturers, and public sector employees, thereby improving their living standards. Their other significant investments included buying agricultural land, investing in nearby towns and cities to acquire properties, and engaging in small-scale businesses. Taken together, the entry of North Andhra people into the Visakhapatnam's dominant economic class has been limited.

To understand this further, the political scenario needs to be explicated. By the time of independence, the political scenario in Visakhapatnam city was predominantly controlled by the Brahmin community, with prominent families like the Dhronamraju and Tanneti families holding sway. They represented Visakhapatnam in both the Assembly and Parliament constituencies on numerous occasions. However, their influence has gradually waned over the years. Regarding caste dynamics, communities such as Gavaras, Yadhavas, and Agnikula Kshatriyas (the fishing community) have risen to prominence in the city's politics over the years. However, the significant transformation in the political landscape is marked by the increasing importance and ascendancy of "outsiders"⁴⁷. These "outsiders" have made their mark in the local economy and become prominent figures in politics. In recent decades, nearly half of the assembly seats and the Visakhapatnam Parliament constituency have been consistently represented by "outsiders", primarily Kammas, Reddys, and Kapus from South Coastal Andhra and Rayalaseema regions (see Annexure 1 Tables D, E, F, G and J). From the 1970s onwards, certain castes, particularly the Kammas and Reddys, have played a significant role in various businesses. They have established a strong presence in ancillary industrial services for public sector undertakings, five-star hotels, educational institutions, hospitals, cinema theatres, automobile showrooms, real estate, and seafood, to name a few. However, the issue of local versus non-local dynamics in terms of businesses and politics and their interplay needs to be thoroughly explored by taking Visakhapatnam as a site of investigation to delve deeper into the interlinkages between caste, politics, and business.

Contemporary North Andhra:

North Andhra has emerged as the forefront of neoliberal capital accumulation, particularly after Andhra Pradesh's bifurcation in 2014. Public sector undertakings in Visakhapatnam have gradually transitioned into the hands of private entities. Numerous Special Economic

⁴⁷ "Outsiders" here refers to individuals from regions outside North Andhra.

Zones (SEZs) and Industrial Corridors such as VSEZ, JNPC, APSEZ, Aganmpudi Industrial Park and AP Medtech Zone, were established and handed over to corporate entities engaged in pharmaceuticals, IT/ITES, airports, power plants (thermal and nuclear), agro-processing and manufacturing units and other commercial and residential complexes, often owned by business leaders from regions other than North Andhra. To facilitate these developments, a considerable amount of agricultural land has been acquired by the Andhra Pradesh government (Prasad, 2017). Due to inadequate irrigation facilities and unprofitable prices for agricultural produce, many farmers were compelled to relinquish their lands. The establishment of these SEZs and industrial corridors forced farming communities to abandon their lands, leading to their migration, along with dependent labourers, particularly Dalits and landless individuals, to different areas (ibid). Similarly, in the coastal regions, existing ports have been handed over to corporate interests, while new ones are being developed under the Union Government's flagship 'Sagarmala' project. These projects have significantly impacted the livelihoods of fishing communities and small-scale fish traders. In addition, as indicated in the previous section on Tribals, tribal areas have consistently served as frontiers for capital accumulation from colonial times. The tribals in the North Andhra region have faced land alienation, primarily due to merchant moneylenders, contractors, and mining leases, often with the support of the state. Additionally, land has been taken for commercial agricultural ventures, including tea plantations, oil palms, and horticultural crops.

As indicated, contemporary North Andhra has become a focal point for implementing neoliberal policies. This phenomenon is evident in the Central government's 2021 announcement of plans to privatise the profit-making Rashtriya Ispat Nigam Limited (RINL), popularly known as Visakha Steel Plant, to corporate entities. This announcement has faced vehement opposition from steel plant employees, trade unions, and civil society organisations, forming the Visakha Ukku Parirakshana Porata Committee (VUPPC). Through their relentless struggle, they successfully prevented the valuation committee from filing the valuation report. Without this report, the next steps, namely the Expression of Interest (EOI) and the Bidding process cannot proceed (Bhattacharjee, 2023). It is worthwhile to note that, thus far, no political party, including the currently ruling party, has taken a definitive stand against the privatisation of the plant or staged a concerted protest against this move. This reflects the power of neoliberal corporate capital and how entrenched their interests are within the political sphere.

Summary:

This chapter aimed to provide a context for North Andhra town by illustrating the historical shifts in political power and land ownership. It discussed how the region was initially dominated by erstwhile Zamindars and Inamdars such as Rajus, Velamadoras, Brahmins, and Hill Zamindars due to their positions in the Zamindari Settlement under the Madras Presidency. However, this dominance shifted towards locally populous agrarian castes such as Turpu Kapus, Koppula Velamas, Polinati Velamas, and Kalingas following the abolition of intermediaries like the Zamindari and Inamdari systems. Additionally, the grant of Backward Classes (BC) status to these communities and the transfer of political power in the post-independence period shifted the balance of power to these caste communities due to their numerical strength in the North Andhra region. These factors collectively enabled the four local peasant castes to marginalise both the erstwhile landlord class and “lower castes” such as Dalits, fishing communities, and other most backward classes and tribals in the region, both in politics and resources. The chapter also highlighted how Vysyas, despite their smaller population, gained influence in commerce and trade since colonial times. The local peasant castes, hindered by a lack of agrarian surplus due to predominantly dry lands, could not venture into businesses and compete with the Vysyas in the town. Furthermore, the chapter noted how Visakhapatnam City, an industrial hub, has been integrated into the neoliberal framework of corporate capital with the active support of the state, thereby further marginalising the North Andhra regional business elites.

As this chapter provided the political economy of North Andhra, where the present study is largely situated, the subsequent chapters delve into analysing the provincial circuit of capital and the logic of provincial propertied classes, examining how caste intersects in these processes, based on empirical data from Rajam town in North Andhra.

Chapter- 4

Socio-Economic Profile of Rajam town

This chapter elucidates the socio-economic history of Rajam town, specifically emphasising significant events that have played a pivotal role in shaping its trajectory. The central objective of this chapter is to understand the processes through which Rajam evolved into an economic hub. This entails reconstructing the layers of narratives- economic, social and political and their interactions, drawing mainly from primary sources.

According to Subaltern urbanisation scholars, there are four distinct categories of towns based on their characteristics and proximity to metropolitan cities. First are the “proximate towns”, which are located in close proximity to major metropolitan cities. Second, the “micropolis” refers to entrepreneurial, resilient, and innovative small towns situated outside the direct influence of metropolitan areas. The third category comprises “small market and/or administrative towns⁴⁸”, historically serving as market towns or administrative centres. Lastly, the “emerging small towns” category encompasses census towns and large and urbanised (or rapidly urbanising) villages. This group represents areas experiencing growth and expansion, including a workforce transitioning away from the agricultural sector (Mukhopadhyay et al., 2017).

Scrase et al. (2015) reviewed two important works, namely Bayly (1983) and Heitzman (2008) and made two pertinent points about how the economic shifts in the town explain the social composition.

“the breakdown of the Mughal Empire and penetration of the English East India Company caused substantial shifts in the composition of urban India. Firstly, populations shifted away from the former Mughal capitals as the Mughal gentry and military moved out to smaller towns and cities. Secondly, there was a shift in the economic activity of these smaller towns: away from the artisanal and service industries, oriented towards the needs of the Mughal gentry, to more merchant activity oriented towards an export economy” (cited in Scrase et al., 2015; p. 218).

Heitzman (2008) argues that most middle towns that developed under British rule were attempts to incorporate India’s rural economy into the imperialist system. The British strategy of retaining the colonies as extractive economies by suppressing the growth of industry inhibited the development of large metropolitan areas, with the exception of the imperial

⁴⁸ These towns fall under the classification of “statutory towns” recognized by states as administratively urban and governed by local urban bodies.

capitals. As a result, small to medium-sized towns with a focus on agro-processing, artisanal activity and administration proliferated.

If one were to delve further, the character of towns has evolved at the macro-level over time, starting from colonial times to the present. Initially, towns primarily acted as ‘hubs’ that integrated the rural economy with the economic interests of the colonisers. This role persisted even in the post-colonial era. However, the state has also played a significant role in shaping towns through planned urbanisation policies. Planned urbanisation has taken various forms, including state-induced industrialisation. This trend continued after liberalisation as well, making these towns important nodes for big capital diversification. Despite the continuity of towns in supporting the colonial economy, there have been some discontinuities. Local players played a unique role in the development of towns, benefiting from the changes during different periods, such as colonial, post-colonial, and liberalization.

If it was the state-induced development till the 1990s, the expansion of big capital became prominent from the 1990s. In other words, liberalising the economy post-1990s has triggered the economy in different ways. There are two sets of scholarly views regarding the position of towns after liberalisation. Firstly, as articulated by Harriss-White and Janakarajan (1997), big capital in the form of large firms extended their operations beyond metropolitan and megacities to different locations with more accessible land and labour resources. As a result, towns emerged as favourable options for big capital due to tax concessions, relatively affordable labour, and land availability. Although much of this development was unplanned compared to state-led industrialisation, the presence of a neoliberal policy regime facilitated an atmosphere conducive to this growth. Consequently, towns experienced exponential expansion post-liberalisation. Secondly, another set of developments in towns may be attributed to a clustering of entrepreneurial activities and the increased global market access for small-scale industries in middle towns (Guin, 2019). This aspect, characterised by its sui-generis nature of local players, highlights a distinctive development pattern. The interplay between the expansion of big capital, the influence of the neoliberal policy framework, and the growth dynamics of towns, including both their sheer size and the emergence of local players, underscores the complexity of urban transformations during the post-liberalization era.

The following sections highlight the significance of the field site (Section 1), and thereby, an attempt will be made to trace the socio-economic history of Rajam town. This tracing will be done by focusing on different economic regimes (Section 2 and Section 3) and the major events that led to the transformation of Rajam town (Section 4 and Section 5), in terms of caste composition and shifts in political dynamics (Section 6 and 7) and their overall impact on the businesses that have resulted in the emergence of provincial business elites, belonging to different communities (Section 8).

Section I: Significance of the Field Site

Rajam, once known to be industrial town of Srikakulam district located in North Andhra Pradesh, has been chosen as a field site for this study. This town is one of the vibrant market towns in the North Andhra region and a site of different economic activities, which are significant not only at the provincial level but also at the global. In fact, GMR Group, a family-run business firm, grew in this small town, which is, today recognised globally for its broader capital accumulation strategies in the infrastructure verticals such as airports, highways and power projects. In other words, the Group's trajectory into the global economy cannot be understood without bringing into account the provincial story of the Group and how it leveraged the 'provincial' economy and networks. As the Economic Times (2006) rightly captures the evolution of the GMR group as "From jute to jets", the family started their business journey with jute and agricultural commodity trading.

Recently, the town has witnessed two significant developments. Firstly, although once known to be one of the prominent industrial towns in North Andhra region, there has been a noticeable closure of many small and medium industrial units that had played a crucial role in creating the provincial business elites. The decline of the industrial phase was evident through repeated lockouts of jute mills in the town. Some units have gone bankrupt, leading their promoters to diversify their wealth into other locations, while a few others have remained in the town but have gradually lost their influence. Secondly, the town has experienced a notable surge in the new economy, characterised by neoliberal consumption and the rapid commodification and privatisation of essential services like health and education. This new economy has given rise to a new imagination of wealth creation and has attracted economic actors from various caste communities.

This directs one to ponder the question: Why and how is it that a town of 42,000 odd population (according to the 2011 census), emerged as the location of divergent economic activities? How could it sustain itself and give rise to different local economic actors through different periods of the economy? Or, what are the key ways through which the provincial business community can access different layers of the state, social capital and political networks that support this level of economic activity? Exploring the rural-urban transition and the rural-urban linkages that influence regional capitalism with a focus on the town would be of significant interest.

The rest of this chapter and the following chapters aim to address some of the concerns and try to answer the broader research questions that have already been flagged in the introduction chapter.

Section II: Brief Historical Account of Rajam Town

The history of the Rajam can be traced back to the 17th century when Sher Muhammad Khan came to conquer the present-day Srikakulam (then Chicole) in 1652. Two warriors accompanied him: One is Peddarayudu, an ancestor of Bobbili Zamindar, and another is Madhava Varma, an ancestor of Vijiayanagaram Zamindari. As they both helped Sher Muhammad Khan during the battle of Northern Circars, they were rewarded with estates in the present North Coastal Andhra. Peddarayudu of Venkatagiri Samsthanam was rewarded with the estate of Rajam. Peddarayudu built the fort in memory of the King, Sher Muhammad Khan in present-day Bobbili. Bobbili Zamindari consists of five pergunnahs: Bebbooly, Rajam, and Kavitey, Seetanagaram, and Mettoogramamoolu (Rao, 1907; Mantena, 2012). One of the important warriors of Bobbili Zamindar, Thandra Paparayudu lived in the Rajam of Bobbili Zamindari. The present MRO office, court, government hospital, GC Club, one big temple at Gulla Seetharampuram were built during the Zamindari.

Some of the oral narratives for certain communities are instructive here. According to local narratives, the soldiers who migrated from Telangana to Rajam are commonly referred to as “Telagas”. It is believed that they arrived in the North Andhra region, including Rajam, during the time of Sher Muhammad Khan as soldiers. In Rajam town, there is a significant population of the Telaga community, recognisable by their surnames such as *Yenugula*, *Gurralla*, *Gatti*, and others, which signify their ancestral origin. Similarly, later in history, the Devangulas or Senapathulus (commanders) are said to have come to Rajam from Kolkata

during British rule. They accompanied the Britishers and prepared firangis (fireworks) and ammunition. Their surnames, such as *Pichchukula*, *Thutala*, and more, reflect this historical connection. It's important to note that these accounts are passed down through oral tradition, and their accuracy is subject to correction and further historical investigation.

Likewise, during the British period, Patnaiks migrated from Odisha to the North Andhra region to work as Karanam (village accountants). Although their numbers were relatively smaller, they played a significant role in the local administration. Other communities like Pondharlu⁴⁹, Dasi, Relli, Godagali, etc. also made their way to Rajam, some accompanying the Patnaiks, while others arrived later. Despite their settlement in Rajam, these communities retained their Odiya language and cultural ties.

Vysyas have been drawn to towns through two distinct paths. Firstly, some were compelled to migrate to the urban areas due to harassment from landlords in their villages. Secondly, the growing family members found it challenging to sustain themselves solely within the confines of the village, leading them to explore new opportunities in nearby towns. This second aspect is important in contemporary times as it highlights the community's adaptability in venturing into business spaces and wealth accumulation. Several Vysya families in Rajam town migrated under these circumstances. Among the noteworthy business families in Rajam, the Potta family is a prominent example, having migrated from Kottakki village in Ramabhadrapuram Mandal. Similarly, the Grandhi and Kottha families also made their way to Rajam from Gangada village in Balijipeta Mandal, seeking better prospects and opportunities in the town's bustling environment.

The focus here is understanding how various communities historically gathered in Rajam town. With this concise historical overview, the subsequent section will delve into the post-independence developments and changes.

Section III: Different Regimes of Economy

Rajam town has experienced distinct economic development and transformation periods since independence. These periods can be categorised as trading (1947-77), an industrial phase (1978-2005), a decline in industries-labour unrest and the emergence of a new service-based economy (post-2005). The periodisation is indicative in nature and does not speak of

⁴⁹ These communities came from Coastal Odisha about 150 years ago (Frontline, year).

exclusivity, as there are both continuities and discontinuities of the economic activities and players in each period. However, this broad periodisation is essential for various reasons. This would help one understand how social institutions such as caste, region, kinship, etc., and their networks shape class formation in each phase in Rajam town. Second, it would help us engage with the question of “regimes of accumulation” being operative in each phase in scale. Third, this would help us understand the linkages, if any, between regional political economy and larger economic models such as Nehruvian development, the Post-green revolution phase, economic liberalisation and neo-liberal policies.

3.1. Trading (1947-77):

During this era, Rajam was primarily inhabited by several communities: Devangulas, Telagas, Vysyas, Brahmins, Velamadoras, SC (Mala, Madiga and Relli), Yaadhavas, and many others. Among these communities, the elite sections comprised the Velamadoras, Brahmins, Vysyas, and a Kshatriya family. The Velamadoras, the descendants of the Bobbili Zamindari, had significant influence in the political sphere. Brahmins predominantly pursued careers as advocates, while Vysyas were actively engaged in various business activities. One Kshatriya family stood as prominent local physicians. These families were known for their education, wealth, and prosperity during that period. On the other hand, despite being numerically larger, the Devangula and Telaga communities did not enjoy the same level of affluence and status as the aforementioned groups.

In the 1970s and 1980s, many scholars, such as Rondinelli (1983), proposed the idea that towns functioned as vital economic centres. They believed that towns played a significant role in facilitating the exchange of goods and services, functioning as pivotal ‘hubs’, and ‘nodes’, connecting local economies with larger national and, in some cases, foreign economies. These activities resulted in job opportunities and development in the surrounding areas. On the contrary, Marxist literature has highlighted that these economic activities also led to the exploitation of rural resources and people by urban traders, businesspeople, and industries. This, in turn, contributed to class differentiation within the region (Scrase et al., 2015).

Before the 1970s, the Vysya community played a crucial role in the local economy. Alongside the traditional Kirana businesses, they engaged in three primary business sectors: trading, moneylending, and transportation. During the 1960s, Fox (1967) underscored the rise

to prominence of merchant castes, specifically the Banias, in small towns across India, particularly those that acted as central market points for the neighbouring rural regions. These merchant groups managed to gain advantages by overseeing local enterprises and providing credit to the nearby villages (Fox, 1967). This can also be found true with Vysyas (Komati) in Rajam town. Within the Vysya community, the affluent members, including the Potta, Grandhi, Seemakurthi, Kolla, Kottha and other Vysya families, were prominent figures who owned fleet businesses, operated warehouses, and were actively involved in money lending activities. During that period, Ponduru, 15 km from Rajam town, gained prominence as a hub for agricultural commodity trading, particularly in chilli and groundnut, mainly due to its accessible railway connectivity. In this trade, the Pattusales and Marwadis played a significant role and facilitated exports to cities like Kolkata and Delhi. Vysyas traders from Rajam also actively transacted in Ponduru. However, over time, Rajam gradually emerged as its own trading hub, attracting more Vysyas traders to join the thriving commerce in the region. As a result, Rajam's significance in the trading network grew, becoming an increasingly prominent player in the trade of agricultural commodities like jute, groundnut, black gram, green gram and sesame. The local Vysya traders had market connections with various cities in the country, such as Kolkata (jute), Bomaby (rice), and Chennai (black gram and green gram)⁵⁰. The thriving trade also allowed them to establish numerous processing mills, including groundnut oil and rice mills. During that era, the Rajam town had around forty mills of various types, and interestingly, all of them were owned by Vysyas. As there were no jute mills in the Rajam, prompting the jute traders to sell the jute to the Chittivalasa and Nellimarla jute mills of Vizianagaram district and the Marwaris in Kolkata.

These Vysya trading families also transacted in local weekly *Santhas* in the North Andhra region, including Rajam's Thursday *Santha*. Every Thursday, Rajam town hosts a 'Santha', which holds a prominent position in the region. This marketplace offers a diverse array of goods and services for the locals. Here, one can find everything from Deshee Murghee, cattle, and goats to agricultural instruments, footwear, and various types of cloth. The market also offers regionally available seasonal fruits, vegetables, dry fish, handmade bags, and different types of wood like bamboo, timber, and teak. Additionally, there is a wide range of spices, cooking essentials, tamarind, jaggery, mirchi, onion, potato, coconut, curry leaves, coriander

⁵⁰ Although the traders carried business independently, they formed as one unit while exporting the commodities. They would go to these cities for 15 to 20 days to sell the commodities and collect the money.

leaves, homemade pickles, papads, seeds, small plants, flowers, pots, ropes, and much more. A commission agent is responsible for collecting 'beta' from numerous vendors. The property on which the Santha takes place belongs to Velamadora, who receives rent payments on a weekly basis.

In its early days, the Santha played a crucial role in the growth of Vysyas, as it served as their marketplace and a hub for maintaining and enhancing their business and community relations. At a time when telecommunication facilities were limited, the Santha was instrumental in allowing Vysyas from the village to continue their trade and social connections with the Vysyas in the town. Over the years, this market has evolved from a barter system to a cash exchange market, with an emphasis on locally produced goods. The growth of Vysyas in the region was significantly influenced by their active participation in these Santhas before the 1990s. They engaged in transactions across various Santhas in North Andhra region. A noteworthy example of this is how Vysyas would procure tamarind from Santhas near Salur town of Vizianagaram, which were located adjacent to forest areas, as it was available at a lower cost there. They would then sell this tamarind at the Rajam Santha. Similarly, the Vysyas would acquire chilli from Rajam and nearby villages, where it was abundantly and affordably available, and subsequently, they would sell it at the Saluru Santha. In this way, the Vysyas navigated between different Santhas to optimise their procurement and sales, effectively contributing to their growth and wealth accumulation.

On the whole, Rajam's trading activities involved the interaction of Vysyas with other towns in North Andhra, where they transacted with farmers, small traders on the one hand and on the other, the big traders and millers from North Andhra region and other regions in the country. This was one of the important phases in Rajam's economy as this created an atmosphere for the trading families in Rajam to transact in different towns and forge networks through which their trading activities flourished and the surpluses generated.

3.2. Industrial phase (1978- 2005):

The industrialisation in Rajam commenced in 1978 with GMR's establishment of the Vasavi jute mill. During the 1980s and 1990s, many Vysya families established agro-based processing mills and small and medium manufacturing units in the town, such as oil mills, rice mills, jute mills, kandhasare sugar factories, synthetic, steel rolling mills, poly packs, cable wire, PVC pipes, Sugar factory, cement, false ceiling material, biscuit manufacturing

and various others⁵¹. This development was underpinned by the surplus derived from their successful agricultural trading, kirana, moneylending and transport businesses. For a significant period between the 1970s and 1990s, trading activity and industrial activity continued together. Not all traders have transformed themselves into industry or mill owners. However, every industry or mill owner was a trader himself. Most of the oil mills are groundnut oriented. The groundnut was procured from the North Andhra region and also was imported from Rayalaseema traders through Ponduru railway station, 18 km from Rajam town. When Palmolein oil was imported from Malaysia and Singapore, around 50,000 mills were closed in India and Rajam (field narrative). Because Palmolein oil prices were cheaper than groundnut oil, and even the Public Distribution System (PDS) has distributed Palmolein oil.

Some of the industries have been located here to get the benefit of cheap labour available. In order to establish these industrial units, the Vysyas procured agricultural lands, which were then pledged to banks as collateral. In some instances, Vysyas, including GMR, pledged the agricultural lands belonging to local farming communities as collateral to secure loans from banks. In the early stages, the Vysya community took the lead in establishing the initial industrial units. However, a few Turpu Kapus and Velamadoras, leveraging their political affiliations, ventured into the jute mill sector as time progressed. Notably, individuals like Kimidi Kalavenkata Rao, a Turpu Kapu politician associated with TDP, and Chelikani Janardhana Swamy, a Velamadora with strong political ties to the Kimidi Kalavenkata Rao family, played significant roles in this expansion. Prior to bank nationalisation, the industrial units were set up by the second and third generations of the Vysya community, who were actively involved in conducting most of the economic activities in the town. Nevertheless, following the nationalisation of banks, banking emerged as a crucial component in Rajam's industrial sector. As a result, the established Vysya businesspeople experienced a period of consolidation, while concurrently, new players from both the Vysya community and other communities also entered the industrial sector. SBI's commercial bank in Rajam, which operated on a single window basis and provided loans and subsidies extensively for the entrepreneurs, is a testimony to the banking operations in Rajam during this period.

⁵¹ There were nearly thirty five to forty such industries in Rajam.

Subsequently, during the post-1990s period, GMR diversified its interests into the infrastructural sector. As of 1991, GMR had established 28 businesses across different regions in South India. Subsequently, following the nationalisation of banks in the late 1970s and the economic reforms introduced in 1991, he commenced the process of divesting his shares in most of these units. This diversification was made possible by the surplus generated from the agro-based industries prevalent in the region (further details on GMR's trajectory will be explored in the subsequent chapter).

The combined workforce of these industrial units amounted to approximately 7,000 to 8,000 workers. While a majority of the labourers hailed from the villages in the vicinity of the town, the industrial opportunities also drew labour from various regions across the country. In particular, jute mills predominantly employed workers from West Bengal and Odisha, steel units were staffed by labour from Bihar, and textile and synthetic units saw the employment of labourers from Tamil Nadu and Kerala. The availability of inexpensive labour from these diverse regions played a significant role in fuelling the expansion and success of these industrial establishments.

3.3. Declining industries and labour unrest (Post 2005):

Since 2005, many businesses have faced challenges, and only a small percentage of them managed to survive. Jute factories have been affected by stiff competition from Bangladesh and labour unrest, leading to lockouts. Additionally, other agro-based industries and small to medium manufacturing units in the town have reduced their operations due to liberalisation policies, which have allowed more dominant players to emerge in various sectors.

Furthermore, although most of these businesses have benefited from the initial push given by GMR and others (that has created an ambience of getting good subsidies and loans from the banks), as one of the respondents said, "*Entrepreneurs optimally used the banking facilities and diverted their capital elsewhere*". An illustrative case is an instance involving Saritha Synthetics of the GER⁵² group, where

The Enforcement Directorate's probe conducted under the Prevention of Money Laundering Act (PMLA) unveiled that the company and its founders illicitly acquired Rs 8.81 crore. Further

⁵² He is a brother of GMR. GER's name was found in Panama papers for his off-shore investments.

investigations exposed that the company had no active operations or assets. GER, the promoter of Saritha Synthetics, deliberately sold off the company's assets to create the illusion that the company possessed no properties. Subsequently, he used these assets as collateral for bank loans. The Enforcement Directorate pinpointed assets equal in value to the ill-gotten gains (Deccan Chronicle, 2015).

They misused the loans from the State Bank of India using fabricated documents without purchasing actual goods. Amidst the waning industrial growth in the town, a significant number of business people opted to relocate to different cities, such as Visakhapatnam, Hyderabad and Bengaluru and diversified into different business portfolios. As a result of this migration, they now visit Rajam on a weekly or monthly basis solely to collect rent from their properties.

Rajam, once known as an industrial town in Srikakulam, has witnessed a notable shift in its economic landscape. Presently, the town's economy relies predominantly on a service-oriented economy, mostly informal. This transformation has been driven by rent-heavy sectors like real estate, healthcare services, education and various other consumption-related services. The town's business landscape now encompasses a variety of establishments catering to the growing population. These include electrical and hardware shops, hospitals, educational institutions, construction companies, motor repair workshops, engineering works, two-wheeler showrooms, electronic stores, hotels, function halls, petrol stations, supermarkets, as well as gold and silver shops. In other words, while there is still some presence of small to medium-scale industrial activities, there has been a noticeable reduction in the scale of industrial operations. Instead, the town's economy has embraced newer capital-driven logic, emphasising service-oriented enterprises and consumption-based activities.

The decline in industries impacted the local labour force, which relied on these establishments for employment. In response to the economic changes, some of the local labourers transitioned into roles such as construction workers and auto drivers within the region. However, another segment of the workforce migrated to larger urban centers like Chennai, Hyderabad, and Visakhapatnam in search of better job opportunities and prospects.

To support this broad categorisation, the data on registered companies, provided in the Ministry of Corporate Affairs (MCA) will be utilised.

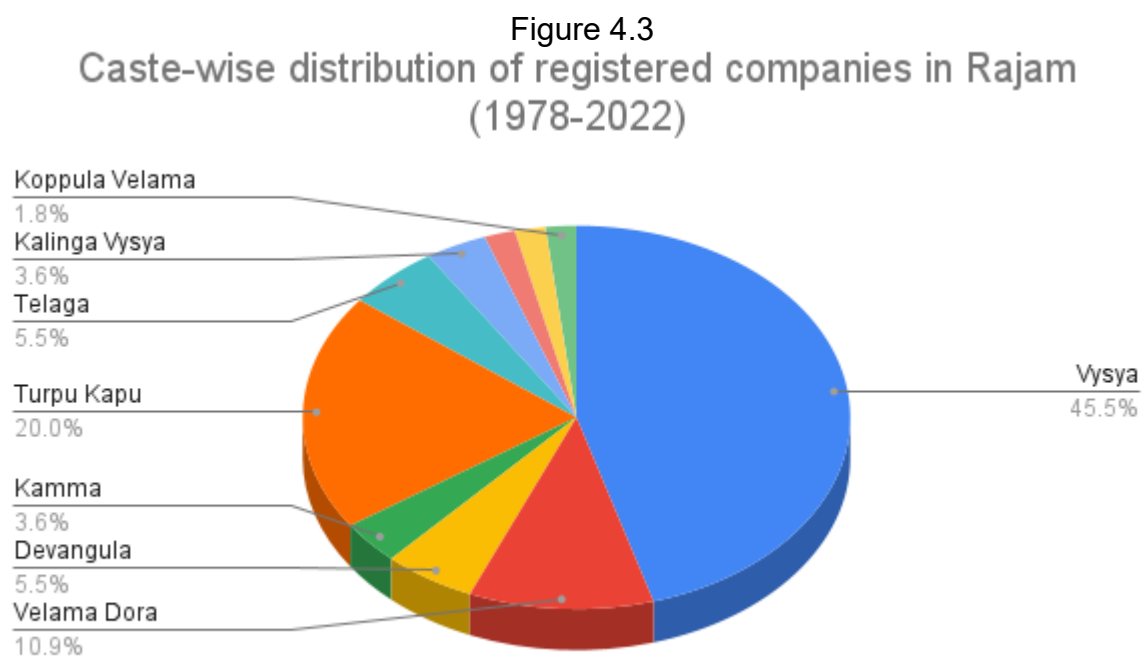
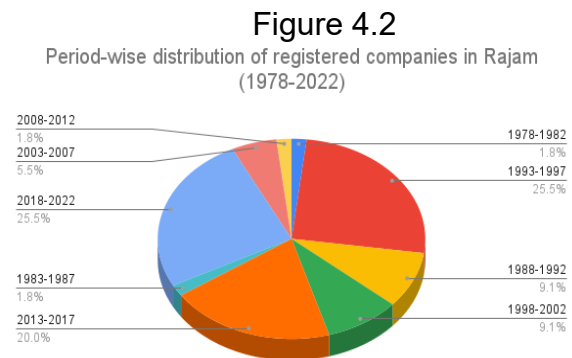
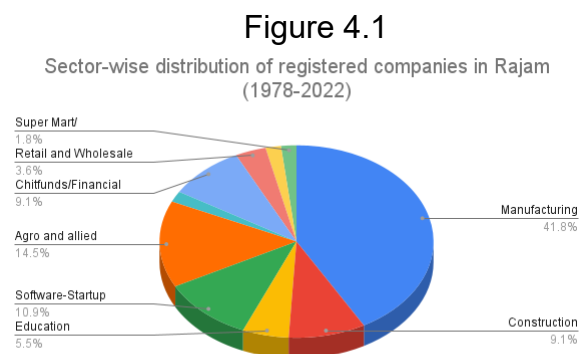


Table 4.1: Sector and period-wise distribution of registered companies

COUNT of S.No	Period									
Sector	1978-1982	1983-1987	1988-1992	1993-1997	1998-2002	2003-2007	2008-2012	2013-2017	2018-2022	Grand Total
Agro and allied businesses			1	2		1	1	2	1	8
Chit funds/Financial				1				1	3	5
Construction				1				3	1	5
Education						1		1	1	3
Food processing									1	1
Manufacturing	1	1	4	9	4	1		3		23
Real Estate								1		1
Retail and Wholesale business				1					1	2
Software-Startup					1				5	6
Super Mart/ Departmental Stores									1	1
Grand Total	1	1	5	14	5	3	1	11	14	55

Source: Calculated based on registered companies data provided in Ministry of Corporate Affairs.

Table 4.2: Caste and period-wise distribution of registered companies in Rajam (1978-2022)

COUNTA of S.No	Period									
Caste	1978-1982	1983-1987	1988-1992	1993-1997	1998-2002	2003-2007	2008-2012	2013-2017	2018-2022	Grand Total
Devangula					1			1	1	3
Kalinga Vysya									2	2
Kamma			1	1						2
Koppula Velama								1		1
Polinati Velama								1		1
Telaga								1	2	3
Turpu Kapu			2			1		2	6	11
Velama Dora				2	1	1		2		6
Viswa Brahmin									1	1
Vysya	1	1	2	11	3	1	1	3	2	25
Grand Total	1	1	5	14	5	3	1	11	14	55

Source: Calculated based on registered companies data provided in Ministry of Corporate Affairs.

Table 4.3: Caste and sector-wise distribution of registered companies in Rajam (1978-2022)

COUNT of S.No	Sector										
Caste	Agro and allied businesses	Chit funds/Financial	Construction	Education	Food processing	Manufacturing	Real Estate	Retail and Wholesale business	Software-Startup	Super Mart/ Departmental Stores	Grand Total
Devangula				1		1			1		3
Kalinga Vysya		2									2
Kamma	2										2
Koppula Velama		1									1
Polinati Velama	1										1
Telaga						1			1	1	3
Turpu Kapu	2	1		1		3	1	1	2		11
Velama Dora	1		1			4					6
Viswa Brahmin									1		1
Vysya	2	1	4	1	1	14		1	1		25
Grand Total	8	5	5	3	1	23	1	2	6	1	55

Source: Calculated based on registered companies data provided in Ministry of Corporate Affairs.

According to MCA data, there are 55 registered companies falling under various sectors in Rajam between the late 1970s and the early 2020s (see Annexure 2 for the complete list). The majority of companies (23) are in manufacturing, followed by agro and allied businesses (8), software/start-up (6), chit funds and construction (5 each), Education (3), retail and wholesale (2), while food processing, real estate, and super-marts (1 each). Some broad trends are the following. One, a significant amount of manufacturing companies are registered between the late 1980s and the early 2000s. Most of them are established by the Vysyas (14), and followed by Velamadora (4) and Turpu Kapu (3) (see Tables 4.1, 4.2 and 4.3). The Vysyas entered the manufacturing sector with funds from trading surpluses, while Velamadora and Turpu Kapus primarily relied on political connections to enter the sector. Second, after a slump in the 2000s, 24 new companies have been registered in the last decade, with a noticeable concentration in sectors such as software/start-ups, chit funds, construction, and

agro and allied businesses, indicating a sharp decline in manufacturing (industrial activity). Third, while Vysyas registered more companies before the 2000s, the post-2000s saw the Turpu Kapus surpassing the Vysyas. Additionally, there has been a surge in registrations of software-related companies post-Covid-2019.

Section IV: Major Shifts in the Town (both within and outside the town)

To thoroughly comprehend the town and its economy, it is crucial to recognise significant events impacting its development. This will provide a comprehensive overview of the town's evolution over the years. It is important to note that the following changes listed below are not presented chronologically; rather, they occurred simultaneously, shaping the town's trajectory.

4.1. Madduvalasa reservoir:

The Madduvalasa reservoir was constructed on the Vegavati and Suvarnamukhi rivers, which are subsidiaries of Nagavali. It was commissioned in 1977 and completed in 2002. The project required about 400 acres of land, and nearly 3000 affected families were promised compensation. The reservoir has facilitated the cultivation of approximately 25,000 acres of land. This development has significantly changed Rajam town in three main ways. Firstly, the relocation of rehabilitated Families: Many of the families displaced by the reservoir have chosen to relocate to Rajam town. Initially, they deposited the compensation money in Rajam banks, but gradually, they invested in land and constructed houses within the town. They settled in Ewarnagar, Maruthi Nagar, Dolapeta, and Ammavaru colony in Rajam. Secondly, the construction of the Madduvalasa reservoir has brought water facilities to several villages in five Mandals, leading to a significant change in cropping patterns. Farmers in the region have now started cultivating more acreage of sugarcane. In fact, GMR established a sugar factory in the region during this transition in 1997. The primary beneficiaries of this reservoir-related farming are the Turpu Kapus and to some extent, the Koppula Velama and Polinati Velama communities. Third, the attraction for business Opportunities: some of the well-to-do farming families, particularly from the Turpu Kapu and some Koppula Velama communities, have been drawn to Rajam town since the late 1990s. They have shifted to Rajam town to explore business prospects.

Nonetheless, it is worthwhile to acknowledge that the construction of the Madduvalasa reservoir was completed in 2002. By that time, the agrarian sector had already been neglected by the state, which excessively focused on implementing neoliberal policies. Furthermore, it is important to note that the scale of the Madduvalasa project is relatively smaller compared to the irrigation projects in South Coastal Andhra. Consequently, when assessing the irrigation facilities in North Andhra, direct comparisons to those in South Coastal Andhra may not be appropriate. Nonetheless, it is undeniable that the Madduvalasa reservoir has played a crucial role in the transformation of Rajam town, particularly in terms of its caste composition.

4.2. Inflow of Salaried employees to Rajam:

Following the industrial slump in the town starting in 2005, there were concerns among the local business community about a potential decline in business and economic activity in Rajam. However, it was observed that the teaching community played a crucial role in sustaining the town's growth and contributing to the Rajam economy. A significant number of government teachers chose to reside and settle in Rajam for several reasons. Firstly, Rajam served as the nearest urban center for approximately ten mandals, including G.Sigadam, Santhakaviti, Vangara, Regidi Amudhalavalasa, Cheepurapalli, Garividi, Merakamudidham Terlam, Palakonda, Pondhuru, and Balijipeta. Due to its convenient location, many salaried employees, especially those in the teaching community, preferred Rajam. Furthermore, Rajam's positioning between the Mandals of Srikakulam and Vizianagaram made it a feasible option for couples where one spouse worked in Srikakulam and the other in Vizianagaram. Setting up a family in Rajam town allowed for easier commutes and better family arrangements. Over time, the town witnessed a substantial influx of government teachers, estimated to be around 1400 teacher families, contributing to the growth of the service economy in Rajam. Consequently, property values and the real estate market experienced significant growth in the past two decades. Apart from the teaching community, other professionals favoured Rajam as a place to reside. This included teaching and non-teaching staff from GMRIT engineering college and other private schools and colleges, GMRIT faculty, individuals from the banking, police, and revenue, judiciary, as well as professionals like doctors, private school teachers, and retired employees.

Rajam offered superior education, healthcare facilities, and overall living standards compared to neighbouring villages and towns, making it a preferred choice for many families, even if their job postings were closer to their original villages. The development of integrated drinking water facilities in Rajam in 2009, led by the then MLA Kondur Murali, played a key role in attracting more teachers and contributing to the town's growth.

4.3. Becoming a hub for services (education and health):

The towns have been expanding rapidly due to familiar reasons like rural-urban migration, industrial and commercial development, and employment and education opportunities (Scrase et al., 2015). GMR Information and Technology, GMRIT, established in 1997 by the GMR group, stands as one of the prominent educational institutions in Rajam town, which attracts approximately nearly four thousand students from various districts in Andhra Pradesh. Apart from GMRIT, the GMR group also set up other prominent educational institutions in Rajam. Among these are DAV Public School, which is the first CBSE school in the town, and Sri GCSR Junior and Degree College. In addition to these institutions, Rajam offers a wide range of educational institutions, including private schools and colleges owned by local individuals as well as those set up by corporate educational entities⁵³. Now, nearly fifteen thousand students are availing the private school education in Rajam town in nearly 15 private schools (constructed based on the field narratives). The educational sector in the town also includes vocational and training centres, catering to various educational needs and serving different segments of the community. In tandem with its educational growth, the town's healthcare sector has also seen significant development over the years, with the establishment of numerous hospitals established by people like GMR and medical professionals from the region.

Alongside the town's population, a significant number of people from approximately 300 to 400 villages in and around Rajam commute daily to the town for the various services it offers. Along with education and health, the presence of a Sub-registrar office, judiciary, police, banking, and the market (groceries, clothes, gold, home appliances, cement and iron etc.) draws these daily commuters to Rajam. Local businesses have flourished due to this dependence, and the banking sector has witnessed rapid growth, expanding from two banks

⁵³ the corporate schools entered the towns with Bhashyam in 2006, Sri Chaitanya in 2011 and Ravindra Bharati, Krishnaveni and Narayana schools in 2012.

(SBI and Vysya Bank) in the past to now accommodating nearly fifteen private and public banks.

4.4. Nagar Panchayat 2005:

Rajam was elevated to the status of Nagar Panchayat from the earlier status of Grama Panchayat in 2005 by merging with it the four other Grama Panchayats, namely, Saradhi, Ponugati Valasa, Kondampeta, Koththavalasa, and Gopalapuram. However, two Panchayats, Ponugati Valasa and Koththavalasa, have raised legal challenges and approached the court, claiming that the merger took place without the consultation of Sarpachs and Grama Sabhas. Additionally, they feared that their village's political identity would be compromised and also lead to the loss of MGNREGA works. As a consequence of these legal disputes, local body elections have not taken place since the merger in 2005. Notwithstanding its impact on the economy in particular, the situation has sparked contrasting viewpoints from the fieldwork. One perspective suggests that the merger was a move to gradually transform Rajam into a Municipality, which could attract business expansion, including the establishment of a Medical College by entrepreneurs such as GMR. On the other hand, many common people prefer the previous administrative status of a Major Panchayat. They argue that Rajam has experienced significant growth, and the merged villages were already within the vicinity of the town. If Rajam were to revert to its previous status (in case the Court⁵⁴ withholds the merger of the villages), the villages would likely benefit from the status of village and lower taxes for the residents while still enjoying the benefits of being within the town. Furthermore, another prevailing perception within the town is that the elevation of Rajam to a Nagar Panchayat or Municipality status would significantly increase property values and land costs, resulting in real estate speculation. All the viewpoints are valid, but what truly unveils their perspectives is how they perceive the town and which status (Grama Panchayat or Nagar Panchayat) benefits them, influencing their opinions. In other words, their opinions are seemingly shaped by the nature of cultural and material relations (or outcomes) they have with the town or derive from it.

⁵⁴ A.P. High Court already ruled in favour of Nagar Panchayat by upholding the merger. And, A.P. Government granted Rajam with the status Municipality- Grade 3. However, local body elections are yet to take place. Nonetheless, the point is presented here to indicate the different viewpoints about the administrative status that the governments accord.

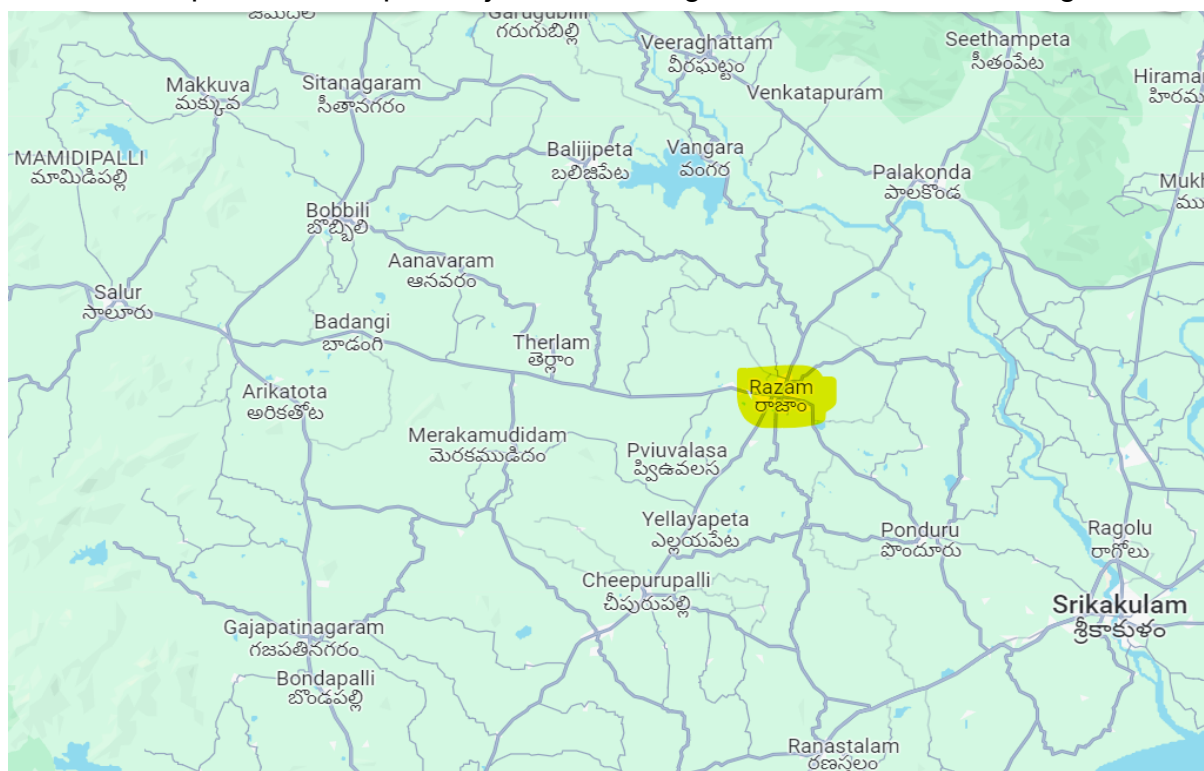
Upon contacting the Nagar Panchayat official in 2019, he expressed that having an elected body would undoubtedly aid in expediting municipal works due to political pressure. However, he also pointed out the significance of the 13th FYC and 14th FYC provisions, which mandate states to allocate funds to municipalities based on their population size⁵⁵.

Section V: Geographical Advantage

The significant transformation witnessed in Rajam owes its occurrence primarily to the town's geographical advantage. Because Rajam town's geographical location has played a pivotal role in its growth and economic significance. Situated as a midpoint in the region, Rajam finds itself surrounded by wetlands towards the east and northern sides, encompassing six Mandals and dry lands towards the west and southern sides, encompassing another six Mandals. This combination of wet and drylands has paved the way for the development of agro-based industries. Rajam benefitted from access to abundant raw materials and a cost-effective labour force from both the wet and dryland areas, facilitating the thriving agro-industrial sector. Located approximately 110 km away from Visakhapatnam, Rajam enjoys well-established connectivity with various neighbouring towns of Vizianagaram and Srikakulam districts, such as G.Sigadam, Santhakaviti, Regidi Amadalavalasa, Cheepurupalli, Garividi, Merakamudidham, Therlam, Vangara, Palakonda, Pondhuru, and Balijipeta (see below map 4.1 and map 4.2). Notably, Rajam serves as a major transit point for buses connecting Eastern Odisha and Western Odisha, evident from the Odiya language hotel name boards in the area.

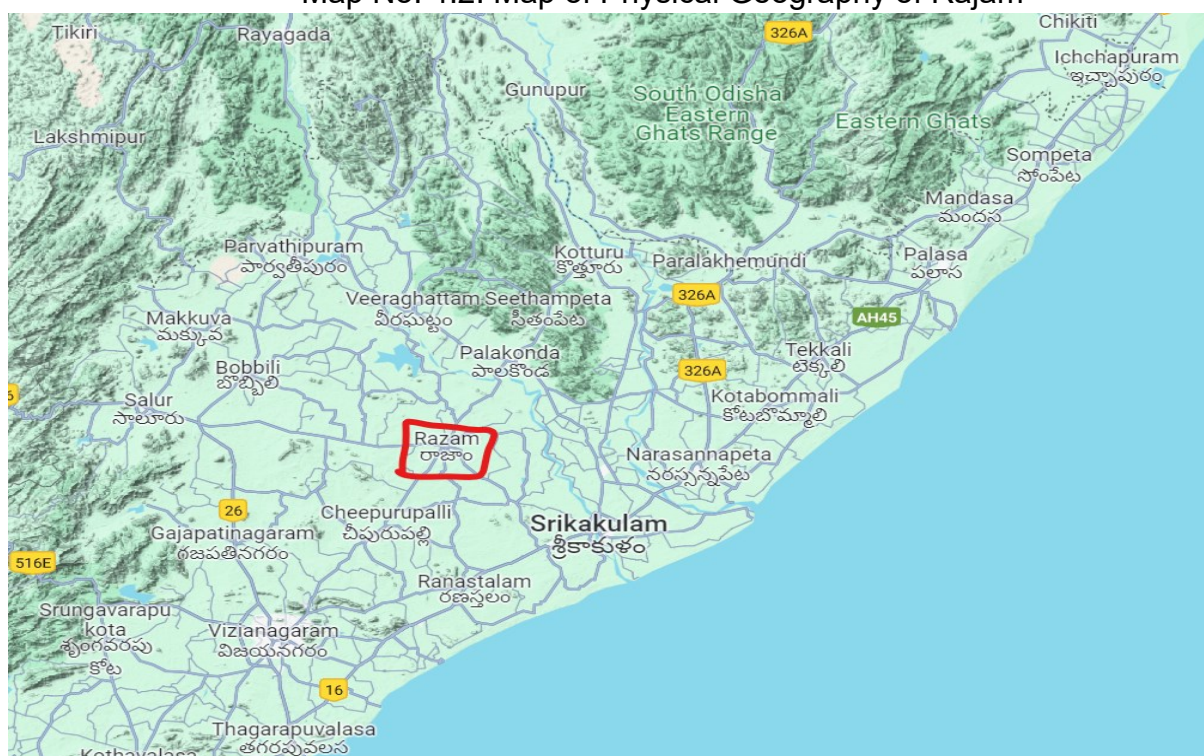
⁵⁵ The Thirteenth Finance Commission proposed an allocation of Rs. 23,111 crore to Urban Local Bodies (ULBs) with the objective of bolstering municipal finances and enhancing urban governance across India. Building on this, the Fourteenth Finance Commission granted a total of Rs. 87,144 crores to Urban Local Bodies in all States/Union Territories, distributed as Basic Grant (80%) and Performance Grant (20%). The Performance Grant was tied to ULBs' revenue increase and requirements such as conducting audits of accounts and implementing Service Level Improvement Plans for basic services (Source: Financially Empowering Municipalities: Way Forward in NITI Aayog www.niti.gov.in).

Map No. 4.1. Map of Rajam connecting to other Towns in the Region



Source: Google Maps

Map No. 4.2. Map of Physical Geography of Rajam



Source: Google Maps

In fact, in 1995, a bridge near Madduvalasa village of Vangara Mandal was constructed, followed by another bridge near Vantharam village of Balijipeta Mandal in 2005, both spanned across a seasonal river. These infrastructure developments caused a significant shift in the dependency of numerous villages from Balijipeta town to Rajam. As a result, businesses in Balijipeta town experienced a decline since the villagers now preferred to access Rajam due to the improved connectivity. Consequently, the catchment area of Rajam expanded as more and more villages of both Vangara and Balijipeta Mandals began relying on the town's services and facilities.

Rajam's geographical advantage, with its mix of wet and drylands and proximity to other key towns, has played a crucial role in driving its economic growth and significance as a hub for agro-industries, regional connectivity and evolved as a market town for many villages. Because of this geographical advantage, the Rajam was able to transition itself through various economic regimes, such as mercantile activity, industrial activity and service and consumption economy, as indicated. Without this favourable geographic position, such substantial developments might not have materialised. The geographical advantage may offer some important clues about the significance of the network of towns and villages in shaping and influencing the nature and character of regional capitalism, where an ensemble of dominant economic activities and provincial business elites form. The town has undergone significant transformations, primarily driven by its geographical advantage, which, in turn, has profoundly impacted its socioeconomic character.

Section VI: Socio-Economic Character of the Town

Zerah and Denis (2017) illustrate how various economic activities within small towns are deeply rooted in historical social and political structures and spatial relationships. Moreover, cultural norms and land tenure systems significantly influence these economic activities. Indeed, the interplay between various economic activities, social structures, and spatial relationships gives rise to urban-rural linkages in a co-constitutive manner rather than following a transitional pattern. This co-constitutive process implies that the connections and interactions between urban and rural areas mutually shape and reinforce each other, resulting in a dynamic and integrated relationship (Gururani, 2020). One significant outcome of these complex interactions is the emergence and consolidation of economic elites within the region.

These elites, who hold substantial economic power and influence, play a pivotal role in the town's economic development in the process of their accumulation strategies.

Rajam, historically referred to as "*pannendu veedhula pattanam*" (the twelve street town) is characterised by streets such as Kondaka Veedhi, Kalepu Veedhi, Kakarla Veedhi, Pucchala Veedhi, Kummari Veedhi, Kaspas Veedhi, Bukka Veedhi, Kanchara Veedhi, Asupu Veedhi, Thaana Veedhi, Telaga Veedhi, and Ammavaru Veedhi. These streets are indicative of caste-based settlements that formed the old Rajam, as colloquially known by the local inhabitants. Over the years, Rajam underwent a notable transformation as it expanded, with its growth attributed to significant socio-economic changes. This expansion and development are rooted in a multitude of socio-economic factors that have shaped the town's character over time. The interplay of these factors has played a crucial role in shaping Rajam's urban fabric and has brought about various changes in its social and economic landscape. An attempt was made to showcase the transformation of Rajam town over time, encompassing aspects such as its growth contributors, shifting caste composition, and its implications on its political dynamics.

Firstly, during the 1960s, the presence of both the Mallikarjuan Weaver's Society, offering state benefits to weavers, and Master Weavers with stronger market relations, attracted numerous Devangulas, drawing them to the town. As a result, many weavers from nearby villages chose to migrate to Rajam, influenced by the efforts of the then Rajam Sarpanch, Donthamshetty Mallayya. This migration led to new streets in the town, notably including Vasthrapuri Colony and Mallayapeta.

Secondly, in the 1980s and 1990s, Rajam experienced a surge in agro-based industries and the establishment of small to medium industrial-scale units. The inception of these enterprises attracted labouring classes belonging to different castes, from distant villages to the town. As a result, settlements began to form, eventually recognised as streets like Balajinagar.

Thirdly, with the commencement of the Madduvalasa reservoir, approximately ten villages, including several submerged ones, chose to relocate in a phased manner to Rajam. Utilising compensation packages, these villagers constructed houses in the town, leading to the establishment of settlements known as Maruthi Nagar and Baba Nagar. Predominantly, the inhabitants of these settlements belong to the Turpu Kapu community, with a few belonging to the Koppula Velama community as well.

Fourthly, the agrarian communities in the region, namely Turpu Kapu and Koppula Velama, have made significant investments in their children's education. They have availed benefits under BC-D reservations. As a result, government employees from these communities, especially teachers, have increasingly migrated to the town. In the early 2000s, the real estate market began to flourish, leading to the development of numerous real estate layouts. Government employees, particularly teachers, seized the opportunity and acquired sites in these layouts, eventually settling in the town. These layout-based settlements subsequently became known as Vasavi Nagar, Navya Nagar, and others. Predominantly, these settlers belong to the Turpu Kapu community, with a few belonging to the Koppula Velama community.

Fifthly, the Andhra Pradesh state government elevated Rajam's status from a Major Panchayat to a Nagar Panchayat by amalgamating five Grama Panchayats into it in 2005. These integrated Panchayats include Kondampeta, Gopalapuram, Saradhi, Ponugativala, and Rajam. While Kondampeta primarily comprises a significant population of Telagas, all the other Panchayats are predominantly inhabited by Turpu Kapus. This administrative restructuring has notably impacted the town's governance and demographics.

Sixthly, in response to the increasing population, Rajam has been extending into its per-urban areas, incorporating nearby villages within a five-kilometer radius. Notably, Kancharam, Mogilivalasa-Anthakapalli, and Guravam are among the villages that have become integrated into the town's expanding periphery. These villages are predominantly inhabited by the Turpu Kapu community, further influencing the socio-economic fabric of Rajam's extended urban landscape.

In order to contextualize these socio-economic changes, examining the population growth over the years would provide valuable evidence.

Table 4.4 Decadal population growth of Rajam town

Census Year	Rajam Town Population	Growth Rate	Proportion of SCs
1901	5098		
1911	4869	-4.49%	N.A
1921	4590	-5.73%	N.A

1931	5374	17.08%	N.A
1941	5394	0.37%	N.A
1951	6516	20.80%	N.A
1961	7729	18.62%	N.A
1971	9802	26.82%	N.A
1981	10768	9.86%	15.27%
1991	14285	32.66%	16.12%
2001	23421	63.96%	14.10%
2011	42197	80.17%	11.57%
2021	56000	32.71%	N.A

Source: Based on the district census books

As mentioned in the preceding sections, significant events have contributed to the changes in Rajam town. Consequently, the population of Rajam has witnessed considerable growth, particularly after independence (see Table 4.4). While the complete factors behind this growth may not be accounted for, one plausible explanation could be the establishment of manufacturing units during the late 1980s and early 2000s (see Table 4.1). These units attracted labourers from various villages in the North Andhra region. Similarly, the construction of the Madduvalsa reservoir led to the relocation of submerged villages to Rajam, further influencing population dynamics. Additionally, in the years following the 2000s, the influx of salaried employees and the merger of five grama panchayats into Rajam, forming Rajam Nagar Panchayat, likely contributed to the population growth in the town. As a result of this population growth, the caste composition and political dynamics in Rajam town have been influenced significantly.

6.1 Shifts in caste composition and political dynamics:

The Devangula community held significant prominence in terms of population in the town, yet political power was primarily vested in the Velamadoras, the descendants of Bobbili Zamindaris, during the post-independence period. The Velamadoras regime was marked by instances of harassment and mistreatment, targeting women and “lower castes”. However, a notable shift occurred when the Devangulas, with the support of the Vysya community, formed a collective force to challenge and ultimately defeat the Velamadoras in the Sarpanch elections. Subsequently, the Devangulas’ political influence, under the leadership of

Donthamshetty Mallayya, in Rajam endured until the mid-2000s. Their numerical advantage as the larger community and the weavers' society allowed them to play a key role in maintaining unity within the town. Indeed, the caste-based economic institutions, like the weavers' society, served a dual purpose for the Devangula community. Firstly, these institutions enabled them to establish connections with the state and access support systems provided by the state, allowing them to receive assistance and resources. Secondly, these economic institutions played a pivotal role in forging long-lasting political alliances within the town. By leveraging these ties, the Devangulas were able to maintain their hegemonic position in the political landscape. During that period, the Devanagula influence wielded such significant power that as Rajam expanded, certain areas of Rajam merged with Saradhi Panchayat, which was predominantly dominated by Turpu Kapu. Interestingly, both Rajam and Saradhi Panchayats were won by Devangula candidates⁵⁶.

However, in recent times, the Devangula community experienced considerable migration to other regions in pursuit of better livelihood opportunities. As mentioned earlier, several factors have contributed to a shift in the caste composition of Rajam town. These include the construction of the Madduvalasa reservoir, the merger of five village Panchayats into Rajam Nagar Panchayat, and the influx of salaried employees from neighbouring villages into Rajam. As a consequence, local respondents now perceive the Turpu Kapus as the largest community in Rajam in terms of population size. The Turpu Kapus have emerged as a significant "middle class" and have substantial ownership of businesses within the town. This transition in demographics and economic dynamics has brought about a notable transformation in the town's social and political fabric.

Section VII: Caste and Politics- Political Lacuna in the Town

In many instances, the politically dominant castes(s) wield significant influence over the administration at the regional level. Despite the presence of a local bureaucracy, the political class tends to assert dominance over it. For instance, one can observe that Regidi Mandal is under the complete control of the Kimidi family (Turpu Kapu), Palakonda is governed by the Palavalasa family (Turpu Kapu), while Cheepurapalli and Vizianagaram are under the

⁵⁶ Rajam Panchayat was won by Donthamshetty Mallayya and Saradhi Panchayat was won by Chandana Suryarao, both belong to Devangula community.

influence of the Botsa family⁵⁷ (Turpu Kapu). Similarly, Amadalavalsa and Srikakulam are controlled by the Kalinga community, and Bobbili by the Bobbili Rajah family (Velamadora) community. However, an intriguing exception can be found in Rajam Mandal, where no single caste group has ever achieved complete domination over the administration. This presents an interesting area for further exploration and analysis.

The political situation in Rajam Mandal, encompassing both the town and villages, is quite unique. Historically, the town has never experienced the dominance of a strong local political class in its processes. Delving further, three important impediments exist to the emergence of the local political class. One, Rajam Mandal was earlier included in the Unukuku Assembly Constituency, which encompassed Rajam Mandal, Balijipeta Mandal, Vangara Mandal, and parts of Regidi Mandal, until the delimitation of constituencies in 1978. Adjacent to Rajam Mandal was the Palakonda Assembly Constituency, which comprised parts of Regidi Mandal, Palakonda, Santhakaviti, and Veeraghattam Mandals. Both Unukuku and Palakonda constituencies had a substantial concentration of the Turpu Kapu population. Consequently, these constituencies were predominantly represented by political families of the Turpu Kapu community, namely Kimidi Kalavenkata Rao⁵⁸ in Unukuku and Palavalasa Rajasekharam⁵⁹ in Palakonda. However, an interesting turn of events occurred when the Palakonda constituency was reserved for Scheduled Castes (SC). In response, Palavalasa Rajasekharam, belonging to the Turpu Kapu community, contested from Unukuku against Kimidi Kalavenkata Rao, also a Turpu Kapu candidate. The rivalry between these two families, both of whom were not originally from Rajam Mandal, had a notable impact on the political dynamics of Rajam Mandal too and, consequently, on Rajam town itself. Their ascendance to power in the region effectively marginalised the emergence of other political contenders from the Turpu Kapu and other communities as they consolidated their influence and authority.

Two, after the 2002 delimitation, Rajam has become an assembly constituency (with Rajam, Vangara, Regidi, and Santhakaviti Mandals) with SC reservation. Still, the influence of these

⁵⁷ Vizianagaram was earlier the fiefdom of the Ashokagajapathi Raju family. Slowly, it shifted towards the Botsa family.

⁵⁸ From 1983, when TDP came into existence.

⁵⁹ Their family associated with Indian National Congress since the early 1950s and recently shifted to YSRCP.

two families continued to persist⁶⁰. Despite Kondru Murali's (SC and from a non-Rajam mandal) attempts to establish himself in town politics and Rajam Mandal, his efforts were hindered by two significant factors. Firstly, his "caste factor" posed challenges to his political ascent. Another speculation suggests that Murali's independence and lack of loyalty to the Kimidi family were met with opposition, leading them to work towards ensuring his defeat in the elections. The Kimidi family seems to expect all actions in the constituency to be carried out under their close supervision, and any attempt by Murali to assert his independence was not tolerated. Secondly, the Laxmipeta Dalit Killings perpetrated by Turpu Kapus, who held the MLA position at the time, cast a shadow over Murali's reputation. Consequently, these factors weighed heavily against him in the subsequent elections, despite his considerable popular charisma compared to other candidates in the town.

Three, due to a legal entanglement, the Rajam Nagar Panchayat has not held elections for nearly 18 years. The administrative status of Rajam was changed from Major Panchayat to Nagar Panchayat in 2005 by merging five village Panchayats, namely Rajam, Saradhi, Ponugativalasa, Kondampeta, and Kothavalasa. This process occurred without consulting the elected representatives of the village Panchayats, leading the Sarpanchs to approach the AP High Court. However, the AP High Court ruled in favour of the Nagar Panchayat in 2021. There have been no urban local body elections (to Nagar Panchayat), and a special officer is overseeing the administration. The absence of elections for almost two decades has hindered the emergence of a political class and prevented different communities from exercising their political power through the electoral process.

The combination of all these factors has impeded the development of a local political class. This raises the question: What are the consequences of the absence of an active political class on the town's economy and wealth accumulation processes? Currently, the town is largely controlled by two distant political families (Palavalasa Rajasekharam and Kimidi Kalavenkata Rao families, both belonging to the Turpu Kapu community), who exert control over the town from afar. Due to the lack of a strong local political class, business elites find it sufficient to navigate the local bureaucracy, and they can conduct their affairs without significant interference from local politicians. However, the absence of political competition within the town or the Rajam Mandal hindered the emergence of business classes

⁶⁰ Although the constituency was reserved for SC, their support is necessary and the constituency is virtually ruled by them, depending on which political party comes to power at the top.

representing different communities. Because a more vibrant political landscape creates opportunities for various groups to participate in governance and influence policies promoting economic growth and wealth distribution.

Section VIII: Caste and Business Families

Rajam town is characterised by a diverse array of caste groups, such as Vysyas, Devangula, Telaga, Velamadora, Turpu Kapu, Yadhava, and SC and many others. Here, an attempt has been made to present an overview of these communities and their respective businesses.

Telaga families:

The Telaga community is present in the town dating back to colonial times. Historically, the community was primarily agrarian, with a majority involved in agriculture until the late 1970s and early 1980s. Their agricultural lands were registered in 1961 following the abolition of Inams, where their lands were previously under Rajayyapeta Brahmin Inam⁶¹. Telagas, being categorized under the General Category, did not receive significant incentives to pursue higher education and aspire for employment. As a result, many Telagas from the town opted to engage in petty businesses or take up labour work at an early stage.

Furthermore, their agricultural lands did not yield substantial benefits due to a lack of irrigation facilities before 2000s. Consequently, the Telagas became one of the early peasant communities in navigating farm and non-farm sectors, seeking alternative livelihood and economic growth avenues in the town. Before the 1990s, many Telagas worked in businesses run by Vysyas, but later they ventured into their own small-scale enterprises, with some achieving significant success. Additionally, they participated in other occupations such as Jetka (old transport), milk business, and labour work in the town, such as *Kalasi*⁶², in the agro-based mills. Numerous Telaga families also owned petty businesses, including bangle shops, watch repair, electrical and electronics repair, footwear, and street vending.

Few have risen to prominence in the town, making notable progress in various fields. For instance, Maatha Koti transformed from a petty business to a significant player in the Real

⁶¹ Rajayyapeta is a village at 5 km from Rajam, where all the lands were under a Brahmin Inam of Bobbili Zamindar.

⁶² Kalasi is a piece rate worker, but they have association in the town.

Estate sector, while Duppalapudi Srinivasa Rao succeeded as a landlord and entrepreneur. Other examples include Gatti Paparao, an educationist and commercial rental properties owner; Pidugu Govindham, who transitioned from milk vending to being a prominent Real Estate player and as an Asian Paints distributor in Rajam town; Samatham Ramesh, involved in businesses such as cement and iron trade, and Real Estate; and Balimi Uma, a successful fruits business owner and distributor in Srikakulam and Vizianagaram; Vykuntam family⁶³, started with Watch retail and repair, cloth stores in the town and now owns Electronics and Furniture business; Kompalli Brothers⁶⁴ are well known for onion wholesale and retail business; Vegujukka started early printing Press in the region and later diversified into Real Estate; and Maurthi readymade store⁶⁵. The economic opportunities have attracted local Telagas and those from nearby villages, fostering further economic growth for the community. While Telagas from neighbouring villages prospered through agricultural trading, which provided them with the resources to venture into town businesses, the Telagas of Rajam town found their advantages in the changing nature of their lands during the urban expansion post-2000s.

Given their long-standing presence in the town, Telaga families who retained their agricultural lands benefitted in later periods. For some families, the early engagement in petty businesses has enabled them to preserve their agricultural lands, distinguishing them from other agrarian communities in the town and nearby villages, such as Turpu Kapus.

⁶³ They are four brothers. They worked in watch shop. They have also started cloth stores in the town, however not successful in that business because of many shops already. Then all brothers entered into electronics such as TV, Fridges, and furniture in early 2000s. They built own house. They own commercial properties, made their children educated and employed.

⁶⁴ Kompalli brothers (5 members): They have migrated to Tadepalli gudem from Santhavuriti village and have done onion wholesale business. Something happened there. The entire family returned to Rajam and started same wholesale onion business. They get the onions from Gujarat. All the brothers owned wholesale onion shops and one brother diversified into cement and iron.

⁶⁵ This family is from Sundarada village. They started with small cloth stores in the town market. Slowly they have established into big cloth shop in the town (Maruthi Readymade) See the time frame and their assets. They had some issues in the Sundarada village with others and they came and settled in the Rajam town. First they migrated to Khammam and established small small cloth stores and worked there for nearly 15 years before returning to Rajam. With experience and money, started in Rajam the small shops and later a big one, Maruthi Readymade Store.

Devangula families:

The Devangula community, locally known as *Senapathulu*, is traditionally a handloom weaving community and comprises approximately 1500 households in the town. Before the 1990s, some of the Master Weavers channelled their surplus into investments within the town. Notable examples include Donthamsetty Mallaya and Kalepu Sathya Rao, who were associated with a Dying company and cashew nut processing unit and were formerly partners in a movie theatre. Another prominent figure is Baniesetti Parvatheesam, who ventured into fertiliser and cloth stores. Additionally, numerous families from the community have opened approximately 30 cloth stores in the town.

However, the handloom weaving industry faced challenges, leading to a decline in the cash flow and limited new investments within the community. Factors contributing to this decline include the competition posed by mills and power looms for cotton products woven by the Rajam Devangula community. Unlike geographically indexed products like Pochampally double ikat silk sarees, Gadwal silk sarees, etc., the demand for traditional handloom cotton products has dwindled, with only a small percentage of high-cost Cotton Dhotis being produced presently. Due to the waning handloom industry, many community members have shifted their focus towards alternative livelihoods, engaging in petty businesses such as repair shops, hotel servers, and street vending. Moreover, the majority of them have migrated to other towns and cities in south India where textile work was predominant and also to Eluru poultry farms in search of livelihood.

The younger generations within the Devangula community have also shown a shift in aspirations, moving away from handloom weaving and instead pursuing education and employment opportunities facilitated by BC-B reservations. Their caste association was the Mallikarjuna Weavers' Society, which once played an active role in local until the 2000s.

Padmanayaka Velama (Velamadora) families:

The Padmanayaka Velama (Velamadora) families in Rajam have ancestral ties to the Bobbili Zamindars. Although their numbers are relatively small within the town, they wielded political power in the early years of independence. Even as they lost political significance over the years, their impact on the local businesses is substantial, as they hold a significant presence in the town's economy through ownership of commercial complexes and rental

properties. Notable individuals from the Velamadora community, such as Chelikani Jagannadha Swamy, have ventured into various enterprises, including civil construction, movie theatres, and commercial complexes. Similarly, Inuaganti Janardhana Dhora has established a three-star hotel and commercial complexes, while Chelikani Rambabu is involved in the City cable business and commercial rentals. Additionally, few others own small-sized ice factories and rice-brown oil mills in the town.

Vysya families:

In terms of population, the Vysya community has never held a dominant position within the town. However, they have wielded significant control over the town's economic landscape due to their extensive ownership of businesses. Many members of the Vysya community migrated to the town in pursuit of commercial opportunities, leading to the establishment of various enterprises, including shops, commodity trading businesses, and warehouses. Prominent trading families from the Vysya community include Seemakurthi, Grandhi, Kottha, Potta, Vaddadhi, Vakcherla, Kolla, and others. They have achieved considerable success in trading and have established oil and rice mills; some have ventured into jute mills and small to medium-scale manufacturing units, signifying their significant presence in the town's economic activities. However, over time, some of these industrial units have encountered financial difficulties and filed insolvency petitions, leading to the diversion of funds. It is noteworthy that despite facing bankruptcy in legal terms, individual Vysya members have managed to safeguard their personal assets. Approximately eight Vysya families have filed for insolvency, and some have even relocated with their funds to major cities like Mumbai, Chennai, Bengaluru, Visakhapatnam, and Hyderabad. This migration is not necessarily indicative of displacement by other players but rather an effort on Vysyas' part to diversify their economic activities.

It is important to acknowledge that only a small fraction of the Vysya community has leveraged their gains to diversify and invest further, such as in the case of GMR. The majority has decided to reinvest their profits in the town and other cities. It is worthwhile to note that Vysyas have used the lands of agrarian communities as collateral to secure bank loans for establishing their industrial units. From a political perspective, certain notable individuals from the Vysya community, such as Potta Vishal Gupta, have risen to prominence as influential political figures within the town. Moreover, the Vysyas have fostered a

relationship with the Devagula community, establishing an alliance against the Velamadoras in the early 1970s. This alliance reflects the close interplay between politics and economics, evident at a micro level within the town.

Yaadhav Families:

The town consists of nearly 500 households belonging to the *Yaadhava (Golla)* community, known for their involvement in sheep herding. Additionally, some *Yaadhavas* have established meat shops, supplying meat to local hotels and functions. A considerable proportion of *Yaadhavas* work as labourers, primarily in the occupation of Kalasi in the town. Others have engaged in small-scale businesses, such as tea shops, vegetable sellers and street vendors. Furthermore, this community has significantly benefited from the surge in land prices. Due to the comparatively late emergence of the Real Estate market towards Cheepuraplli Road, where the *Yaadhava* community resides, their lands have not been subject to loss or displacement. This late-mover advantage has made them realise the importance of retaining their landholdings amid the continuous rise in land prices prevalent in the present neoliberal context. Furthermore, their caste-based occupation, i.e. sheep herding, facilitated them to meet social expenses such as education and marriage and allowed them to retain their lands, whose prices are increasing year on year. However, their penetration into the businesses in the town is marginal.

SC families:

Despite a significant number of Scheduled Caste (SC) families in the area, their participation in business remains limited. Some of them have utilised affirmative policies and gained access to education, leading to the emergence of salaried employees, particularly in the government and private software sectors. These families have made modest investments in urban properties, primarily to build their own homes. One notable example is a retired IPS officer family who owns a functional hall.

Turpu Kapu families:

Kapus have historically been linked to various roles, including serving as watchmen, engaging in agriculture, and, more recently, becoming prominent large-scale farmers. In Andhra Pradesh, there are four distinct subgroups of Kapus: 'Turpu Kapus' residing in the northern coastal districts of Srikakulam, Vizianagaram, and Visakhapatnam; 'Kapus' found

in the agriculturally prosperous districts of Godavari, Krishna, and Guntur; ‘Baliyas’ inhabiting the Rayalaseema districts; and ‘Munnuru Kapus’ living in the Telangana districts. Both Turpu Kapus and Munnuru Kapus are categorized as Backward Classes (Shatrugna, 1994). In the North Andhra region, the Turpu Kapus have not experienced the same level of prosperity as their counterparts in South Coastal Andhra due to lack of irrigation facilities. Nonetheless, they represent one of the numerically dominant communities in the region. Within the context of Rajam town, the influx of Turpu Kapus occurred through three distinct avenues: The construction of the Madduvalasa Reservoir resulted in the migration of numerous Turpu Kapu villages into Rajam town., the merger of Turpu Kapu-dominant villages into the Rajam Nagar Panchayat, and the migration of salaried employees and others from nearby villages, as the hinterland villages of Rajam town are numerically dominated by Turpu Kapus. They are basically an agrarian community (hailing from irrigated places such as *Yetu Dhandi* and *Batti Tharupu* and dry land areas- *metta*⁶⁶ *prantham*). They have placed considerable emphasis on investing in their children’s education, leading to a significant number of them pursuing careers as teachers, software professionals, doctors, and lawyers. On the other hand, another segment of the Turpu Kapu community is actively engaged in the town’s businesses, such as timber depots, educational institutions, real estate and departmental stores, etc.

However, some of the prominent business families from Turpu Kapu are Palavalasa Srinivasa Rao (owner of Timber depots and commercial rental properties), Ramesh Naidu (Jewellery trade), Gara Ravi Prasad (Amrutha Hospitals), Nimmadhi Naidu (Real Estate and Commercial rentals), Mamidala Srikanth (Liquor business and politician), Potnuru Laxman Rao (Liquor business) and some own departmental stores, hotels, function halls and educational institutions and hospitals.

Based on chronology of their arrival to the town, these accounts of their businesses serve to illustrate the broader phenomenon of how socioeconomic changes have impacted different communities in terms of their business outcomes. It provides a glimpse into the effects of these changes on wealth accumulation strategies. More detailed insights into the logic and strategies of wealth accumulation will be explored in subsequent chapters.

⁶⁶ Yetu dhandi means the villages near river basins; batti tharupu means the villages depend on Thotapalli reservoir canal; metta prantham means dry land areas.

Everyday urban life in a small town:

Rajam town presents a blend of old and new, with modern commercial buildings on one side and congested structures on the other. The town is connected by four main roads, leading to Srikakulam, Vizianagaram, Bobbili, and Palakonda. Alongside being 120 km away from Visakhapatnam, a major city in Andhra Pradesh, Rajam serves as a link between eastern and western Odisha. As one traverses the roads, one encounters a variety of street vendors around the RTC complex area. Tiffin shops, tea shops, furniture stores, electrical shops, vegetable markets, Kirana shops, mobile repair stores, printing presses, bookstores, and Xerox machines are among the many businesses. The town population and nearby villagers often frequent these business outlets. Auto rikshaws, two-wheelers, and four-wheelers congest the streets, leading to traffic jams during peak hours. Real estate ventures, new schools and shop openings are advertised frequently. However, infrastructure struggles to keep up with the growing population, evident from dusty roads during non-rainy seasons and flooded streets during the rainy season.

Rajam also boasts some modern amenities, including three-star hotels, shopping malls, and cinema theatres, while on the other side, footpath businesses. One can notice lorries transporting sugarcane to the nearby Sankili sugar factory and wood to the timber depots, with heavy horns, making roads even more congested. And the siren of jute factories often reminds the time of the day. The town hosts Red Cross events and literary gatherings every month. The town welcomes prominent businesspersons, politicians and film celebrities to one of its engineering colleges, as depicted by the numerous hoardings welcoming their visits. Immediately adjacent to the exotic engineering college with lush greenery and neatly lined trees, one faces expansive sporting grounds, in whose other end is a sizable hospital sprawls across a wide area. Weekdays witness the main roads teeming with people going about their daily activities and hotels bustling with crowds seeking refreshments. Rajam town, with its diverse offerings and active lifestyle, reflects the vibrancy of urban life.

Summary:

This chapter attempted to examine the socio-economic characteristics of Rajam town, shedding light on significant shifts within the town. These shifts include the construction of the Madduvalasa reservoir in 2002, the establishment of two foot-over bridges on seasonal rivers, an influx of salaried employees, and the granting of Nagar Panchayat status to Rajam

town. The narrative also explored how these shifts impacted and led to different regimes of accumulation post-independence, such as trading (until 1978), industrial activity (1978 to the early 2000s), and the rise of the new service-based economy (post-2000s) in each regime. Furthermore, this chapter highlighted how the caste composition of the town evolved over time, with a numerical shift in the most populous community from Devangula and Turpu Kapu. Serving as a foundation, this chapter lays the groundwork for the subsequent chapters, which will delve deeper into the accumulation processes, different players, and sectors.

Chapter- 5

The Logic of Provincial Capital and Caste Dynamics

The dynamics of the provincial capital are often linked to agrarian change and mercantile activities/trade, which have been uneven across regions. However, the regional variations and their ability to respond to larger economic processes were/are shaped by the colonial past, different land settlements, revenue-generating streams, development of irrigation facilities and markets, and also the proletarianization of peasantry (Harriss-White, 2015; Baru, 2000). These historically induced regional variations are further accentuated by the post-independent development strategies such as agrarian policies (green revolution), five-year plans (industrial and infrastructure) and neoliberal policies (land markets, ICT, Pharma). Taken together, both historical contingencies and contemporary politico-economic policies continue to shape regions and wealth accumulation processes divergently and stoke the tensions between the existing and nascent/emergent capitalist classes on the one hand and on the other, the competition between different regions at any given time.

The present study attempts to understand the specific context of regions, the emergence of the capitalist class, surplus transfer and political connections. In essence, paying attention to the provincial business community is crucial and equally important to delve into their origins. By doing so, one can gain valuable insights into the dynamics and characteristics of the provincial business class. While some have gained from agrarian surplus and the diversification of agrarian capital into urban settings as a way of agro-based industries, civil contracts, rice mills, etc., for instance, *Kammas* in South Coastal Andhra (Baru, 2000; Balagopal, 2004; Upadhyaya, 1988; Prasad, 2015) and *Reddys* in mining and civil and arrack contracts from Rayalaseema (Balagopal, 2004; Jangam, 2013; Prasad, 2015). Suppose this explains the rise of the provincial capitalist class from these two regions-South Coastal Andhra and Rayalaseema. How do we then see the rise of the capitalist class in the case of the North Andhra region?

Grappling with this larger question, this chapter aims to highlight the trajectories of provincial capital and accumulation strategies that emanated through the caste-based occupations, subsequently shifted divergently and mostly shaped by the caste coordinates. Whereas Section I narrates the trajectory of GMR and its linkages with global markets and

provincial origins, Section II highlights some of the other *Vysyas* who made their efforts to break into the big league yet remained provincial. This chapter also aims to underline the caste barriers to capitalist expansion by explaining the *Devangula* and *Pattusale* case studies (Section III). Also, an attempt has been made to explain how the capitalist classes from regionally dominant castes can straddle different sectors even with humble beginnings (Section IV). While Section V posits the intersection of caste and family in understanding the wealth creation processes, Section VI summarises the major findings and initiates the discussion of the provincial capital and its relationship with the circuits of non-provincial capital.

Section I: GMR- Provincial Origins of Global Capital

While tracing the provincial origins of GMR, his story till the late 1990s is crucial. Although it offers an understanding that the demarcation of provincial and national capital is blurred, the distinction is useful for the analysis. The crucial aspect lies in the provincial capital's ability to stabilise itself at the provincial level and progress into the league of big capital. Therefore, it is analytically essential to elucidate its journey during a specific timeframe. Guin (2019) reviewed many of the works on small towns and pointed that

“The availability of cheap labour and land and the demand for consumer goods are no panacea for the economic growth in the towns, but it is the capacity of the people in the towns to mobilize the locally available resources and to adapt with the changing market situation which makes the difference” (Guin, 2019; p.21).

Samanta (2017) noted that inexpensive land and labour and inadequate environmental and planning regulations have encouraged entrepreneurs to establish their manufacturing units in small towns. The GMR case illustrates how one can leverage local resources to access circuits beyond the provincial capital. This individual's journey serves as a prime example of economic diversification achieved by accumulating provincial capital, which was initially acquired through mercantile activities in the region.

GMR's father, Grandhi Sanyasi Rao, was a gold merchant and agricultural commodity trader, especially the jute. His family hailed from Gangada village, 22km away from Rajam town and did the trading of brass and bronze household items. They are four siblings. While all three brothers were in trading activity, GMR completed civil engineering from Andhra University. After graduation, he worked in the Rajahmundry paper mill as a shift engineer and assistant executive engineer at PWD Srikakulam for a brief period. GMR has received an

inheritance of INR three lakh in cash, two acres of land, one vehicle, and one building (ABN Telugu, 2019). Although his father was reluctant, his mother encouraged him to enter the business. He left the job and began trading agricultural commodities as a partner with his brothers.

He attributes his business acumen to the learnings from his brothers. He learned skills such as building and maintaining good relationships with farmers in the village and purchasing grains, pulses, and jute directly from them. Additionally, he gained experience in managing warehouses and selling these products in distant markets like Chennai, Calcutta, Mumbai, and others. He learned to handle financial transactions with prominent traders in those cities and handle interactions with farmers and commission agents back in the village.

As a trader in a region primarily focused on jute cultivation, GMR recognized a significant demand for jute and its products. He purchased a struggling jute industry in Chennai for two lakh rupees and relocated its license to Rajam. In 1978, along with a Marwadi named Hemanth Kumar⁶⁷, GMR started the first jute mill in Rajam with an initial capital of 40 lakhs⁶⁸. By partnering with Hemanth Kumar during the establishment of the jute mill, GMR gained valuable insights into business operations and market relations. In no time, GMR became the sole owner of the jute mill, transitioning from a jute trader to a jute mill owner. This marked a crucial turning point in GMR's growth story. The jute mill was a successful venture. The jute mill started generating profits right from the beginning. His experience as a jute trader and his rapport with farmers and other traders proved important for the mill's success.

One economic activity led to another, and his trading endeavours paved the way for establishing agro-based industries. With the surpluses generated, he invested in acquiring agricultural lands and shares in Vysya Bank⁶⁹, becoming a shareholder from 1985 onwards⁷⁰.

⁶⁷ Hemanth Kumar's family had good market connections with Kolkata and abroad.

⁶⁸ To finance their venture, they secured loans from Andhra Bank as a loan and utilised the surpluses from agricultural trading.

⁶⁹ Established in 1930, Vysya Bank emerged as a prominent financial institution in India. By 1985, it had evolved into the largest private sector bank. Focused on catering to the Vysya community—a flourishing merchant/trading group spanning Karnataka, Tamil Nadu, and Andhra Pradesh—the bank made significant strides. In 1995, a pivotal development occurred as Vysya Bank entered a lasting strategic alliance with the Belgian bank, Bank Bruxelles Lambert (BBL). Subsequently, in 1998, the ING Group acquired BBL along with all its contractual and Joint Venture (JV) interests in Vysya Bank. This acquisition led to Vysya Bank's collaboration with the ING Group in co-marketing/distribution of life insurance products in India in 1999.

GMR became part of Vysya Bank during a phase when the bank sought expansion in the coastal areas of Andhra Pradesh and Tamil Nadu. The management at that time was looking for influential business people within the Vysya community who possessed strong connections in the North Andhra region (Dalal & Basu, 2010). During the fiscal year 1985-86, the Reserve Bank of India (RBI) implemented a policy stipulating that bank directors could serve a maximum tenure of eight years. In adherence to this regulation, the previous directors resigned, which led to new individuals' induction into those roles (ibid).

When the then-director Ramesh Gelli departed to establish Global Trust Bank in 1993, GMR assumed the leadership of Vysya Bank and eventually shifted his base from Rajam to Bengaluru. GMR later sold 5% of his stakes to BBL in 1995, which was eventually acquired by the Dutch-based ING. This transaction brought GMR 560 crores for his shares in the bank (Ramachandran et al., 2011; Dhamija, 2015; Kumar, 2018). His decade-long involvement with Vysya Bank in various capacities proved vital and successful for his subsequent ventures. Notably, the cash flows generated from the jute mills and other industries in the North Andhra region played a crucial role in financing Vysya Bank. The dividends he received from the bank facilitated his transition into the infrastructure sector and allowed him to align his strategies with economic reforms. Overall, this provided him with capital and experience him how to leverage banking and finance to advance his businesses.

The Rajam region was characterised by a dry land area, and most farmers were small and marginal farmers. The persistent droughts compelled these farmers to sell their lands at lower prices. The village elders (*Peddhamanushulu*) actively supported most of these land transactions. Between the 1980s and 2000s, GMR acquired a significant amount of agricultural land in and around Rajam town. He mortgaged these lands in banks to support his diverse business activities to obtain loans. Additionally, he utilised the acquired land to establish various industrial and service sector units. In 1989, he established a ferroalloys plant at Raavivalasa, Tekkali Mandal, Srikakulam, with a 25,000 metric tons per annum capacity. The plant produced carbon ferrochrome for the stainless-steel industry and exported

Finally, in 2002, with the approval of Vysya Bank's board of directors and the Reserve Bank of India (RBI), the formal merger between Vysya Bank and the ING Group was completed (NDTV Profit, 2023).

⁷⁰ As Vysya Bank faced subscription rights issues as per RBI guidelines, he stepped in to bail out the bank twice by injecting funds, subsequently becoming a major shareholder. It was reported that around 15 per cent of the bank's loans had gone bad, but under his leadership, he managed to reduce the bank's exposure to bad loans to approximately 5 per cent (Dhamija, 2015).

75 per cent of its output to Europe, Korea, Japan, and China (Ramachandran et al., 2011). Initially, he aimed to secure a scooter dealership in Andhra Pradesh but faced difficulty obtaining it. Consequently, he redirected the funds towards other ventures.

In 1992, GMR set up breweries at Ranasthalam, Vizianagaram district, and later sold it to the United Breweries (UB) Group of the Mallya family⁷¹ at a substantial profit (ABN Telugu, 2019). Additionally, he acquired another jute mill from the Kotha family of Rajam during the same year. From 1996 to 2010, the Varalakshmi jute mill focused only on exporting its products, successfully supplying carpet manufacturers in Germany, Turkey, Iran, and Saudi Arabia. Presently, the mill exports around ninety per cent of its products to the government. In 1997, GMR established a sugar plant at Sankili, Srikakulam, allegedly with the assistance of Roshayya, a prominent politician from the *Vysya* community, who became finance minister and chief minister of Andhra Pradesh later, in obtaining the necessary licenses.

After the TDP-led government assumed power for the second time in 1999 under the Chief Ministership of Chandrababu Naidu, Naidu initiated the process of the privatisation of cooperative sugar factories under the guidelines of the World Bank. Several sugar factories were handed over to private entities at significantly low prices. Some sugar factories in Amudalavalasa, Palacole, and Gurajala were eventually closed down. During his tenure, the number of cooperative sugar factories reduced from eighteen to ten, while the number of sugar factories managed by private entities increased from seven to seventeen (Rao, 2018; ETV Bharat, 2023).

With this state-level policy, there were rumours that GMR influenced the local politician Thammineni Seetharam to impede the functioning of the Amadalavalasa Co-operative sugar factory⁷², which led to its closure in 2004. Subsequently, part of the machinery from the

⁷¹ The Mallya family heads UB Group, an Indian Conglomerate known for alcoholic beverages, aviation business and real estate. Vittal Mallya, who is the father of Vijaya Mallya, became the first Indian chairman of the group, which was started in 1915 by Thomas Leishman, a Scottish businessman. In 2002, UB Group established a Joint Venture with Scottish & Newcastle UK and McDowell Alcobev Ltd, subsequently renamed Millennium Alcobev Pvt. Ltd. (MAPL). During the same year, MAPL completed the acquisition of GMR Beverages, founded by G.M. Rao in 1996, and Empee Breweries, established by M.P. Purushhotthaman in the early 1970s.

⁷² The factory was established in 1956 through a co-operative system model and was the lifeline for thousands of farmers and workers in the backward area. When the sugar factory was in operation till 2004, sugar cane was cultivated in 80,000 acres and the farmers of Amadalavalasa, Bhurja, Kogunuru, Santhakaviti, Saruujili, L.N.Peta, Hiramandalam, Narasannapeta, Julumuru, Srikakulam, Laveru, Ranasthalam, Etcherla, Pathapetam

closed factory was allegedly smuggled into the GMR's sugar factory. The sugar factory at Sankili was a profitable venture for GMR. In addition to the sugar factory at Sankili, GMR also established sugar factories at Ramadurg and Haliyal in North Karnataka, all of them were sold when their valuations were high to EID Parry. GMR also attempted to enter into IT solutions, and in 2003, he initiated Quintant, an IT company, which he later sold to iGate. Apart from these endeavours, GMR also founded educational institutions such as DAV public school, Degree and PG College, Engineering and Management institutes, and a multi-speciality hospital⁷³ (leased to CARE) in Rajam town.

The GMR group has capitalised on Visakhapatnam port and railway facilities for both exports and imports. During the jute mill's 100% export phase, they shipped jute products worth twenty containers every month through Visakhapatnam port (field interview). Additionally, whenever new machinery was imported, the ports were efficiently utilised. Before the central government established the HPCL branch in Visakhapatnam, the GMR group used to import the oil for the jute mill machinery from Kolkata through the railway, using Ponduru railway station, located 20 km away from Rajam town.

Taking a moment to examine how GMR diversified into various businesses within the North Andhra region, it becomes evident that jute mills played a crucial role in providing the necessary capital for his ventures into banking, manufacturing, and extensive agricultural land acquisition. Essentially, the jute mills acted as early money spinners, propelling GMR into non-provincial sectors and enabling the shift from labour-dependent agro-based industries to capital-intensive infrastructure development. To truly comprehend this transformative process, it is essential to delve into the intricacies of jute mills and understand the nature of provincial capital and how it emanated in a small town and expanded its influence. Jute cultivation is a significant commercial crop in the North Andhra region, primarily consisting of drylands. This cultivation in the region has a long history, with jute mills at Nellimarla and Chittivalasa⁷⁴ dating back to the British era. As a result of these jute

and more benefitted from the factory while it also provided employment many labourers in the region (ETV Bharat, 2023).

⁷³ In the town, rumours suggest that the late Kinjarapu Yerrannaidu family, a prominent political family from the North Andhra region associated with the TDP, holds shares in the hospital. During GMR's early days, he was believed to have obtained substantial money from the late Yerrannaidu on interest to support his business ventures.

⁷⁴ Both of their locations are in Vizianagaram district and at a distance of approximately 50 km from Rajam town.

industries, a network of jute traders emerged in the region. Many *Vysyas* were actively involved in the jute trade and owned warehouses. They established connections with small traders in various villages and towns.

These traders played a crucial role in supplying raw jute to the jute mills in Calcutta and the local mills in the region. The towns served as central nodes where traders purchased jute from villages and stored it in warehouses. Subsequently, they sold the jute to bigger traders in Rajam or directly to industrial units. In the post-independence period, several prominent traders⁷⁵ in the North Andhra region focused on establishing jute mills. Among them was GMR, a significant trader who ventured into establishing the jute mill industry by acquiring a sick jute mill in Chennai. As discussed, agro-based industries such as jute mills and sugar factories helped GMR leverage the locally available resources and later diversify into non-provincial circuits, and he was able to do this effectively by disempowering the jute mill workers. His strategies to disempower the labour force should also be closely examined in this context because they directly relate to the accumulation processes.

Before going further, it is imperative to look at the jute industry and place Rajam's jute mills in that context. Since the mid-sixties, the jute industry has been facing a prolonged recession, and the tendency towards stagnation intensified by 1976 (Rai, 1978). Around the 1980s, the cement and fertilizer industries switched to polythene bags instead of jute bags for packaging purposes. This, coupled with fierce competition from countries like Bangladesh, China, Thailand, Philippines, and Indonesia, adversely affected the jute industry in Andhra Pradesh and across the country. To support the industry, the Central government reduced import duties on jute machinery and introduced subsidies and tax concessions to promote exports. The Jute Packaging Materials Act of 1987 mandated that 40% of cement and urea bags be made of jute. In the early 1990s, the World Health Organization (WHO) recommended using jute bags for agricultural products like rice, dal, and sugar. Still, the implementation did not yield significant results (Prasad, n.d). However, the jute industry managed to survive as there was a slow increase in demand for jute handbags, jute carpet backing in cold climate countries, and jute for decoration.

During the 1980s and 1990s, the jute mills in Rajam town were profitable year after year, mainly due to their specialization in jute twine production. Unlike jute gunny bags, the

⁷⁵ Kothavalsa jute mill was (Vizianagaram district) started by one such jute trader family by name Theegala.

demand and market for jute twine were higher, and the mills exported the twine to various countries. Field respondents emphasised that the GMR jute mills survived the crisis and generated profits precisely because they focused on producing twine, which has a different market from composite mills (field interview).

The jute industry crisis, accompanied by regular labour union protests and productivity concerns, posed challenges for the management. On the other hand, the jute mill workers faced various harassment tactics from the management while protesting for their rights, such as the implementation of dearness allowance points and access to Employee State Insurance (ESI) scheme and Provident Fund benefits in 1986⁷⁶ and 1998.

However, the way GMR handled the crisis serves as an example of how capital disempowers labour and suppresses their rights in pursuit of expanding their surpluses. Their efforts involved labour power extraction (such as denying minimum wages, withholding implementation of various labour benefits, and using up funds in the trust⁷⁷ meant for labour welfare). For instance, the jute mills use two types of raw products: Mesta and jute, with wages varying based on the raw material used. Despite the mills being jute-based, the management, in collaboration with local bureaucracy and politicians, falsely claimed that the jute mills were Mesta-based to reduce the wages for workers. Second, after the 1986 labour strike, the jute mill workers who joined the labour unions (CITU Rajam was established in 1987) faced harassment from the management. Those who joined the union were targeted and subjected to actions that eventually led to their expulsion or job termination. The management employed a tactic where workers were made to shift between different sections within the jute mill, from batching to spinning. Consequently, the workers might not perform optimally in the new section. Exploiting this situation, the management found grounds to remove the workers from their positions. Third, to undermine labour rights, the management persuaded workers to resign, offering interim financial benefits such as a lump sum payment of 20 or 30 thousand rupees and rehired them as daily wagers in the jute mill. This strategy

⁷⁶ The popular Maoist ideologue and noted trade unionist Gante Prasadam led the strike in 1986. On the condition that he wouldn't be heading the union in coming years, the management appeared to resolve the issue and partially re-recruited the labourers.

⁷⁷ GMR has set up Workers Welfare Trust. While workers save some amount of their wages every month, the GMR puts in some amount every year. By 1997, the trust fund was 10 lakh rupees. The workers didn't get single rupees out of the fund.

resulted in workers losing all the benefits entitled to industrial workers and created conflicts among the labourers.

Most workers joined mills because agriculture in their native villages was insufficient for their social reproduction. In this context, the management's repeated threats in various ways coerced many workers, keeping them in check. As a result, the jute mills in the Rajam have been functioning with the daily wage workers from 1998 onwards. Fourth, the strikes led by jute mill workers intensified political tensions in the region, particularly in Kancharam village, located 4 km from Rajam town. As many labourers hailed from this village, it became the nerve centre of the protests due to its proximity to the mills. The local politician Routhu Rami Naidu supported the strike. Subsequently, in the follow-up Mandal Parishad elections in 1987, GMR extended his support to the INC candidate Muddham Seethram to defeat the TDP candidate Routhu Rami Naidu.

Overall, the capital proved efficient enough to “deal with” or “manage” local labour with the help of local bureaucracy (Joint Commissioner of Labour, District Collector, and Mandal Labour Officer), and they had sufficient access from the local political class. It appears that the hegemony of capital is not only dependent on its ability to relocate from one location to another, it can also transcend labour relations by shifting workers from regular industrial positions with entitled benefits to becoming daily wage workers.

Capital's influence is further strengthened by the significant cultural networks they build, contributing to consolidating their wealth. In 1992, such a consolidation occurred when the GMR family forged a marriage alliance with the Bommidala family, a prominent business group in Andhra engaged in various industries like tobacco, chillies, and aquaculture. GMR's daughter married Bommidala Srinivas, who held a B.Com degree and had experience in their family business. After his marriage, Srinivas Bommidala became associated with the GMR family business in 1995. Subsequently, his two sons, who both graduated with B.Com degrees, joined the company⁷⁸.

⁷⁸ GMR has made all of his children (one daughter and two sons and their spouses) equal partners in the GMR Group. Two sons and son-in-law are entrusted to look after the different verticals of the company and they are required to rotate for other verticals after every three years.

Before the 1990s, the business landscape operated within a protected environment where only a select few were granted licenses. Kalaiyarasan and Vijayabaskar (2021) identified the three ways through which monopolisation unfolded in India.

“First, business houses used their economic power to reinforce their position through lobbying state institutions. Second, by virtue of their first-mover advantage, they could also control access to capital generated in the formal banking system. Third, during the phase of planned import-substitution-led development (until the early 1990s), they managed to acquire licences to produce goods cutting across sectors. By acquiring licences and not producing the amount for which they acquired licences, they could pre-empt competition and derive extra-normal profits (Kalaiyarasan & Vijayabaskar, 2021, p.20).

This situation led to two distinct scenarios concerning the North Andhra region. First, the availability of resources (or capital) played a crucial role in establishing businesses, mills, and other ventures. Second, political connections and access to the state played a pivotal role in obtaining these limited licenses for those who possessed the necessary resources. In cases where there was a scarcity of individuals with surplus resources seeking to establish mills, the competition for licenses to set up mills was naturally less.

In this context, GMR serves as an example. While he managed to raise capital through various means, including surpluses generated from trading, loans obtained through their kinship networks, and support from Marwadis in Vizianagaram, he also sought assistance from the political class to gain access to the bureaucracy and obtain the necessary licenses. This illustrates how the combination of political connections, access to resources and less competition played a crucial role in obtaining licenses and establishing different business ventures. Few people who possessed these advantages enjoyed a competitive edge in the North Andhra businesses. Although GMR might have faced financial constraints, he did not face substantial competition from local businessmen, whether from his community or other dominant peasant communities in the region. In North Andhra, the agrarian surplus was not huge enough to fund the agro-based industry transition like it did in South Coastal Andhra. Overall, the provincial businesses provided sufficient grounding to venture into non-provincial businesses by leveraging economic reforms.

Shifts in the Indian economy and the emergence of Provincial players:

The economic concentration by a few groups such as Marwaris, Gujaratis and Parsis at the national level and their monopolistic tendencies due to planned industrialisation before the 1990s were challenged by the impatient ‘capitalists from below’. Along with other reasons, ‘the push from below’ and political mobilization from various states against this monopoly

capitalism also led to economic reforms in the early 1990s (Baru, 2000). Since the licence-permit raj affected both the big capital and provincial capital,⁷⁹ its abolition has benefitted both- big capital and provincial capital in different ways (Baru, 2000). However, this stoked the competition between the two. They both had to fight for their space. In this context, the presence of regional business classes played a crucial role in the post-liberalized era. States like Maharashtra, Gujarat, Tamil Nadu, and Andhra Pradesh, where regional businesses had a significant presence, were better positioned to ascend from ‘the below’ and make the transition to the next big league of businesses, in contrast to states like Bihar and Uttar Pradesh (ibid; Balagopal, 1984). While the weight of the regional parties protected the provincial capital, the latter’s collaboration with foreign players helped them expand their horizons.

Post-1990s, the Indian economy opened up with economic reforms. While speaking on the nature of economic reforms, Patnaik (2000) says:

“The main characteristics of this common programme are well known: removal of internal controls over the freedom of operation of private (including foreign) capital; trade liberalisation; gradual removal of restrictions on capital flows into and out of the country; reduction in the role of the state as producer and investor; energetic wooing of multinational corporations (MNCs) for undertaking direct foreign investment; unification of the ex- change rate; reduction of direct tax rates; reduction of subsidies and transfer payments to the poor; severe restrictions on the size of the fiscal deficit; and the privatization of state-owned assets” (Patnaik, 2000; p.231).

Economic reforms provided the opportunity for provincial capitalists like GMR. GMR, who emerged from mercantile activities and used the funds from these endeavours to establish various agro-based industries by obtaining licenses, was eager to enter the “big league” and eventually succeeded by pushing from below. In other words, before the reforms, GMR engaged in numerous business activities that came his way. It was more about street-smart ways of handling business and seizing opportunities rather than a mere strategy. However, GMR saw many economic opportunities in the form of reforms and began aligning his business ambitions accordingly. Although GMR’s primary economic activities were agro-based industries (labour-intensive units) until the early 1990s, he was keen to venture into different sectors, aligning his business strategies with neoliberal policies and sectors with

⁷⁹ License-permit raj proved to be effective barrier for the entry of new firms and as a consequence increased the cost of the establishment. This system, as well as cumbersome bureaucratic procedures, became effective barriers to entry for new firms and increased the cost of establishment. Hence, regional business groups became increasingly opposed to the erstwhile ‘license-permit raj’.

significant growth potential. As a result, GMR actively diversified into infrastructure development, such as power, roads, highways, and airports.

As the company expanded beyond the nascent capitalist stage and fully utilized the economic reforms requiring capital funding, their experience as traders and owners of agro-based industries helped them get an access to political circles and corridors of power. GMR used his successful businesses as a testament to their business acumen, enabling them to secure tenders for larger, more capital-intensive projects, such as airports. GMR also began to reduce industrial operations, divesting from units that required significant labour support and reallocating funds to the infrastructure sector. In other words, he shifted his business strategy towards the infrastructure sector, gradually divesting from non-infrastructural activities.

After shifting GMR's focus entirely to the infrastructure sector, he divested from all non-infrastructure businesses and reallocated the funds to his infrastructure projects. Before the 1990s, most of GMR's investments were concentrated within the region. His trading ventures facilitated the establishment of mills like oil and jute, which, in turn, enabled investments in land, sugar factories, share acquisition in *Vysya* bank, and the establishment of various industrial units in the region and beyond.

Post-liberalisation, GMR's primary interest shifted towards the infrastructure sector: power, highways, and airports. All of these are capital-intensive and require state support. GMR started a 200 MW power plant with 800 crore capital with partners in 1999 in Chennai and a barge-mounted power plant in 2001 in Bengaluru. GMR aimed to be a leading player in the sector, but he could not achieve that position despite owning assets in power and roads and highways. Also, GMR lost⁸⁰ the bidding of ultra-mega power projects to Tatas and Anil Ambani. To offset this, GMR acquired 50% of the stakes in InterGen, one of the leading global players in the power sector, with a combined capacity of 8000 MW in five countries. However, the margins from this acquisition started declining and could not give him the dividends he expected. So, he sold his shares to another player with decent margins (Srinivasan, 2011). Since 2002, the group has diversified into roads and highways, and the Group has leveraged on Central Government's Golden Quadrilateral Plan and has completed many projects on Built, Operate and Transfer (BOT), both toll and annuity-based. By 2018,

⁸⁰ He was either caught by start-up entrepreneurs (road contractors who bid aggressively and for lower prices) or big players like Tatas and Ambanis. For instance, if GMR bid for 24 projects in 2010, he won only one.

the Group owned sixteen assets in the power sector (with 6 operating assets and 10 under the various stages) and ten highway assets (with 8 operating assets and 2 under various stages) (Kumar, 2018).

While GMR experienced moderate success in power and highways, the GMR group's entry into airports proved highly successful, establishing him as one of the top players in the global field. Since the early 2000s, the Group ventured into the airport sector, undertaking numerous projects both in India and abroad. During this period, they developed Greenfield airports and modernized existing ones. A significant aspect is their participation in the bidding process through consortiums of stakeholders and crucial partnerships with prominent global players. This strategic approach allowed them to excel in the technical aspects of bidding and outperform other contenders, including well-known figures like Anil Ambani. Despite Anil Ambani and ASA of Mexico being the highest financial bidders, GMR, in collaboration with Fraport, a leading global airport developer, secured the contract for Delhi airports. This achievement was bolstered by GMR's political connections with Samajwadi Party's Mulayam Singh Yadhav and the ongoing dispute between Anil Ambani and his brother Mukesh Ambani, which potentially favoured GMR (Srinivasan, 2011). Additionally, GMR successfully modernised and expanded Delhi International Airport, preparing it for the Commonwealth Games in 2010. They were also granted several Special Economic Zones (SEZs) to develop the aeronautical industry at Hyderabad and Delhi airports and multi-product SEZs in Chennai and Kakinada. While they completed the development of Chennai's SEZ, they sold their share in the Kakinada SEZ to Aurobindo Group for INR 2,610 crore (Kumar, 2020).

Even after liberalisation, the infrastructure sector lacks facilities for fixed and low-interest bonds, preventing players in the industry from accessing pension funds, insurance funds, and post office funds. Another crucial aspect is the nature of the infrastructure sector, even after completing projects, uncertainty persists as they must wait for the next project, and the gestation period for returns can vary from a few months to several years. This drives them to seek opportunities in different countries. Consequently, to raise capital, GMR adopted a disinvestment strategy (CRISIL report). Thus, divesting non-infrastructure businesses and allocating funds to infrastructure projects have been pivotal in expanding their businesses and consolidating their wealth. His divestment patterns involved gradually divesting from non-infrastructure businesses.

The economic reforms opened opportunities for provincial business elites like GMR to harness the economic reforms, and the provincial surplus facilitated the transition. While this is a key point, what is more important to consider is this: while GMR's provincial businesses generated surplus capital reinvested in the province itself, the shift towards non-provincial businesses and infrastructure development had significant implications for the province, where most of his non-infrastructure businesses were located. GMR initiated the process of disinvesting⁸¹ his provincial businesses to finance his infrastructural projects post-1990s. As a result, a significant shift was that he moved from provincial circuits to non-provincial circuits and from non-infrastructure ventures (such as agro-based and manufacturing industries) to capital-intensive infrastructure projects that rely on consortiums and collaborations. Since the wealth accumulation process involved exploiting provincially available resources, consolidating wealth, and diversifying into different sectors and regions, this shift represented a flight of capital away from the province, impacting the economic landscape and dynamics within the region. The flight of capital and resources and the potential loss of labour-dependent industries could lead to regional imbalances and socio-economic challenges. In other words, these transitions were made possible due to favourable policies, political support/access, and foreign collaborations that facilitated technicalities in the bidding process and flight of capital and resources. The flight of capital and resources are not incidental. They coincided with the macroeconomic changes. The post-liberalization growth in certain sectors has favoured capital and skill-intensive industries over labour-intensive ones (Bardhan, 2009), described by Bhattacharya and Sanyal (2011) as 'immaterial labour'. Consequently, the decline of labour-intensive industries, such as manufacturing units, has significantly affected labour migration and labouring processes. In essence, GMR has embraced both a trade/mercantile ethic (that he was previously) and an industrial ethic (that he is now). The transition from the license-raj era to the neoliberal era is evident in the GMR group's approach and style of functioning. His economic roots before reforms have helped them with reforms after.

As Bardhan (2009) points out

“While it is difficult to econometrically clinch the point that the rise in economic growth and investment was caused by economic reform, particularly because it is difficult to disentangle the effects of reform from other ongoing changes both at the micro and the macro levels, there is a strong

⁸¹ GMR retained few shares in jute mills at Rajam, ferro alloys near Tekkali and a sugar factory at Sankili, with most shares allocated to other players.

impression that the reforms unleashed a great deal of hitherto pent-up entrepreneurial energies and that particularly the private corporate sector is now much more vigorous and self-assured in facing global competition and holding its own, compared to the autarchic past” (Bardhan, 2009; p.32).

Banerjee and Ghosh (1988) point out that the state and central governments have intervened more effectively to support capitalist private enterprise where the regional capitalist class was already influential (as in Punjab, Haryana, Gujarat, Maharashtra, Karnataka, Tamil Nadu, and Andhra Pradesh), and where it has traditionally played a more important political role along with the rich peasantry. In this context, regional political parties played a significant role in the emergence of provincial capitalists. While characterising what facilitated the growth of regional businesses, Baru (2000) says that the emergence of regional businesses and their ability to face different kinds of barriers and competition was possible because of the support of respective state governments and political leadership. To strengthen this point further, scholars like Kohli (2006) and Damodaran (2008) say that the connection between the emergence of regional capitalism and regional parties is striking and cannot be overlooked. Over the last three decades, a significant social change has been the rise of previously subordinate social groups and the corresponding political ascendancy of regional and caste-based parties (Jaffrelot, 2003; Kohli, 2006; Bardhan, 2009). This shift has led to increased political fragmentation and the representation of business interests through political mobilization. Regional businesses are increasingly investing in regional political parties (Baru, 2000), and their influence has become substantial to the extent that regional political parties can raise political funding without significant support from major national players (Bardhan, 2019).

Regarding GMR, he maintains good relations with numerous politicians at various levels, from provincial to state to national. He is known for providing his corporate jets to politicians (Srinivasan, 2011). There are rumours suggesting that he funded and organized a public meeting during the visit of the then Chief Minister of Andhra Pradesh, NTR, to Rajam. Additionally, he has extended hospitality to other politicians at his guest house in Rajam. It is also speculated that he financially supported the construction of a politician’s house in Amadalavalasa due to that politician’s involvement in compromising the cooperative sugar factory in the same area. As Bagchi (2012) notes “*political and social relations are important for businessmen regarding access to markets, information, credit, technology and political patronage*” (Bagchi, 2012; p.1). Given that a significant portion of GMR’s

economic activities is in regulated sectors⁸², maintaining favourable relationships with the political class is crucial for him.

Table 5.1: Timeline of key business investments (capital diversification) made by GMR

S. No	Industries/Services	Year of Entry/Establishment
1	Vasavi Jute Mills and Varalakshmi Jute mills in Rajam	1978, 1996
2	Vysya Bank (exited with good stakes)	1985
3	Ferroalloys plant near Ravivalasa, Tekkali	1989
4	Rajam Aluminium Metal Products, Re-rolling mills	1989
5	Varalakshmi St. Anns School, GCSR Degree college, GMRIT, GMR DAV School in Rajam town	1979, 1993, 1997, 2011
6	Beer Factory at Ranasthalam, A.P	1996
7	Sugar factory at Sankili, Regidi Amudalavalsa	1997
8	Power Plants in Chennai, Bengaluru and Dhenkanal (Odisha). They have presence in Nepal	1999, 2001, 2013 respectively
9	Roads and Highways (four operating assets with nearly 1900 km length of the roads)	2002
10	Airports (With three- Delhi, Hyderabad and Goa airports- operating assets and two under development (Bhogapuram, Bidar airports). The group also owns and manages airports in countries outside India such as Philippines, Indonesia and Greece, Turkey, UK, Netherlands, Australia, and Mali.	Since 2001
11	Techno security solutions (RAXA Academy and GRAMAX), Hindupur	2005
12	Indian Premier League (Delhi Capitals team), Pro-Kabaddi League (UP- Yoddhas)	2008, 2017
13	Manufacturing of multi-product in Special Investment Region, Tamil Nadu (2100 acres of land in Chennai-Bengaluru Industrial Corridor.	2009
14	GMR Varalakshmi CARE Hospitals, Rajam, A.P.	2011

Source: Compiled from the field data

⁸² For instance, Power, Highways and Airports in which GMR entered are all state regulated sectors.

Role of Family in Business:

In analysing the success and challenges of a particular group, several factors come into play, including governance systems, professionalism, intergenerational integration, generational transition, and family business conflicts. GMR firmly believes that family disputes often hinder the sustainability of most companies across generations. He emphasizes the need to *‘run the family like a business and the business like a family’* (ABN Telugu, 2019). Nurturing both aspects is essential for creating a family business that can thrive indefinitely. The good family governance is fundamental for a successful business and to foster good corporate governance (Leach, 2016). In studying how wealth consolidation and expansion get affected over generations, Marisetty et al. (2008) say that

“The significantly higher performance of firms that do not have fights or splits underlines the need for high-quality governance mechanisms in businesses families. We cannot rule out the possibility of poorer performance as a trigger for fights and splits, or at least an influential factor that has a vicious and interactive effect on both the firms and the families” (Marisetty et al., 2008; p.12).

While studying the family businesses that survived a few generations, Ramachandran (2006) highlights two pertinent points. Firstly, family enterprises that exhibit a higher degree of professionalism in both their business operations and family dynamics are more likely to demonstrate sustained success over an extended period. Secondly, large business families are inclined to cautiously endorse modest investments in diverse sectors as a means of testing concepts before committing significant investments. The GMR family’s adoption of the family constitution can be seen in this context. The idea of a family constitution has germinated in the GMR’s mind since 1999, and the full adoption of the written family constitution⁸³ took place in 2007 with the support of an expert team on family businesses (Sarkar, 2007).

The GMR family constitution addresses six key aspects. Firstly, family holdings are divided equally among four discretionary trusts, each holding 25% (GMR and his wife, his two sons and their wives, his daughter and her husband). External sales of shares are restricted, and only internal members can purchase shares with a 20% discount under specific circumstances. Secondly, three successors choose a Chairman unanimously (GMR’s two sons and son-in-law). In case of disagreement, a board of three members (two independent directors and one deadlock facilitator) is appointed to decide. Thirdly, next-generation family

⁸³ The GMR group is the first Indian family business to have a written family constitution.

members are not directly appointed to senior positions and must work outside the family firm for about three years and complete a twelve-month internship before joining. They start from the lowest executive ranks, undergo systematic grooming, and receive guidance from family members and outside professionals. This is the typical formula that even the smaller lever Kirana trader used with his children. Fourthly, a family fund is established to meet personal needs and encourage new business ideas from family members to maintain the company's entrepreneurial spirit. Fifthly, female members are primarily responsible for home and child-rearing. They can pursue their own business or part-time jobs but are discouraged from joining the family business. Bloodline descendants (male and female) are eligible to join the businesses, but not their spouses. Female members handle the Group's CSR activities through GMRVF, allocated 3% to 5% of profit after tax from all subsidiaries. Lastly, key business decisions are made through the family council and then presented to the family business forum before final approval in board meetings. This structure aligns family goals with the non-family professional team, especially in matters of diversification and critical decisions (Ramachandran et al., 2011). That means the family is well informed about the decisions before they occur in the board meeting for discussions. In other words, whatever the decisions they have taken almost get passed and implemented in the board meeting. Along with resolving family disputes, the family constitution provided different forums to discuss their business strategies and future expansion plans. Basing his business strategies on the social-economic transformations post reforms, GMR identified the sectors that are potential for growth⁸⁴.

If one looks into their corporate governance closely, they try to combine the family and business institutions. They have created processes for institutional linkage between family members in business and professional managers, termed as 'inter-institutional logic' (Lampel et al., 2017) or family-business cohesion. This is a clear case of leveraging both the 'strength of weak ties' (Granovetter, 1978), which is professional networks and the 'strength of intimate ties' (family networks). In tune with this, GMR recognized the importance of nurturing a professional team from an early stage in his business career and hired key individuals to fill crucial positions within his organization.

⁸⁴ Identifying the right opportunities is as important as corporate governance. The criticality of need and the discontent of the customers (Ramachandran, 2003) are the two key ingredients for identifying entrepreneurial opportunities.

For instance, GMR appointed his friend MV Subbarao, a technical officer from Andhra Bank Vizag, as the managing director of the jute mill. Subbarao was responsible for overseeing banking facilities, managing jute mill workers, and handling the trust established by GMR. Later, when Subbarao moved to the beer factory at Ranasthalam, he was succeeded by Krishna Rao, a chartered accountant, as the new managing director. Additionally, GMR brought in Setti, an IIT Chennai gold medalist who previously served as the quality control manager at Videocon Company, to assume the technical director role and oversee quality during jute exports from GMR jute mills. Furthermore, when GMR wanted to establish a yarn export mill in Rajam, Machinery for the mill was acquired from a struggling industry in Poland in 1996, and all the necessary equipment was imported from there. GMR collaborated with Alex Scott, an expert from a leading yarn manufacturing company, to establish the new mill and train the workers in the new equipment. Scott spent six months in Rajam, setting up the unit and training the workers. While GMR was eager to incorporate professionals in the business, he strongly preferred them to be his friends and from the same community. This tendency was particularly evident during the early years of his business, and some of those professionals continue to be associated with him to this day. After entering the infrastructural sector, the need for a professional team became significantly more pronounced. For example, he hired fifteen international consultants by spending 320 million INR for preparing the bidding proposals for Delhi and Mumbai airports (Ramachandran et al., 2011). What one is hinting at is that when these professionals join the company, they bring not only their expertise but also their valuable networks. These networks can be instrumental in the company's growth and success. By tapping into their connections, the company gains access to potential clients and strategic partnerships, ultimately aiming to enhance the growth of the company.

As one delves deeper into the analysis of how it unfolds, from the family side, the key to growth is identifying the emerging sectors and moving their capital, energy and networks in this direction, adopting the family constitution for corporate governance and resolving family disputes, and nurturing the business activity till a certain point before incorporating a non-family professional managerial team. In other words, each family member heading a business provides essential elements of networking, entrepreneurial risk-taking and, most importantly, embodies the spirit of GMR (Sharma, 2011). From the business side, the GMR seemed to have followed five key strategies in powering their expansion and consolidating their position as global infrastructural players: Collaborations with foreign players who are dominant in

infrastructural sectors⁸⁵; acquisition of shares in important players⁸⁶; selling the part of their share to key players⁸⁷; PPP model⁸⁸ with respective governments⁸⁹; hiring of top professional experts to execute the projects.

GMR's thrust has always been combining the best of the family's entrepreneurial spirit with a dynamic team of non-family professional managers in a value-driven organisational culture. The family council, family business forum, and non-business family forum meet periodically to discuss the plans and strategies. The GMR Group pursued a family entrepreneurship model where family members identified the new economic opportunities and actively managed them during the startup phase, before entrusting the non-family professional managers to further develop the solid foundation they had established (Ramachandran et al., 2011). Now, GMR owns businesses spanning airports, roads, power plants, and special investment regions whose assets are worth Rs 67,000 crore, including 26 in India and overseas, with more in the pipeline. Its foreign assets include the Mactan-Cebu International Airport, the second largest airport in the Philippines, and coal mines in Musi Rawas and Musi Banyuasin provinces in South Sumatra, Indonesia (ibid).

In this section, an attempt has been made to highlight the trajectory of GMR. Before gaining recognition for global airport development and maintenance operations, GMR transitioned from a trader to a small industrialist, eventually establishing a prominent presence in the infrastructure sector. Before venturing into the infrastructure sector, the GMR Group maintained a diverse portfolio, engaging in agro-based industries, small and medium-scale manufacturing, ferroalloys, breweries, and more until 1991. However, with the advent of

⁸⁵ The Group has collaborated with Groupe ADE, a leading international airport operator. This group presently owns and operated three international airports. They have collaborated with Malaysian partner for highway projects in 2008.

⁸⁶ The Group acquired a 50 percent stake in InterGen NV (a US-based power generation firm with a global presence) and a 10 percent stake in South Africa's Homeland Mining and Energy Ltd.

⁸⁷ Regarding power sector, 30% of GMR Energy Limited's stocks are bought by Tenaga, the largest player from Malaysia. In 1996, GMR sold the 5% of stakes his stakes in *Vysya* bank to BBL (Brussels Bank Lambert).

⁸⁸ In PPP projects, private entities take the responsibility of completing infrastructure projects for the government on a BOT basis, thereby assuming the entire risk of financing, developing, operating and maintaining the infrastructure along with the responsibility for drawing traffic. In return, contracting companies are granted the commercial right to collect tolls (user development charges), as in the case of some road projects for instance, from the users for a fixed tenure, usually running for two decades or longer.

⁸⁹ The Group has entered an agreement with the Governments of India, Turkey, and Mali (PPP model) to develop airports in respective countries.

liberalization policies, GMR strategically reshaped the group's growth trajectory by divesting several provincial businesses and redirecting their focus towards infrastructure as a central theme. While GMR's ability to harness and explore different networks facilitated their expansion from provincial to national levels, enabling them to excel in the infrastructure domain, this shift had significant implications for the province.

Section II: Other Vysyas- Why Remained Provincial?

While the above section narrates the story of GMR and his rise to prominence globally, the other *Vysya* families are also important to understand the trajectories of the provincial capital. Because most *Vysya* families started their journey in the town similarly, and yet some of them have remained provincial. Still, GMR and other *Vysyas* played a significant role in the town's economy and accumulation processes because they dominated the mercantile capital with their ability to leverage the networks in trading. In this section, an attempt has been made to explore a few business family histories to draw broader generalisations.

In Rajam, many *Vysyas* arrived with their joint families, venturing into businesses like Kirana (local shops) and other small enterprises. As time passed, some siblings decided to pursue separate paths, establishing their businesses after initially working as helpers in joint family businesses. The same logic of younger siblings working in the family firms before establishing some other businesses has also been adopted in industrial firms as well. This acted as apprenticeship for the younger ones in the family. During the 1970s and 1990s, several *Vysya* families prospered greatly through trade, prompting them to consider investing in industries within Rajam. With profits accumulated from trading and agro-based mills, such as rice and oil mills, these families invested in acquiring agricultural lands for setting up different industrial units like jute, iron, poly packs and various others. According to a *Vysya* respondent, *"each mill owner aspired to set up one or the other industrial units, and bank loans played a crucial role in supporting the establishment of these small to medium-scale enterprises"*. Some *Vysya* families successfully managed a diverse portfolio, engaging in trade while simultaneously operating mills (oil and rice) and jute mills. Moreover, some *Vysyas* opted to transition or diversify into agro-based industries, for instance, establishing a sugar factory or exploring manufacturing opportunities like ferroalloys, aluminium metal products, synthetics, poly packs, and paper production. In this regard, the two case studies

will be presented here to indicate how a *Vysya* family evolved over a period of time in Rajam town.

The Potta family hails from Kottakki village of Vizianagaram, 48 km away from Rajam and is among the first *Vysya* families in the town. They initially started with Kirana stores and commodity trading. However, they eventually expanded their business to include private transport, operating buses from the interior areas of Srikakulam and Vizianagaram to Visakhapatnam. In the early 1950s, they also obtained a license for a Bharat petrol bunk. In the later years, like other *Vysya* families, the Potta family ventured into various other businesses, including manufacturing conductor wire in the cable industry, producing false ceiling material, engaging in real estate, and owning two schools in Rajam town in the last three-four decades. However, most of their businesses have since closed down, with only a few surviving within their family lineage. As a joint family unit, the Potta family is now involved in operating a cloth store, running a petrol bunk, and managing two schools. Additionally, their family members act as mutual funds and insurance agents. One notable member of the family, Vishal Gupta, has gained prominence as a politician in Rajam town. He was part of the influential “five-member committee” that held significant power in Rajam until the late 1990s. Vishal Gupta had strong connections with Palavalasa Rajasekharam (*Turpu Kapu*), a prominent politician in North Andhra region. Although the Potta family was early to arrive in the town and one of the affluent *Vysya* families, they couldn’t progress in the businesses after a period due to the disputes in the family. However, the family still owns some of the prime properties in the town. On the other hand, the Kotha family, who arrived comparatively later in the town, navigated through different phases of the economy and could transition into different businesses.

The Kotha family hailed from Gangada, a village in Vizianagaram district located 22 km from Rajam town. This family consisted of eleven brothers. Due to the size of their family, it was believed that relying solely on the kirana (grocery) and petty trade in the village would not be sustainable for their overall well-being and prosperity. Consequently, five siblings decided to migrate to Rajam town in the early 1950s, while the remaining siblings stayed behind in the village. Upon their arrival in Rajam, the sixth and seventh brothers, with the support of their father, opened a Kirana store. The eighth, ninth, and tenth brothers assisted them in running the business, which was crucial to its success. The educated eighth brother caught the eye of the influential Potta family in town. They saw the growth potential and

arranged for their daughter to marry him. This alliance was pivotal for the Kotha family, as it facilitated their expansion and integration into the town's business community, leveraging the influence and connections of the affluent Potta family. The brothers later diversified their businesses into hardware, medical, and cloth shops, all running successfully and generating profits. They also established oil mills in the town and notably secured the HP gas contract in the early 1980s. With the profits from trading, their Kirana shops, and bank loans, they started ventures such as *bellam* (jaggery) crushers from sugarcane and stone crushers. By the 1980s, they were operating around 10 businesses in Rajam town.

In 1985, they ventured into establishing a rice mill alongside continued trading activities. The remaining brothers in their respective villages assisted them in fostering trust and maintaining good relationships with the local farmers. With these businesses in the background, some of the brothers in the town formed a joint venture to establish a jute mill in 1991. However, due to financial constraints following the death of one partner-brother, his son decided to sell his share. GMR acquired approximately 30% to 40% of the shares. Seeking majority ownership, GMR persuaded other members to sell their shares as well, resulting in a management change from the Kotha family to GMR in 1966. During this period, GMR was actively diversifying through mergers and acquisitions while maintaining a corporate style of operation. Meanwhile, one of the eleven brothers' sons, named MVR, along with his uncle (the eleventh brother) established Kirana stores and a rice mill in Rajam town. MVR later parted ways with his uncle and started his rice mill, eventually expanding into the jute mill. Overall, by the 2000s, the Kotha family launched themselves into diverse businesses, including the BDPS computer coaching centre, cashew nut processing unit, biscuit manufacturing (supplying to the villages of Vizianagaram and Srikakulam), rice mills, cotton ginning, and groundnut processing. One of the respondents from the Kotha family indicated that *"in the town, relying solely on a single business would not be enough. Particularly during periods of intense competition, it is crucial to have multiple businesses to sustain a satisfactory profit margin"* (field interview).

One of the Kotha family members, MVR, is an interesting case because he made strides like GMR and yet remained provincial. He rose to prominence in the town with trading, Kirana business, rice mill, and other activities. He invested the surpluses in purchasing agricultural lands and pledged the land in the bank to obtain loans to establish industrial units. He has set up one jute mill in Rajam town. With the help of one branch manager, he acquired loans

worth a hundred crores from Punjab National Bank⁹⁰. He invested that capital in establishing many industrial units. He bought the three sick jute mills in Vizianagaram (two) and Bobbili (one). He experienced losses due to labour strikes. He has also set up a paper mill and power plant in the region. He has closed all the units and sold the machinery and the scrap. In 2019, he and other Real Estate players jointly started a real estate layout on twenty acres of agricultural land, with all the approvals (Sun Real Estate). MVR also established caste and kinship networks with business families from other regions through marriage alliances. One of his daughters married into the Matthey family, proprietors of the renowned rice business 'Lalitha'. Another daughter married into a prominent business family based in Chennai. The third daughter's marriage was to the well-known Pydah family, known for their business eminence in East Godavari.

A noteworthy aspect that requires attention is MVR's timeline for starting most of his businesses, primarily in the late 1990s and early 2000s. This timing could have posed challenges for him, given that numerous players had already established their presence in sectors like the power and paper industry, coming from different regions by then. Being a late entrant, he was at the cusp of a significant economic transition. For instance, when economic reforms began, players like GMR had already made significant inroads into provincial businesses and could utilise the surplus and different networks that had been built over the years by then to make the transition into non-provincial businesses, which people like MVR could not. However, MVR's story is important because his ways of surplus extraction are quite unconventional. He used extra-economic methods and predatory practices to accumulate wealth. One, even though he knows the industries are not doing well, he bought sick industries with the capital he had and with bank loans he has taken. After nominally running the mills for a few years, he filed for an insolvency petition (I.P), thereby cornering the benefits and diverting them to other activities (mostly buying the lands, and now he owns nearly three hundred acres of land in the region). Second, he effectively utilised the judiciary (local civil courts) to buy time (by bringing stay orders) in matters of land disputes. The cases would be dragged on for a few years to increase the land prices. It is observed in the field that he has established liaisons with a prominent politician in the region, by name Chinna Srinu (Z.P Chairperson, Vizianagaram), who is a close aid of Botsa Satyanarayana, a senior

⁹⁰ It is speculated that he spent nearly two crore rupees for securing hundred crore rupees loan from the Punjab National Bank.

minister in the current AP government. Many *Vysya* families have benefited this way (Insolvency petition) and have migrated to different cities while their commercial properties are given for rent.

During the 1980s and 1990s, Rajam town witnessed a surge in industrial expansion, facilitated by the support of mill owners and banks. *Vysya* families, benefiting from agricultural commodity trading and agro-based mills, capitalized on this opportunity to diversify their businesses. With the backing of banks, they ventured into various industries such as jute, iron, poly packs, and manufacturing. These families benefited from insolvency petitions and subsequently migrated to different cities while renting out their commercial properties. Most of these activities (like, filing for bankruptcy, “managing” the officers and local politicians) are posited by the businesspersons as corruption (one real estate property developer says that if we give money, the work will be done easily in Rajam, there is a good harmony between the officers and the business people). However, the prevalent practice of “corruption” in small towns is fraud, which is not uncommon, where the benefits of it would be shared by different politicians, local bureaucracy and provincial business elite. And, the instances of officers allowing corruption make windfall for a business person (for instance, MVR case). Hence, the ambit of these actions cannot be understood simply in terms of much narrower concepts like ‘corruption’. It should rather be seen as the strategies of capital where it involves mutual beneficiaries, which in turn has significance for local economies because it intersects with different layers of accumulation (say, rental properties and real estate). In other words, fraud is structured into the processes of accumulation which have a deeper meaning and relevance for understanding wealth. Predatory prowess or the capacity to corner public resources through extra-legal means is part of the accumulation strategies that the business elites invoke and the logic of provincial capital.

Similarly, wealth creation goes beyond the legal framework to include “illicit” activities as well. Although even the legally allowed economic activities involve certain degrees of illegality (such as corruption, fraud and scams), the complete illegal activities of wealth creation cannot be ruled out either (such as smuggling). Equally, the sociology of wealth cannot afford to exclude the different ways through which the actor creates or generates wealth. It is noted from the field narratives that some people in the town belonging to different castes are involved in the counterfeit currency business (both printing and supply of fake currency notes). Certain individuals in the town have transferred the surplus from this

business into real estate and other activities. There are some instances in the town where there are individuals whose rise to economic prominence cannot be explained, and it is hard to find out how they have become what they are today. Their roots of wealth are thoroughly kept secret ('suspicious wealth'). Furthermore, some *Vysya* traders and gold merchants, including those from both *Vysya* and *Turpu Kapu* communities, participate in purchasing "theft gold" from thieves. The process happens informally, and when thefts occur in the town or nearby villages, these thieves approach these "trustworthy" local business individuals to sell the stolen gold, and this stolen gold is available to local gold traders at lower prices than the regular market rates.

Vysyas populate the regular businesses in the town, such as wholesale and retail of various items. They regularly interact with customers from surrounding villages and the town, strengthening their relationships. These relations helped them in advancing loans for silver, brass, bronze and gold mortgages. Their businesses in the towns (relations based on clientele) and their trading activities in villages (relations based on the business) have not only provided the surplus from mercantile activities but as well these relations multiplied their wealth. In other words, the surplus generated by their trading activity and businesses in the town is efficiently transferred to the moneylending activities through the relations they have established over the years through their prime business activities. It is one of the efficient routes of surplus extraction for the local *Vysya* community in their nascent stages of wealth accumulation. The base for these activities is their primary business activity (this moneylending aspect will be dealt with in one of the next chapter's sections).

Along with Section I, Section II provides insights into the intricate dynamics of *Vysya* entrepreneurship. They highlight the significance of comprehending the diverse trajectories pursued by various *Vysya* families and underscore the dominant position of *Vysyas* in mercantile capital. Additionally, the role of joint families in establishing successful businesses and the impact of banks and industrial expansion on their ventures are explored. Furthermore, the discussion delves into adopting predatory practices in wealth accumulation and diverting funds into different domains and regions.

Section III: Caste as a Barrier to Economic Expansion (Devangula and Pattusale)

Before the British acquired political authority, there was fierce competition among the English, Dutch, and French trading companies to dominate the textile trade in these districts. The main intermediary groups that aided European trading companies in their operations were principal merchants, head weavers, *copdars*, and *senapaties*. Among these groups, except for merchants (who are *Vysyas*), the remaining three primarily consisted of the major weaving communities in the region, namely the *Devangas*, *Padmasales*, *Pattusales*, and *Kaikalavallu* castes (Swarnalatha, 2001). Along with *Vysyas*, these weaving communities played a significant role in business in the region during the colonial period. While identifying Dravidian castes and their caste occupations, Tripuraneni Ramaswami identified Komati, Balija and Sali as business groups (Keiko, 2008). Pattusalees in Cheepurapalli taluk and other areas in present-day North Andhra have developed exceptional skills in tobacco curing, resulting in substantial profits. Their success has allowed them to dominate the local trade and money-lending activities, establishing a virtual monopoly in the region (Francis, 1909).

As indicated in the previous chapter, *Devangulas* have been present in Rajam town since colonial times. The weaving activity was a significant part of the town, which had market connections with places like the districts of Ganjam and Vizagapatam. The artisan communities were economically mobile and enterprising in general. Like in the case of *Vysyas*, their traditional caste occupation (weaving) and its related mercantile activities were the base for their economic expansion in the later periods. Master Weavers, within the weaving communities, holds a prominent position that grants them an advantage over other weavers. They secured a significant share of the textile trade and exploited the limited government benefits by actively participating in cooperative societies (field interview). Some *Devangula* families could mobilize resources through weaving and made few investments in the town. However, one cannot compare them with that of *Vysyas*. In this context, two case studies will be presented to demonstrate how Devangula and Pattusale communities, despite some individuals succeeding in the town's economy, have largely remained limited to the town itself, and their influence has diminished over time. The prominent Pattusale tobacco trader and politically influential Devangula business person and their respective families were unable to adapt to the post-reform period successfully.

Allamsetti Jaggarao was a prominent tobacco trader. Upon his bad fortunes in Murapaka village, their family migrated to Kancharam, 4 KM from Rajam, in the 1940s and lived in a small hut. While he prepared *chuttas* and distributed them to local vendors, his wife worked in agricultural fields. With the connections of tobacco traders, he again entered into tobacco trading. Over a period of time, he became one of the influential tobacco traders in North Andhra. His distributing networks expanded to five districts: Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, and West Godavari between the 1960s and 1990s. Along with his two shops in Rajam, he owned transport vehicles to distribute the tobacco from his warehouse to small-time tobacco traders in the region. It is worth noting that their family advanced loans to tobacco cultivators of Saluru, Pachipenta of Vizianagaram district, and cultivators in East Godavari, West Godavari, and Khammam districts for agricultural and social costs. They nurtured good relationships with tobacco cultivators on the one hand and with their caste people who are in tobacco trading. Their relationship with *Devangula*, a weaving community in the village, and their workers helped them protect/hide⁹¹ their tobacco whenever vigilance officers raided their warehouse. Although he initially supported TDP in village politics, he later adopted an opportunistic political position as his business steadily increased. The growth of the tobacco business allowed him to accumulate wealth⁹² and make their children (four sons and three daughters) educated. All of their children are married to either trading families or government employees from the Pattusale caste. Although two of his sons attempted alternative businesses, they couldn't succeed. His grandchildren pursued professional education in engineering and secured employment in multinational companies. The majority of them established their lives in the United States.

After the 1990s, their tobacco business declined due to the overall decline in tobacco consumption. In North Andhra, as in other areas, numerous women consumed tobacco. Many have quit this habit. In other words, factors such as decreasing tobacco consumption, particularly among women, and introducing of alternative products like Ghutka and Khaini contributed to the downturn. As indicated, although he was a successful tobacco trader in the North Andhra region, the tobacco business declined due to the entry of big international

⁹¹ They hid a substantial quantity of tobacco, equivalent to 15 bullock carts under a pile of dung (known as "penta kuppa") for approximately 18 months to escape from the vigilance officers.

⁹² He built three floored house with all amenities during the late 1950s at Kancharam village, 4km from Rajam town, with many male and female servants working for both household chores and business in the home itself. They owned five jersey cows, colour TV, and regularly performed lavish rituals.

players and the changing preferences in tobacco consumption. So, the next generation from his family could not continue the family business. Also, although some of his children attempted alternative businesses (home appliances business), they couldn't succeed in those businesses either.

Since a significant proportion of the tobacco traders in the region belonged to the Pattusale community, they could nurture their business through caste networks. However, when the tobacco trade declined, the Pattusale community could not translate their caste networks, which got nurtured over the years through the tobacco trade. Essentially, the macroeconomic changes that occurred, such as the entry of international players into the local tobacco markets, marginalized their business prospects in the tobacco sector. This is quite evident with the narratives from my field respondents given below;

Kalipi Satyarao hails from the *Devangula* community and is the nephew of Donthasetty Mallaya, who served as the Sarpanch for Rajam village during the 1960s and 1970s. As Mallayya did not have any children, he actively supported Satyarao. Satyarao frequently accompanied his uncle to various political events and his political popularity rose accordingly. Being part of a family involved in the weaving industry, they operated a dyeing process unit where labourers dyed yarn. Their dyeing process unit became a popular destination for weavers from approximately four to five Mandals. Consequently, their business generated a substantial surplus. They were Master Weavers and held significant influence among the *Devangula* community. Their influence within the weaver's society enabled them to unite the *Devangula* community and establish political connections with other communities in the town, particularly the *Vysyas*. This alliance between *Devangulas* and *Vysyas* facilitated the displacement of the Velama Doras from political influence in Rajam. The family reaped the benefits of their political ascent within their community and the town. Eventually, they diversified into ventures such as cashew nut-processing units and cloth stores. There is a belief in the town that GMR provided encouragement and moral support to Satyarao.

The case studies of Jaggarao and Satyarao offer insights into the journey of the weaving community in Rajam town, exploring what initially allowed them to enter the business and how they gradually declined and faced marginalisation in economic significance over the years. Some weaving families set up businesses in Rajam, such as fertilisers, cloth stores

(nearly 30), cashew nut processing units and extract rentals (through commercial buildings and function halls). However, even the elite families among them in the town (very few) are confined mainly to the town itself. The weaving activity declined due to the vagaries of the market and globalisation. As a result, weaving-based industries have lost prominence, impacting their expansion. While many weavers migrated to different parts of the country, many have still turned towards petty businesses and street vending in Rajam town. However, the *Devangulas* increasingly invest in children's education and shift towards professional employment by utilising affirmative action policies (BC-B) reservation. Out of 1500 *Devangula* families, nearly 200 families involved themselves in salaried professions such as government school teachers and other government jobs and software professionals. On the other hand, *Pattusales*, placed culturally and economically higher than *Devangulas* and involved in tobacco trading and agricultural commodity trading, like *Vysyas*, couldn't break into the big league either. The decline of weaving activity and associated trading and their political marginalisation forced them to retreat from the markets compared to earlier times. They, too, like *Devanagulas*, shifted the focus towards education and employment by utilising reservation policies. Despite belonging to the same reservation category (BC-B) and being weaving communities, the *Pattusales* enjoyed early benefits and still maintain this first-mover advantage.

Moving further, before the 1990s, the entry barrier for certain influential weavers from *Devangula* and *Pattusale* communities was relatively low. This was mainly because, during that period, weaving emerged as a dominant economic activity, leading to surplus wealth that these communities could invest in the town. However, unlike the *Vysyas*, they encountered limitations in scaling their businesses. As capitalist globalisation took hold after the 1990s, the prospects linked to their weaving trade declined. As a result, both entering and expanding their businesses became challenging endeavours. In other words, the families that fared relatively well in the post-reform period, compared to other community members, were those who capitalised on trading and made modest investments before the reforms. Additionally, those who could take advantage of educational and employment opportunities through reservation also experienced better outcomes during this period.

Despite their longer presence in the town compared to *Vysyas*, the *Devangula* community has struggled to expand their business influence. Instead, they have experienced increased marginalisation due to the decline of weaving and the absence of agricultural lands that could

be transformed into commercial rental properties like Telagas and Turpu Kapus. Furthermore, their political significance has waned with the growing population and influence of the Turpu Kapus in the town. And their caste networks failed to transition into other businesses due to competitors from various castes and the effects of political marginalisation. Those Devangulas and Pattusale families with surpluses generated through economic activities till the 2000s invested in commercial rental properties and function halls, made their children educated and employable in professional courses (utilising the BC-B reservations) and transformed themselves into a professional class than expanded into other businesses. The inequality of opportunities (often informed by the ownership of land, education and social status) further gets accentuated by the rate of growth in urban areas than in rural areas, the rate of returns of the non-agrarian sector than of agrarian, the rate of remunerations for skill-based labour (often tied with education and technology adoption) and the regional imbalances (Bardhan, 2009). Despite the inequality of opportunities, some families from Devangula and Pattusale communities have taken an initial plunge into businesses, yet their caste location further hindered their progress and expansion. For *Devangulas* and *Pattusalees*, it underscores the marginalization of the weaving industry, the constraints on business expansion, the shift towards education and employment, and the impact of inequality of opportunities. These factors shape the town's economic landscape and social dynamics, illustrating the complex interplay between historical legacies, market forces, and socio-economic changes.

Section IV: Caste as a Mediation (Turpu Kapu, Telaga and Velamadora)

Unlike the weaver community, the feudal castes such as Padmanayaka Velama⁹³ and agricultural communities such as *Turpu Kapu*, *Telaga*, and *Koppula Velama* in the Rajam town have a different story to offer. Being part of the ruling class in Bobbili Zamindari, their caste men were granted to administer *Mokashas*⁹⁴. As a result, they acquired huge tracts of land and were the early rulers of the town. Even as they lost political prominence after independence, they could protect their lands. By invoking different kinds of networks (caste and political networks), they have made strides in businesses and emerged as powerful elite in the town.

⁹³ Padmanayaka Velamas are feudal landlord community and are related to Bobbili Zamindai families.

⁹⁴ Mokasha is a group of villages which were given to a particular family by Zamindars to collect the taxes.

While *Telagas* have been present in the town since colonial times, *Turpu Kapus* are late entrants. Those *Telaga* families who owned agricultural land have been transformed into propertied classes because of their presence in the town and the changing character of their lands, owing to urbanisation. The distinction of *Telagas* with that of other agrarian communities in the town is that *Telagas* transformed themselves as propertied classes as their agricultural lands have transformed into urban properties while others have or had to channel their investments from elsewhere. One such early *Telaga* family who ventured into business was the Vegujukka⁹⁵ family from Rajam town. Initially involved in agriculture, the family patriarch migrated to Vijayawada to work as a labourer in a printing press. After a brief period, he moved to Berhampur in Odisha state, where he worked in a printing press for approximately ten years. As the owner of the Berhampur printing press grew older, he entrusted this *Telaga* family with the press, with the understanding that the grandfather would eventually settle the debt, which he did. The family relocated the printing press machinery to Rajam, where the printing press commenced operations during the early 1960s. Being one of the first printing presses in the Srikakulam and Vizianagaram districts, it attracted customers from all the surrounding villages. Due to limited competition in the town and the popularity of the press in the region until the late 1980s, there was a significant demand for wedding cards and various printed materials, resulting in substantial profits. The family patriarch invested the surplus from the printing press into acquiring agricultural lands and funding his children's education. His sons received an education and assumed responsibility for the family business in the 1990s. Building upon their family's success, the sons continued to invest in lands and properties both within and outside the town.

Around the early 2000s, with the real estate sector gaining momentum, their family ventured into the real estate sector as the profits from the printing press began to decline. The family gained well in real estate and currently possesses numerous rental properties in the town and agricultural lands in the surrounding villages of Rajam. Although the demand for printing services experienced a resurgence with the introduction of GST, many printing presses had come up in the town by that time. With their reputation, the family could secure contracts with prominent businesses in the region, such as Parry (Murugappa Group) and SR Constructions, providing bill books and quotations. The family attempted many businesses in

⁹⁵ Vegujukka is their printing press name. In the town, many refer to them by this name only.

the region, but they could not get success. They now have plans to venture into commercial agriculture, such as date farming.

Another sector that is thriving in Rajam town is the timber industry. With the rise of new aspirations and consumption culture in housing structures and other infrastructure facilities, there is a lot of demand for wood in towns and cities. However, the industry is fraught with many challenges. Procuring wood from the nearby forests requires a license and the acumen to deal with forest officers, local police and traders in the forest areas. More importantly, a lot of smuggling and the violation of forest regulations are involved in this business. As a result, the timber trade requires a lot of “muscle power” with the right connections to the political class and “good understanding” with the government officers and police (field narratives). The issue got further complex with the Supreme Court judgement (2002) regarding the fresh licences because the judgement (2002) stopped fresh licenses to establish timber depots/sawmills due to excessive deforestation. Many timber depots in the district were operating illegally based on temporary licenses issued to them. The Supreme Court ordered in December 1996 to close all such units⁹⁶. With this, only the old owners of sawmills continued to operate in this trade or leased out the licence to others. The owners of timber depots in Rajam town procure timber from nearby forest areas of Gummalakshmipuram and export the processed wood to Visakhapatnam city. Tribals in the region make a living by selling timber to timber merchants. Nearly 200 workers are regularly working in all timber depots together. This is both a risky and lucrative business. Turpu Kapus mostly owned the timber depots in the Rajam. In this context, the phenomenal rise of Palavalasa Srinivasa Rao is noteworthy.

His father hailed from Sirlam village, approximately 10 km from Rajam, and worked as a petty trader, selling *vadiyalu*⁹⁷ in the villages). After briefly working in the tea shop, his father joined one of the timber depots as a worker in the early 1960s. After some years of experience, he started his timber depot. An important point that needs to be mentioned is that his father sought financial assistance for his new business from women from Velamadora families, offering to repay the loans with daily interest. Timber depot requires a lot of hard labour, muscle power, and license to get the wood from forests (a lot of scope for smuggling and corruption!). The family has been running the timber depot for five decades in Rajam

⁹⁶ By the time these instructions reached the local level, temporary licenses of several timber depots had already been renewed for 1997.

⁹⁷ They are used with breakfast in North Andhra.

town. They procure wood from nearby forests (Eastern Ghats), process it in their depots, and supply it to Visakhapatnam. Though the business is highly rewarding, it involves a lot of risk and needs the clearance of forest officials. One of the timber depot owners said, “*for every rupee we spend, we would get 10 rupees on it*” (fieldwork interview). Since it involves a certain degree of illegality, it requires political support to manage the officials, police, and illegal wood extraction from the forest. During his father’s time, the family got support from the Palavalasa Rajasekharam family (a prominent political family in the region and from INC). Though this family started humbly four to five decades ago, now the family runs three timber depots in Rajam. The surplus from this lucrative business went to acquiring vast tracts of agricultural land (nearly 100 acres) in and around Rajam. The family also owns commercial complexes in the town. Palavalasa Srinivas is active in town politics and involves himself in many social events. His daughter is married to the current MP of Vizianagaram, Bellana Chandrasekhar. It is worth mentioning that the former MLA of Rajam Kondru Muralimohan employed a strategic approach to garner support from various communities in the town. As part of this strategy, Muralimohan cultivated relationships with influential individuals in the town. One notable figure among them is Palavalasa Srinivas, who served as *Turpu Kapu Sangham* for some time. Given his connections to political families in the region and his wealth, Srinivas has been aspiring to be a politician in the town. He aspires to run in the Municipal elections as a candidate for the position of Rajam Municipal Chairman, seeking to secure the seat whenever the elections are held. He is closely moving with the *Devangula* community, one of the numerically dominant communities in the town, and their support is crucial for elections.

While this is the case of Palavalasa Srinivasa Rao (*Turpu Kapu*), the journey of Chelikani Janardhana Swamy (Padmanayaka Velama, or simply *Velamadora*) is even more interesting as they also launched themselves into business with sawmills. This family hails from Penta Nagulavalsa, 8 km from Rajam town. Although Chelikani Jagannadha Swamy’s father belonged to a feudal landlord community didn’t own agricultural lands. His father worked as a worker in a sawmill (timber depot). And he eventually set up one sawmill. It was their first business in the region. After that, they set up a jute and rice mill independently but weren’t as successful. Nevertheless, their story took a turn for the better when the family forged strong and enduring political ties with the influential Kimidi Kala Venkata Rao (TDP) family, hailing from the *Turpu Kapu* community in the region. This alliance helped elevate their fortunes significantly. After Kalavenkata Rao ventured into politics, he started to nurture

individuals outside the Turpu Kapu community for his political funding in later years. He did so because he believed nurturing Turpu Kapus could potentially lead to competition, as Turpu Kapus predominantly dominate the Rajam and its surrounding areas. This demonstrates that support and upliftment within the same caste are not always guaranteed, and the dynamics can be more intricate, prompting one to cultivate alliances with other castes to avoid internal competition. Furthermore, when the Velamadora community lost prominence in politics, they shifted their focus to the business sector. Due to a lack of community support, they were not aspiring to enter back into politics either. Kalavenkata Rao might have perceived the Velamadoras as non-threatening to his political position, leading him to focus on nurturing connections with individuals from different backgrounds.

The Chelikani family is believed to have enjoyed support from Kalavenkata Rao right from the beginning. They operated a liquor business in Rajam town and once headed the liquor syndicate in Rajam. Over time, they diversified their interests and began undertaking small civil contracts, often as sub-contractors in the region. Gradually, their influence expanded to cover twelve assembly constituencies in North Andhra. They owned well-equipped construction machinery and acquired four hills for quarrying purposes. In Rajam town, they stand as one of the largest property owners under the brand name “SR”. They possess theatres, commercial complexes, and a chain of shops, which are rented out, contributing to a substantial monthly income estimated to be around one crore from Rajam town alone. As indicated, the family has fostered deep political connections with a particular political family, but they also maintain good relations with members of various political parties. Rumours have it that they presented a Skoda car as a gift to Botsa Satyanarayana’s family, a senior cabinet minister in the current YSRCP-led government.

Economic reforms of the early 1990s shifted emphasis on transferring accumulation to the urban from the rural through incentives for private investments in urban infrastructure and other non-agricultural sectors (Kalaiyarasan and Vijayabaskar, 2021). The dynamics of caste play a dual role in facilitating or hindering entry into economic expansion within both urban and non-farm contexts. For certain individuals, caste acts as a barrier, shaping the diversification paths of agrarian capital, mercantile ventures, and surplus derived from caste-based occupations. However, for others, it becomes an enabler, facilitating their expansion. In particular, certain social groups like Turpu Kapus, Padmanyaka Velamas, and Telagas are adept at harnessing caste identity to activate crucial political networks, allowing them to

garner support and patronage. On the contrary, social groups like Devangulas and Pattusales are unable to capitalize on caste-based networks to the same extent. The subsequent section will explore some aspects to illustrate how this interplay between caste and economic expansion operates.

Section V: Intersection of Family and Caste as an Economic Institution

The family unit plays a vital role in comprehending wealth creation for several reasons. Firstly, the migration of families from villages to towns is driven by economic logic because the village didn't offer many economic avenues for these families. It is often understood that families with more siblings would find it difficult to make substantial profits if they remained in the village, thus prompting them to migrate to the nearby urban areas. Secondly, although many families eventually transition into nuclear family structures, most businesses, at least till some point, operate as joint family businesses. Thirdly, business networks are intricately connected through various channels, and analysing these connections becomes easier within the framework of a family unit. Fourthly, family holds significant importance in businesses because it facilitates knowledge transfer, resource mobility, and access to different networks and serves as a pivotal economic institution that intersects with other state and non-state institutions, facilitating the conversion of cultural and social capital into economic capital. In essence, the family, as an economic institution, operates on dual logic: internal and external. Internally, it encompasses the class interests of the business family members, while externally, it relies on the broader caste network that mediates their interests. In other words, families leverage caste networks to expand their economic endeavours, with caste serving as the larger driving force. This also aids in understanding the trajectory of wealth accumulation and how provincial business elites navigate competition from their provincial and non-provincial counterparts, particularly in the absence of state-level political representation for certain communities. Furthermore, when examining small towns, the consolidation and decline of wealth should primarily be viewed through the lens of families rather than castes. This does not mean to undermine the significance of caste, but in the case of North Andhra, it is the caste-manoeuving of certain businesses families within a particular community, unlike South Coastal Andhra and Rayalaseema, where communities like *Kammas* and *Reddys* have emerged as the collective force due to their political standing in the Andhra Pradesh state.

While talking about the role of caste in enhancing class interests, Munshi (2016) says:

“Social networks support diverse economic activities, and not just mutual insurance and job referrals. In all of these activities, they use the information and the social sanctions at their disposal to support cooperation and solve market imperfections. In India, the natural social unit around which networks would be organized is the endogamous (sub) caste or jati.” (Munshi, 2016; p.14).

Also, the networks that radiate in the town in articulating the interests of the provincial capital should be included in the functional definition of capital. In other words, it should be extended beyond the mere mobilising the resources to include its varieties of linkages that would help generate the capital. The whole ensemble of economic and non-economic factors required for the capital to raise, sustain, expand and accumulate should be considered capital.

Going further, although the regulations over the trade, industrial and financial policies have been eased in favour of the capitalist classes, they still have to depend on the local bureaucratic class for various permission related to land, electricity, water and other infrastructural aspects, environment and labour regulations (Bardhan, 2009). As such, the role of the local bureaucracy (revenue, police, labour and environment departments) and financial institutions (banks) is crucial. Establishing financial institutions and channelling their efforts towards provincial capital is essential for deepening capital markets, which, in turn, are the key for provincial businesses (Baru, 2000). In this context, the role of the Chamber of Commerce and how *Vysyas* negotiated with the state assumes significance. GMR started the ‘Rajam Chamber of Commerce and Industry’ (henceforth, Chamber of Commerce) with the support of *Vysyas* in the town. It played different roles- regulative, controlling, lobbying and political- but all were channelled into the community’s business interests. Regarding its role concerning officers in the town, they all would pool money and distribute the funds to the local officers (revenue, police, customs, etc.) every month. Their business interests and networks were forged around social grouping and negotiating with the bureaucracy. To establish liaisons with the local bureaucracy, the role of interlocutors is essential. *Vysyas*, because of their businesses in the town, are required to “deal” with local bureaucracy on a daily basis. They befriended certain people⁹⁸ in the town, who provided them with access to the local bureaucracy.

⁹⁸ One such person is Mr. X (he is a Patnaik by caste and revenue official by profession). Whenever there was an issue for *Vysyas*, they would contact him for suggestions and information. He was believed to solve many issues in the town in revenue matters for *Vysyas*. He would provide information about the new officers, how would the new officers “listen”? People like him provided access for *Vysyas* to local bureaucracy.

Politically, too, the chamber of commerce played a contentious role. While defeating one politician (who supported a labour strike in 1986) in Mandal elections, GMR, through the chamber of commerce, forged *Vysya*'s support behind their choice of candidate. Although their choice of candidate won the elections, many *Vysyas* in the town later felt that this organized form of political support was not good for their businesses in the town in the long run. Around that time, local politicians through the local bureaucracy "harassed" the *Vysyas* for their excesses in the businesses. The *Vysyas* felt the main motive behind the chamber of commerce, which was to protect their business interests, was defeated had they taken the political sides. Its role was primarily visualised to enhance their business interests in various ways (lobbying, regulating, protecting, etc.).

Similarly, other social groups later forged caste associations, although less effective than the Chamber of Commerce of *Vysyas*. This is quite evident with the caste associations in Rajam, such as *Turpu Kapu Sankeshama Sangham*, *Telaga Sangham*, Weavers (*Devangula*) Society, etc., and their role in protecting their business interests. These associations came to represent the interests of the castes on cultural terms. Even deeper, such an organisation reflects cultural, political and business objectives. The urban economy cannot operate without them (Basile & Harriss-White, 1999). The logic of networks and maintaining the networks are varied based on caste to caste. Since *Vysyas* are a business community by tradition, those families, even though separated, maintain good business ties. However, business ties are relatively weak for agrarian castes such as *Turpu Kapu* and *Telaga*. Because they entered the businesses relatively late, and not all the siblings from agrarian castes depend on the business. Furthermore, the people from castes, like *Turpu Kapus*, migrated to Rajam town in the last two decades. In other words, for agrarian castes, the role of caste is not as evident in promoting their business interests as in politics and through their politics, they pushed their agrarian interests (Jaffrelot, 2003). Thus, in agrarian caste communities, caste helped organize themselves on political and cultural lines, not much on business lines as it did for *Vysyas*. But, in the absence of business organizations, cultural organizations such as caste associations help them establish connections with the political class.

Table 5.2. Mapping of the various networks					
S.No.	Business Individual/family	Caste	Business	Kinship networks	Political networks
1	GMR	Vysya	Agro-based industries, Airports, Power, Highways, Education	Marriage alliance with Bonmidala Family who is known for tobacco barons from South Coastl Andhra	1. Tammineni Seetharam (Kalinga) 2. Yerrannaidu (Polinati Velama, TDP) 3. Roshayya (Vysya, INC) 4. Mulayam Singh Yadhav (Yadhav, SP)
2	KVR	Vysya	Jute mill, paper mill and power (most of them closed)	1. Marriage alliance with Matthey family ('Laitha brand' rice) 2. Pydahs of Kakinada	Majji Sreenu (Turpu Kapu, YSRCP) currently Z.P Chairperson and nephew of Botsa Satyanarayana (Turpu Kapu)
3	Potta Vishal Gupta family	Vysya	Petrol Bunks, Transportation	Marriage alliance with Kotha family in Rajam town	Palavalasa Rajasekharam (Turpu Kapu, YSRCP)
4	Palavalasa Srinivasara Rao	Turpu Kapu	Timber Depot	Marriage alliance with Bellana Chandrasekhar (Turpu Kapu, YSRCP) and is a Vizianagaram MP	Palavalasa Rajasekharam (Turpu Kapu, YSRCP)
5	Mamidi Srikanth	Turpu Kapu	Liquor Business	1. Nephew of Palavalasa Rajasekhar 2. Kandhe Murali (liquor business)	
6	Banisetty Parvatheesham	Devangula	Clothstores	Marriage alliance with Dasari Apparao (one of the early business persons from Devangula community)	
7	Matha Koti	Telaga	Real Estate, MRF tyres dealership	Marriage alliance with Vykuntham family, who are known for Home appliances and Electricals in Rajam town	
8	Chelikani Jagannadha Swamy	Velamadora	Construction, Commercial Complexes, Movie theatres		1. Kimidi Kalavenkata Rao (Turpu Kapu, TDP) 2. Botsa Satyanarayana (Turpu Kapu, YSRCP)
9	Vegujukka Babu	Telaga	Printing press and Real Estate	Marriage alliance with a political family	
10	Dr Gara Raviprasad	Turpu Kapu	Healthcare		Majji Sreenu (Turpu Kapu, YSRCP) currently Z.P Chairperson and nephew of Botsa Satyanarayana (Turpu Kapu)
11	Dr Tale Rajesh	SC	Healthcare		His father Tale Bhadrappa was one time MLA from Palakonda Assembly
12	Kalipi Sathiyarao	Devangula	Cashewnut processing, dying machinery	Nephew of Dontham Setty Mallaya, three time sarpanch for Rajam major Panchayat	
13	Santham Ramesh	Telaga	Cement and Fertilisers, Real Estate		His father was TDP president for more than a decade for Santhakaviti Mandal

Source: Field data

Generally, the networks are not extensively necessary as long as businesses remain small and tasks can be accomplished through 'bribing'. However, as their business expands, their economic rationale extends beyond relying only on bribing. Hence, they begin to focus on expanding their networks, garnering patronage, and broadening their cultural influence. Also, some issues are not in the domain of local administration, and corruption may not solve the issue. In those cases, the provincial elite goes beyond the corruption logic. Here comes the important logic of the provincial capital: Manoeuvring community networks to drive an individual's or firm's personal growth rather than community-wide growth (see Table 5.2). The feature is strengthening tiny political and business classes from the majority populated agrarian communities while the rest of the community people rally behind them. For this purpose, the caste associations played a role. Secondly, concealing the class interests under the veil of the wider interests of the community has been the feature. As the window of opportunities are small while the population are large, the provincial elite belonging to these castes enlarge themselves to be the protectors of their community people, which in fact, promote and advance their personal interests by gaining access to the political class and the

state. They appear as one group while interacting with the larger world. But herein lies the internal contradictions and contestations that shape the politics in support of local hegemony of various groups. Kohli (2006) and Damodaran (2008) say there is a great synergy between the state and business over the years. Equally important is how the business interests of a particular caste are structured into state-business relations. Because for the provincial capital to emerge and to succeed in business, an entrepreneur relies on a network of acquaintances, friends, and influential people, especially when starting in a new place. Caste can play a significant role in forming these connections, along with kinship and other relationships (Upadhyaya, 1988), and the pronouncement of business interests and consolidation and expansion of wealth with the help of social institutions are mediated through caste (Harriss-White, 2004). Here too, the caste associations of politically dominated agrarian communities in the region played a role.

In the past, the Chamber of Commerce primarily represented the interests of *Vysya* traders, aiming to protect them from corruption and facilitate the smooth functioning of trade and businesses in the town through lobbying. However, the current approach to establishing networks differs significantly, and this is a crucial point emphasizing the collective logic of capital and accumulation. In 2020, efforts were made to revive the Chamber of Commerce. Interestingly, during the meeting to discuss re-establishing the Chamber, attendees represented various castes, with *Vysyas*, *Turpu Kapus*, and *Telagas* being the most prominent in number. This diversity in attendance underscored the emergence of influential individuals from different castes within the town. The meeting failed to reach a consensus on who should lead the Chamber, highlighting the shift in power dynamics among the various castes. This indicates that the town's business landscape has changed, and powerful individuals from different communities now play significant roles. With the prevailing tensions among the provincial elites from different communities, how do they forge a collective group? For now, in the town, each business has its own organization, for instance, the Association of gold merchants, Rajam Sawmills (timber depots) Association, and Association for Owners of private educational institutions, to name a few. These associations are forged basically to guard themselves against the "harassment" from the local bureaucracy and ensure the smooth functioning of their businesses. For that, the members pool money regularly and pay the local officials to establish what they call "*liaisoning*" with the local officials. The members of a particular business regularly elect the presidents of these associations.

Section V: Origins of Entrepreneurship and Economic Diversification

The capital-sourcing strategies of businesses in small towns are influenced or shaped by the nature of economic activities. Capital is primarily raised locally for activities such as trading (both retail and wholesale) and small-scale manufacturing (Basile, 2013; Mukhopadhyay et al., 2016). However, capital is sourced from within and outside the town for capital-intensive activities like manufacturing, mining, and storage facilities (Samanta, 2017; Ramana, 2014). The origins of entrepreneurship in small towns are based on economic diversification through the accumulation of provincial capital in trading. For example, the *Vysya* community diversified into agro-based mills, industries, and manufacturing from their mercantile activities. Similarly, *Devangulas* achieved diversification through weaving, weaving-related small-scale industries, and cloth trade. *Telagas* utilized their lands in towns, while Velama Dora leveraged their feudal relations and connections with the region's political class. *Turpu Kapus*, on the other hand, invested in children's education and utilized their agricultural lands. In essence, the origins of entrepreneurship are closely tied to caste and primary occupations in the initial years. However, the trajectories and routes through which wealth is accumulated differ, depending on their political standing in regional politics.

In small towns, diversification serves as a means of risk management and sustaining profit margins rather than merely expanding capital. Also, in some cases, there is family logic as well. Many siblings might be there, so businesses should be established for all of them. Here the logic of provincial capital comes into play, where the funds flow between different verticals, promoting the multiplication of economic activities over the years. For instance, when diversifying from one economic activity (A) to another (B), it is crucial to reinvest a portion of the surplus back into activity A, which continues generating profits. This ensures the health of activity B and sustained growth of activity A. Capital injection into activity B continues until it reaches the break-even point. There are two forms of capital deployment in this scenario: while A funds B, both A and B grow and generate additional activities (C), or as B grows, A gradually declines over time. These diversification strategies also offer insights into business consolidation through divestment and investment in other industries. Over the years, these risk diversification tactics prove profitable, representing both expansion and consolidation of wealth, and in case of losses, contraction of the wealth. However, there is limited data available to determine when risk strategies become actual capital expansion. Although the macroeconomic changes are crucial, this may require more sophisticated tools

to determine the timing of setting up another business and disinvestment. For most provincial businesses in small towns, the expansion and shrinkage of wealth lie in these decisions.

In combination with the above, it is important to understand the business community's ethics to understand the businesses in small towns. Although it is non-economic, it is important in foregrounding the economy's social basis and the business communities' evolution. If one were to look at 'Vysya ethic', there are two aspects. One, since *Vysyas* are a business community by caste, they instil the culture of business orientation in children from a young age. This orientation and hands-on experience are usually utilised to carry and expand the businesses further. While this is a cultural ethic that embodies *Vysyas*, there is an economic ethic also to this. Second, taking from the field respondent where he says,

'I am already in some business, say, for example, I am habituated for 10% profit. Then you came. You are not well-to-do like me and a newcomer. With your income, even earning 5% of profit is also fine for you. But I won't do it for 5% profit. At the entry level, any profit is a profit for you. But for existing businesses, losing 5% profit is not an option. And, I would not waste my energies on lesser profits. With the surplus I have, I will diversify and venture into other businesses (interview with one business person).

In other words, the competition is between the existing provincial elite with surplus and the new entrant who aims to enter and eat some pie out of the existing. These two aspects are important to demonstrate *Vysya* ethic because it entails how they approach businesses and diversification. From this point of view, if one were to look, one can understand two things. One is the diversification patterns of the existing and successful provincial elites. Second, the entry of new business players, often drawing from different communities. While the former group diversify, will they give or provide space for new ones? It is similar to the post-green revolution period, where while rural-rich farmers exited farming for urban businesses, professional education, and employment, the next-level farmers (from the poor among the dominant castes and OBCs) entered agriculture.

Furthermore, the modalities of businesses are transforming due to cultural shifts and urbanisation. As towns expand, it encompasses old and new areas, shaping businesses differently. The "famous" local shops are mostly found in the old town, while new businesses emerge in the newer areas, catering primarily to the influx of newcomers to the town. This transformation has significantly impacted old businesses, creating a dichotomy between old and new establishments. The shifting demographics, including generational changes in

consumers and floating populations, also influence the expansion and contraction of businesses, particularly those of petty commodity producers.

Examining how these transformations unfold, including the expansion of predatory businesses and the threats they pose to the provincial capital is important. In the present scenario, franchises like Tea Time, Arun Ice Creams, and others are run by local individuals, but they ultimately serve capitalists based in cities such as Visakhapatnam, Vijayawada, and Hyderabad. This differs from the past when petty commodity producers were direct owners of their businesses. With the emergence of franchises, competition has arisen, posing challenges for provincial businessmen who previously operated, say, their own ice cream factories and distributed products in Srikakulam and Vizianagaram districts.

Summary:

This chapter focused on the dynamics leading to the emergence of the provincial capital, with a particular emphasis on GMR. It delved into the detailed journey of GMR until the early 1990s, encompassing his involvement in trade, agro-based mills, and banking. The chapter explored the factors that facilitated his transition to non-provincial circuits, primarily in the infrastructure sector, aligning his economic goals with the economic reforms of the early 1990s and leveraging key political networks. The subsequent consequences for the region, described as the ‘flight of capital’, are also discussed. The chapter further examined why other Vysya businessmen remained confined to the province despite having established various agro-based and small-scale manufacturing units. It also underscored how caste played a pivotal role as a medium for Turpu Kapus and Telagas to enter the business sector while acting as a barrier for Devangula and Pattusale. The networks cultivated by Pattusale and Devangula communities failed to translate into post-economic reform periods due to political marginalisation and a lack of agricultural lands. In addition to these aspects, the chapter highlighted the importance of considering the family as a unit of analysis, even though caste has an overarching effect in North Andhra. It also emphasised the absence of business bodies such as a chamber of commerce and weak caste associations, leading to the reliance on sectoral business associations (such as the Jewellery Shops Association and Owners of Private Educational Institutions Association) to establish liaisons with the state. Certain themes from this chapter will be taken up in the last chapter as part of the discussion.

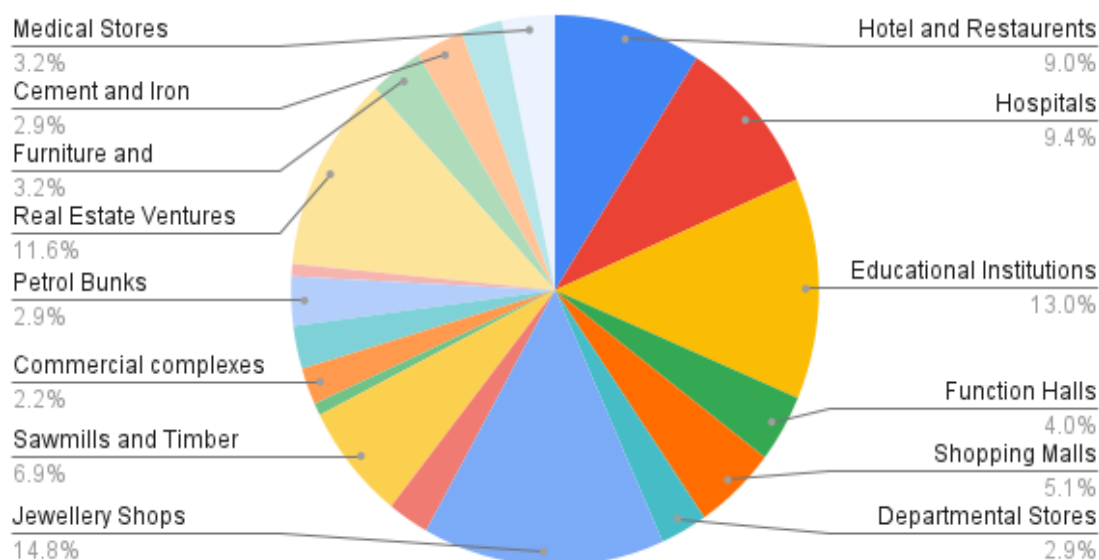
Chapter- 6

Land, Rentier Economy and Propertied Classes

In the previous chapter, an attempt has been made to understand the logic of provincial capital and its relationship with caste, exploring how caste influences, mediates, and constrains the emergence and expansion of provincial capital and how caste functions to accelerate and open pathways for some caste groups while simultaneously imposing limitations on others. In this chapter, different sections indicate how the new economy (post-liberalization) has created processes of wealth accumulation. Section I identifies money-lending as one of the traditional routes of accumulation, highlighting cultures of wealth creation through moneylending. Section II delves into how neoliberal policies in education and health have given rise to provincial elites and how capitalist urbanization provides the necessary local resources to navigate the neoliberal processes. Section III discusses how the trading past influences businesses and how agrarian communities have launched themselves into various businesses, forming various kinds of networks. Section IV delves into the neoliberal land market and how rent-thick sectors like real estate invoke the processes of assetization. Finally, Section V discusses how petty commodity production allows a tiny percentage of people to reap the benefits of the market while leaving many at their own behest.

Before going further, an account of various business establishments and the owners' profile is analysed here. Data pertaining to 277 business establishments belonging to different sectors, such as Borewells, Cement and Iron, Commercial Complexes, Departmental Stores, Educational Institutions, Function Halls, Furniture and Home needs, Gas Distribution, Hospitals, Hotel and Restaurants, Jewellery Shops, Medical Stores, Movie Theatres, Petrol Bunks, Real Estate Ventures, Sawmills and Timber Depots, shopping malls, Show Rooms, and Sweets and Bakery has been collected. The sectoral distribution of businesses in Rajam is provided below (See figure 6.1).

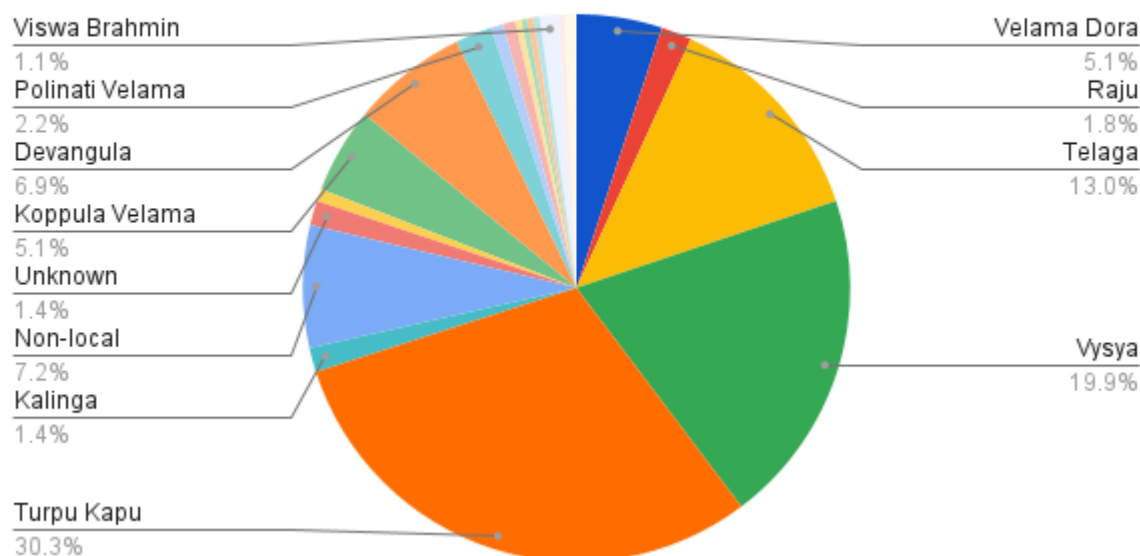
Figure 6.1
Pic 6.1 Sectoral distribution of the business establishments in Rajam town



Data source: Fieldwork

Among the 19 sectors analysed, Jewellery shops claimed the highest share at 14.86%, closely followed by educational institutions at 13%. Real Estate secured the third position with 11.6%, while Hospitals accounted for 9.5% of the total. Hotels and Restaurants constituted 9.06%, and Sawmills occupied 7% of the sectors. Shopping Malls held 5%, while Cement and Iron industries represented 3%. Function Halls accounted for 4% of the overall sector distribution. Similarly, the Caste profile of the owners of businesses is provided below (See Figure 6.2).

Figure 6.2
Pic 6.2 Caste-wise distribution of business establishments in Rajam town



Data Source: Fieldwork

Among the 277 business establishments in the region, Turpu Kapus emerged as the dominant community, representing 30.43% of the businesses belonging to the above-mentioned sectors. They were followed by Vysyas, constituting 19.20% of the establishments, and Telagas, with a share of 13%. Devangulas held a noteworthy portion of 6.88%, while Velama Doras accounted for 5% of the businesses. Although knowing the population of these caste communities would reveal a deeper story about the concentration of businesses and their respective population sizes, obtaining a caste census of the town is difficult. At a broader level, Turpu Kapus are numerically dominant in the town, followed by Devangula, Telaga, SC, and Vysya.

Table 6.1. Caste and Sector-wise distribution of Business establishments

COUNT of S. No	Type of Business entity																		
	Borewells	Cement and Iron	Commercial complexes (rents)	Departmental Stores	Educational Institutions	Function Halls	Furniture and Homeneeds	Gas distribution	Hospitals	Hotel and Restaurants	Jewellery Shops	Medical Stores	Movie theatres	Petrol Bunks	Real Estate Ventures	Sawmills and Timber depot	Shopping Malls	Show Rooms	Sweets and Bakery
Christian Missionary Trust					2.78%				3.85%										
Devangula	28.57%				2.78%	36.36%	11.11%		3.85%			22.22%			12.50%	5.26%	21.43%		
Kalinga									7.69%	4.00%				12.50%					
Koppula Velama		12.50%			8.33%				11.54%		2.44%				6.25%				57.14%
Marwadi											2.44%								
NagaVamsi																5.26%			
Non-local									3.85%	4.00%	29.27%				12.50%	10.53%			
Patnaik					2.78%														
Pattusalee					2.78%	9.09%													
Polinati Velama					2.78%				7.69%									42.86%	
Raju						9.09%			3.85%	12.00%									
Sadadhi Vaishnav					2.78%														
SC						9.09%			3.85%										
Segidi	28.57%																		
Telaga		25.00%	33.33%	12.50%	22.22%		55.56%		11.54%	16.00%	9.76%	11.11%		25.00%	3.13%		14.29%		14.29%
Turpu Kapu	42.86%	25.00%	16.67%	62.50%	27.78%		11.11%	50.00%	34.62%	36.00%	41.46%			25.00%	25.00%	73.68%	14.29%		
Unknown				12.50%						4.00%								28.57%	
Velama Dora			33.33%			18.18%				8.00%			100.00		9.38%	5.26%	14.29%		
Viswa Brahmin											7.32%								
Vysya		37.50%	16.67%	12.50%	22.22%	18.18%	22.22%	50.00%	7.69%	16.00%	7.32%	66.67%		37.50%	31.25%		35.71%	28.57%	28.57%
Yadhava						2.78%													
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Based on fieldwork data

Some broad generalisations can be made based on the caste and sectoral data. Firstly, the majority of these businesses have emerged in the last two decades to cater to the growing population of Rajam town. Secondly, while Turpu Kapus have become the dominant community in terms of the number of establishments, Vysyas and Velamadoras still hold sway in the economic space due to their larger volume of operations. However, the data reveals sectors where agrarian communities like Turpu Kapu, Telagas, and weaving castes like Devangula and Pattusale have managed to enter and establish monopolies in some of the sectors. For instance, Turpu Kapus have monopolised sawmills and made significant inroads into healthcare, education, gold trade, real estate, and departmental stores (see Table 6.1 and Annexure 3, Table C). Similarly, Telagas have a notable presence in furniture and home needs, cement and iron, and commercial rental spaces. On the other hand, Devangulas have found their niche in function halls, shopping malls, and real estate. Other castes like Pattusale, Yadhavas, and SC have also entered education, healthcare, and function halls, but not to a significant extent. Lastly, as most of these businesses operate in rented buildings, the sheer number of establishments, regardless of their volume, points to the scale of rental extraction within the town. Some sectors and how different provincial players from different castes emerged in the town will be discussed.

Section I: Money-lending and Rent-seeking

Among the rent seekers of the town, another dominant section is the prevalence of moneylenders. It is one of the traditional routes of wealth creation and plays a significant role in the economic dynamics of many towns and communities. In Rajam, various types of moneylenders cater to the needs of different borrowers, ranging from petty businesses and daily wage labourers to big business persons and trustworthy individuals. First, the microfinance system operated by moneylenders involved deducting 10% from the loan amount upfront and requiring debtors to make daily payments over 100 days. In the late 1980s and early 1990s, a Reddy family from Anaparthi and a few families from Tamil Nadu entered this business and provided loans. Numerous petty businesses, including tiffin shops, grocery stores, tea shops, street vendors, and daily wagers, used these loans in the town and nearby villages. Typically, the principal amounts range from 10,000 to 30,000 INR (maximum limit of 50,000 INR). Field narratives revealed that these families had experienced significant profits from their moneylending business. Starting from the mid-2000s, they expanded their ventures into jewellery and Real Estate and began acquiring properties within the town. Some individuals even capitalized on their success in the Rajam town and ventured into different areas as part of their diversification efforts. Local people have also entered this business and are actively engaged in its operations. One Turpu Kapu family who is involved in this business say

‘With the proliferation of small businesses and the increase of daily wagers (construction workers, vegetable vendors, small Kirana shops, etc.) in the town, the finance business has been steadily increasing. There are many big businesses too in the town. However, we mostly prefer petty businesses because they have a good rotation in their respective businesses and are regular in payments. With digital transactions, though this has become quite easy, we still prefer to go to “line” (to collect the money) because this would help gain more customers and facilitate understanding of the town's businesses. Mostly we have regular customers. We also advance loans on interest, but the volume is less. We have reasonably done well in this business. We started this business with a small initial investment of a few lakhs; now, our daily collection runs into a few lakhs. We have invested in buying properties and agricultural land in our village’ (Madhava Rao (pseudonym), field interview).

Over the years, the popularity of this practice has waned; however, it remains favoured by petty businesses and traders due to its practicality. During a field interview, a tea shop vendor with an average daily business of 10,000 INR shared that

‘I don’t prefer loans on a monthly interest model or from formal institutions. In this finance model, it is convenient for us to set aside a portion of our daily business earnings, allowing us to gradually repay both the principal amount and the interest within a few days. Otherwise, if we opt for monthly interest payments, the principal amount remains unchanged. Compared to other loan arrangements, our businesses find this arrangement more favourable (field interview).

Second, another prevalent form of moneylending involves the provision of loans at specific interest rates, such as 12% or 24%. Initially, members of the Vysya community engaged in this practice by accepting silver, bronze, brass, and gold as collateral from the peasant community. In addition to charging interest on these loans, field accounts reveal that many farmers struggled to repay the interest and clear their debts, resulting in the Vysyas retaining the mortgaged properties. In some cases, Vysya moneylenders would offer additional amount to the loan borrowers (on and above the principal amount and interest) to retain control over the mortgaged properties. Typically, village elders, who maintained close ties with the Vysyas, acted as middlemen⁹⁹ in these transactions. For instance, if one wants to avail of a loan for children's education, marriage, health, or farm expenses, they would generally approach the village elder, who would connect them to the Vysya in the town. The village elder played a vital role in the transfer of gold and other valuable properties in the name of a Vysya.

This transfer of gold involved a certain degree of persuasion from the Vysya moneylender and the need for money on the part of the loan borrowers. The terms of the trade tilted in favour of Vysyas, and they gained hugely by advancing loans to the peasant community from nearby villages. In addition to their moneylending activities, the Vysyas found to acquire "stolen gold" from local thieves at lower prices. The Vysyas, through their personal acquisition of gold, retention of mortgaged gold, and even the procurement of "stolen gold" from local thieves, have amassed a considerable quantity of gold (rumoured to be measured in kilograms). Like in South Coastal Andhra, where the rich farmer-moneylenders retained the agricultural lands from the peasants who failed to repay the loans (Satyanarayana, 1991), some Vysyas in Rajam town retained the gold from the peasants who defaulted on their loans. This practice holds significant relevance as these accumulated reserves of gold have proven highly advantageous for the Vysyas. Capitalising on the ever-increasing price of gold, they skilfully leveraged these reserves to their advantage. These gold reserves played a pivotal role in facilitating the acquisition of essential capital required for the establishment of various mills, expansion into diverse industries, and acquisition of vast tracts of agricultural land for their agro-based mills and small industrial units.

⁹⁹ For example, individuals seeking loans for education, marriage, healthcare, or agricultural expenses would often approach the village elder, who would connect them with the Vysya moneylender in town.

The transfer of wealth, in the form of gold, unfolded as a transaction from one community, namely the peasants, to another community, the Vysyas, ultimately facilitating the subsequent transfer of lands from agrarian communities to a select few Vysyas. This exchange witnessed the transfer of both land and gold from the peasant communities to the Vysyas. (One route for establishing themselves as provincial business elite). The rural areas have witnessed a gradual rise in the government-teaching community since the 1990s. Recognising moneylending as a prominent avenue to enhance their savings, they actively provided loans to the villagers and other nearby individuals. Until the mid-2000s, the teaching community extended loans to villagers, friends, family members, and local businesses. However, as they ventured into the real estate sector, their focus shifted towards acquiring land and assets, leading to a diversion of their savings. Consequently, while they still engage in money lending, the scale of their lending activities has diminished over time. One teacher participant, who experienced substantial gains in the real estate sector, highlighted that “now teachers primarily require funds for real estate, so they have reduced their loan advancements. Instead, they prefer offering short-term, high-interest loans to friends, family, or reliable business individuals” (field interview).

Third, another notable aspect is providing “high-profile” loans to prominent business individuals or those deemed highly trustworthy within the community. These “high-profile” loans typically involve significant sums, ranging from Rs. 1 crore to 2 crores, with an interest rate of 24% (equivalent to 2 lakhs in monthly interest for a one crore loan). A teacher from the Vysya community is known to have advanced such loans to a few individuals. Trust and middle persons¹⁰⁰ play a pivotal role in this lending arrangement. Also, one person¹⁰¹ advanced the loans to two business individuals, one a scrap business dealer (Turpu Kapu) and another a prominent business person (Vysya), each one crore rupees at an interest rate of 24%. Essentially, the loan provider extended two crores to two individuals, generating a monthly interest of four lakhs. It is worth noting that in certain instances, intermediaries receive commissions for their involvement in facilitating these loan transactions.

Fourth, another noteworthy aspect to consider is the prevalence of high-interest rates, often reaching Rs. 10, during peak business periods or economic activities such as real estate

¹⁰⁰ Middle persons play a crucial role in getting access to this loan. Right connections are the key, along with the trust and efficacy of the business of the loan taker.

¹⁰¹ His caste and profession are not known.

ventures or sports/election betting. These loan arrangements introduce an additional layer of complexity. Certain individuals acquire loans from one person at a specific interest rate and subsequently lend the same amount at a higher interest rate to another individual. Such practices are both risky and potentially lucrative. Notably, influential figures within the town are actively engaged in these loan advancements, contributing to the intricate nature of this financial ecosystem.

Sixth, the concept of chit fund: This encompasses three distinct types. Firstly, there are person-based chits, resembling an interest rate model. In this prevalent practice, one individual assumes the responsibility of collecting the chits and conducting monthly auctions. This system typically spans over sixty months. Through the auction process, one participant from the group, selected either by auction or through a lottery, can obtain a substantial sum, say ten lakh rupees. If a specific person within the group requires funds for personal reasons such as education, marriage, property purchase, or business purposes, or if an external party offers a favourable interest rate, that individual eagerly participates in the auction. The group members strive to increase the auction amount to maximize their benefits. Friends have an informal arrangement where they do not incur any profit or loss. The pooled amount is either utilized for personal expenses or lent to others with interest. Lastly, there are institutional-based chit funds such as Margadarsi, Shri Ram, and Kapil chits, which, although less relevant to this particular study, form another category within the realm of chit funds.

The practice of moneylending initially comprised individuals from outside, such as the Reddys from Anaparthi and certain families from Tamil Nadu, in addition to local members of the Vysya community. Although the Vysyas did not run a finance system like that of a Reddy family and families from Tamil Nadu, they were an active part of a moneylending business in Rajam town, which allowed them to accumulate wealth by way of interests and retaining mortgaged properties (especially, gold). However, the landscape has transformed, evident in the widening social foundation encompassing diverse caste communities and occupational backgrounds participating in this enterprise. Notably, the substantial involvement of government salaried employees, particularly the teaching community, has shifted the composition of moneylending stakeholders.

The process of wealth accumulation through money lending encompasses two essential aspects. Firstly, it involves the rent-seeking behaviour exhibited by those who provide loans.

Secondly, it reflects the nature of businesses that enable small and large business individuals to make monthly interest payments¹⁰². Expanding upon this notion reveals the prevalent cultures of wealth creation and accumulation and the socio-economic environment that facilitates such accumulation. On the one hand, it highlights the conditions that enable this accumulation, while on the other, it underscores the growth of businesses supported by credit facilities. These intertwined economic and wealth accumulation activities mutually reinforce each other.

Section II: Education and Health in Neoliberal Times

The advent of neo-liberalization policies has not only triggered the transformation in the town's trade, commerce, and industrial landscapes, but it has also precipitated shifts in consumer behaviour and altered people's perceptions of quality, redefining the concept of choice in terms of services. Consequently, education and healthcare emerged as new nodes of attraction within the town, drawing the attention of residents and nearby villagers who rely on the services offered by private and public institutions in these sectors.

Before the 1990s, private schools were not widely known or recognized. Predominantly, unemployed graduates in villages established convent schools in their respective villages, mainly operating in small hut-like structures. In the case of Rajam town, only a tiny percentage of the population, including children of doctors, businesspeople (Vysyas), and lawyers (Brahmins), attended private schools during the 1970s and 1980s (field interview with the correspondent of Sun School). However, there has been a shift in the education model since the 1990s. In the early 1990s, there were only a few private schools in Rajam town. Towards the end of the 1990s, however, more schools emerged. While GMR Varalaxmi DAV (CBSE) and GMR Varalaxmi St. Anns are considered "elite schools" in the town, catering to students from professional families such as doctors, teachers, lawyers, businesspeople, and other salaried income groups, other private educational institutions benefited from 'the change of perception' among agrarian and labour communities regarding education in the 2000s. The shift in perception opened the doors for unemployed youth in the town to establish private educational institutions, leading to some individuals benefiting from this transformation.

¹⁰² In the case of high-profile loans, a substantial portion of funds is allocated toward interest payments.

Table 6.2. Caste-wise distribution of Educational Institutions

	Different Castes								
	Turpu Kapu	Vysya	Telaga	Koppula Velama	Devangula	Yaadhav	Pattusale	Polinati Velama	Patnaik
Educational Institutions (36)	27%	22.22%	22.22%	8.33%	2.78%	2.78%	2.78%	2.78%	2.78%

Source: Field data

The dominance of educational institution ownership in Rajam can be attributed to the Turpu Kapus, who hold 27% of them, closely followed by Vysyas and Telaga, each with 22.22%. It's important to highlight that within this group, there are two categories: those who establish educational institutions on rented buildings and those who have their own buildings for this purpose. Those who have set up educational institutions on their own buildings have reaped significant benefits from the privatisation of education, in contrast to those operating on rented properties¹⁰³. Interestingly, some individuals have taken advantage of both by renting out their other properties while also establishing their educational institutions on their own lands. These individuals enjoy substantial benefits from the income generated through rent-seeking activities and from running a private school.

Case study 1:

To delve deeper into this phenomenon, one can examine the story of Gatti Paparao, which provides insights into how the privatisation of education plays a role in the emergence of provincial elites. Gatti Paparao, a 50-year-old native of Rajam town and belonging to the Telaga community, currently serves as the correspondent of Sri Vidhyanikethan Educational Institution in Rajam. Their family owns agricultural lands which they cultivated under Rajayyapeta¹⁰⁴ Brahmin Inam lands of Bobbili Zamindari, paying taxes to them. Eventually, the family purchased those lands from the Inam during the abolition of Inams in the early 1960s. Along with agriculture, his father lived with the income derived from passenger

¹⁰³ Although corporate entities established their schools and colleges on rented buildings, they fare better than their local counterparts.

¹⁰⁴ Rajayyapeta is 6 Km from Rajam town. Most of the Rajam lands were under the Rajayyapeta Inam.

transportation¹⁰⁵, using bullock cart and Jetka (horse) during the 1960s and 1970s. His father's traditional transport (Jatka) business enabled them to purchase these lands, which turned out to be highly valuable when the agricultural lands transformed into urban land after five decades.

Gatti Paparao, a graduate of Physical Education, aspired to secure a government teaching position as a drill master. However, he failed to secure one due to the scarcity of jobs and competition, especially among OC (Other Category) candidates. In the early 1990s, along with a friend, both unemployed youth from the Telaga community, he took the initiative to establish a tuition center in Rajam town. Initially focused on subjects like English, Maths, and Science, the center quickly grew and served approximately 600 students. They transformed the tuition center into a full-fledged school on their agricultural land within a few years. The school catered mainly to students from families of fourth-class employees, jute mill workers, and construction labourers from Rajam and nearby villages.

As the town expanded, the family capitalised on their agricultural lands, converting them into commercial buildings rented out to other educational institutions like Narayana Junior College and local colleges. Over the past 27 years, Paparao successfully managed the school, generating substantial profits. This financial surplus and moneylending activities facilitated the family's expansion. Presently, they derive nearly six lakhs of rental income from these buildings. Moreover, apart from the school and commercial rentals, the family engages in lending money with interest to private individuals and has invested in real estate properties within the town.

In Rajam town, the education sector has undergone notable transformations in recent years, particularly after the 2000s. Firstly, there has been a shift from government to private schools, indicating an increasing preference among parents for private educational institutions. Secondly, within the private school sector, there has been a transition from locally reputed schools to corporate schools, which larger corporate entities own. These shifts demonstrate the changing nature of the education sector in Rajam, with a greater emphasis on private schooling and the emergence of corporate entities in the sector. In other words, the success of these local institutions not only reflected the demand for private education but also highlighted the potential profitability within the sector. This success became an essential

¹⁰⁵ The lawyers from Palakonda used this transportation regularly to commute to court in Rajam town.

indicator that corporate schools could capitalise on when establishing their own educational institutions. In essence, the achievements of the local institutions laid the foundation for a conducive environment that facilitated the growth and expansion of corporate schools.

The transformation towards private education in the town has been influenced by various factors, including the influx of salaried employees seeking private schooling over the past decades. Additionally, government schemes such as fee reimbursement starting from the mid-2000s and now, Ammavodi and Jagananna Vidya Deevena have played a crucial role in further entrenching these shifts. These initiatives have offered financial incentives and support to parents, making private education more affordable and accessible, leading to an increase in the enrolment of children in private schools. On the one hand, the state government schemes are increasing the speed of integrating rural children into private schools, further providing the provincial elites with an opportunity for accumulation. On the other, the owners of educational institutions extract surplus through a combination of a high-fee structure¹⁰⁶ and a low-salary system. This is observed due to the lack of regular teacher recruitment in the education sector, leading to an abundance of local unemployed youth who are compelled to accept employment opportunities at lower pay scales.

Like education, another sector that has benefitted out of the neoliberal policies of the state is healthcare. In the times of huge flow of corporate capital or NRI capital into the healthcare sector and the booming corporate hospital chains which are spreading their wings, even to the tier II cities, the local professionals with university education and professional networks, often mediated through Alumni associations and Doctors associations, can garner some of the benefits from neoliberal policies such as health insurances, government policies that are intended to benefit corporates in the health sector. The broader point that needs to be highlighted here is that although the local private hospital industry has a significant presence in the towns, even before the liberalisation, they faced huge capital constraints to establish multi-speciality hospitals with decent facilities. As a result, their volume is small and is confined to ‘clinics’, usually depending on single doctors or wife and husband doctors. The health sector reforms and the neoliberal economic policies have been altering the health sector industry where the corporate sector is taking the huge pie out of what Prasad and

¹⁰⁶ with annual fees ranging from INR 20,000 to 40,000

Raghavendra (2012) term as “medical-neoliberalism” (Prasad and Raghavendra, 2012; p. 125).

The private health sector grew consistently because of the exemption of import duty for expensive medical equipment, subsidised rates for land to build hospitals, reimbursement provision for all government employees to avail health services in corporate hospitals, etc. Besides the numerous concessions given by the government to the private healthcare sector in the late 1970s and early 1980s, privatisation of healthcare received a further boost due to the global recession, which imposed fiscal constraints on government budgets and encouraged them to cut back on public expenditure in the social sector (Baru 1998), quoted in Prasad and Raghavendra, 2012; p. 119).

The private sector grew without any control by using investments made by the state (Baru 2003), which paved the first wave of privatisation during the 1980s. With the growth of the pharmaceutical and medical equipment industries post the 1990s, the second wave of privatisation, i.e., corporatisation of healthcare, became firmly entrenched in India (Prasad & Raghavendra, 2012). The culture of clinics in the towns. In rural villages, though qualified doctors are working in public institutions, the rural folk still prefer the Unqualified Health Professionals (popularly known as RMPs) over the qualified ones in public institutions, partly owing to their reluctance to treat the rural poor (attitudinal issues, stemming from caste hierarchies). Healthcare services are class- and caste-oriented rather than disease-oriented (Prasad, 2007). This has pushed many to UHPs. The same doctors also opened private clinics in the towns. Most of the rural population shifted towards the healthcare provided by qualified medical practitioners over unqualified ones. Three points emerge. Shift from UHPs to qualified doctors. The shift from government medical practitioners starting private clinics has been on the decline, clear emergence of a corporate model in local hospitals. So, accordingly, the social base of healthcare seekers has seemingly changed. With the economic opportunities and consumer patterns, the shifts are visible.

The point that needs a mention is that with the prevalence of unemployment-induced private tuitions and Unqualified Health Professionals (or RMPs), the cultures of privatisation in essential services such as education and health have existed in the towns and villages, however, subject to class and caste dynamics and are being nurtured over the years. Now social base has broadened, and private capital likes to benefit from these shifts whether or not these shifts are purposefully created and nurtured.

Table 6.3. Caste-wise distribution of Hospitals

	Different Castes							
	Turpu Kapus	Telagas	Koppula Velama	Kalinga	Vysya	Raju	SC	Devangula
Hospitals (26)	35%	11.54%	11.54%	7.69%	7.69%	3.85%	3.85%	3.85%

Source: Field data

Rajam has 26 hospitals¹⁰⁷ with nearly 35%, followed by Telagas and Koppula Velama with 11.54% each. Although Vysyas hold nearly 7.7%, their volume is bigger with GMR CARE hospital with a 150-bed super-speciality hospital. Most of these hospitals have come up in the last two decades, catering to diverse social backgrounds. Most doctor professionals in the town come from agrarian backgrounds, often second or third-generation professionals and the children of school teachers. These families invest in their children's education, using savings or bank loans, to establish clinics and hospitals in the area. Their close ties with the local political class and their ability to raise initial capital for land procurement make them influential medico-business elites capable of generating and extracting surplus. They often use this surplus to venture into other profitable areas like real estate.

Case study 2:

Gara Raviprasad is one of the notable doctor professionals in Rajam town. His grandfather, who originated from Mandarada village located 10 km away from Rajam town, was a teacher. His parents, both retired government high school teachers, relocated to Rajam town in the mid-1970s. While his parents did not engage in business ventures, they utilised their savings for their children's education and provided loans on interest among friends. His parents purchased a large plot in the town, on which they built a spacious house. The remaining plot is utilised for home-based agriculture, which now holds a significant value of around one crore rupees. He pursued his graduation from Andhra Medical College in Visakhapatnam. His sister, a software engineer, is married to another software engineer, and they have settled in the United States. After practicing for about six years in a government

¹⁰⁷ While many of these hospitals are clinic based (out-patient), nearly half of them are 50 bedded hospitals. GMR CARE is 150-bedded super speciality hospital.

hospital in Visakhapatnam, Raviprasad established his own clinic in Rajam around 2005 by investing thirty lakh rupees in a property. Over time, due to increased demand and a good reputation, they expanded their establishment into a large hospital named ‘Amrutha Hospitals’ with 50 beds. The hospital hosts specialists on a weekly basis; most of them are their alumni members and are from the Doctors Association. His wife, also a doctor who graduated from Andhra Medical College, specialises in gynaecology, while he has specialised in general medicine.

To establish the hospital equipped with modern diagnostic technologies, they relied on their savings and private loans, and obtained a bank loan of nearly four crore rupees. The hospital stands out in the town as one of the few facilities offering services under the government’s flagship health scheme for the poor, Arogya Sri, Aayushman Bharat and the Employee Health Scheme (EHS) for government employees. During the two waves of the COVID pandemic, they obtained authorization to treat COVID-19 patients, which proved advantageous for them during this medical crisis. Alongside capitalizing on government flagship schemes, they earn substantial margins in the medical store¹⁰⁸ and diagnostics of the hospital.

The provincial business elites like Gatti Paparao benefitted from the changing character of the agricultural lands on the one hand. On the other, the new economy, as indicated by Manuel Castells, provided the space for the provincial elite to emerge and accumulate wealth. Expanding this point further, while the changing character of their agricultural lands provided them with the required capital/funds locally, the changing of the education system (towards privatisation by fund cutting of public investments in education and also health) provided them with an opportunity to establish a school or a hospital and rent out their commercial property. This dual process (provincial resources and macroeconomic changes) creates the provincial elites. The provincial people navigate the process of macroeconomic changes, and in so doing, they emerge as provincial elites, utilising their provincially available resources. In other words, it is not just the land that helped them rise economically but also the neoliberal policies that aimed to provide excessive support to the private players in various fields. While these neoliberal policies also paved the way for big capital (in terms of corporate, educational institutions and hospitals) to enter small towns as well (as part of

¹⁰⁸ Doctors tend to prescribe medicines that offer significant profit margins, and they often procure these specific medications exclusively for their medical stores.

capital expansion), this stokes the competition between the provincial elite (who has been running a private school or a hospital) and the big capital (say, corporate school or corporate hospital).

Section III: Agrarian Communities, Trading Past and Non-Provincial Networks

The emergence of provincial elites from agrarian communities can be attributed to three distinct streams. Firstly, the investment of agrarian communities in the education of their children, which, in turn, elevates them to the professional classes. Secondly, within the framework of neoliberal land markets, the process of urban expansion facilitated a transformation in the nature of their lands, leading to their role as rent-seekers within the province. Thirdly, those individuals from agrarian backgrounds who had sufficient agricultural trading and entrepreneurial activities in their villages, successfully transitioned into urban centers by leveraging their accumulated resources and expertise.

Case study 3:

Samatham Ramesh family is one of the influential business families in the town, belonging to Telaga community. They have been running cement, iron, and fertiliser shops in the town and invested in Real Estate, where the family made substantial gains. If one delves into their family history, although they belong to the agricultural community, their family from their grandfather's time involved in agricultural trade. The family hailed from Mandakuriti village, 17 km from Rajam town. Their grandfather has gotten fifteen acres of agricultural land as ancestral property. His grandfather has four sons and three daughters. Along with agriculture, his grandfather and later, his father (the youngest son among the four) involved themselves in agricultural commodity trade, often transacting in Ponduru and Rajam towns. The emphasis on investing in land remained strong within the family, with all the surplus directed towards acquiring more agricultural land. Between the 1960s and 1990s, the surplus the family gained through agriculture and trading was invested in acquiring agricultural lands, thus making the ancestral fifteen acres of land into sixty acres of agricultural land¹⁰⁹. This contributed to their financial growth, and the family eventually became influential¹¹⁰ in the village and was active

¹⁰⁹ That sixty acres of agricultural land was collectively owned by the joint family of four sons of his grandfather).

¹¹⁰ Tuition teachers came to their home to teach their children. Their family had agriculture, and allied activities such as cattle. Two *palerlu* worked in their family and fields.

in politics. Along with trading business, his father was interested in politics and assumed a significant role as the TDP party president for nearly a decade in the Santhakaviti Mandal. His involvement in both trade and politics further bolstered the family's influence and opportunities.

His father always wanted to establish a business in Rajam¹¹¹. Surplus through agricultural trading provided the necessary funds for their transition into town, facilitating connections with influential individuals in the business and political realms. They eventually established cement, iron, and fertiliser shops, under the name Sri Srinivasa Trading Company, in Rajam town during the late 1990s. Their cement and iron business experienced consistent and substantial growth over the past two and a half decades, coinciding with the town's remarkable growth in the construction sector¹¹² and a surge in population, along with the rising aspirations to construct houses in nearby villages. They have recently diversified into real estate, mainly through partnerships in real estate ventures. They are now worth Rs. 200 crores. Now, their cousins from the joint family also quite successfully ventured into various businesses such as cement and iron, rice mills, tiles and marbles, and construction, while others are into professional employment.

Few of the agrarian communities, with their trading past, launched themselves in various businesses in the town. Although it may not displace the established players but it definitely stokes the competition between established and emerging players. It is interesting to see how these individuals from agrarian communities navigate and establish themselves and subvert the dominance of established players, thereby broadening the social base of the business establishments. For instance, the gold business in the town is driven significantly by the Vysya community, known for its strong tradition in the gold trade. Nevertheless, now the trade is not limited to them, as individuals from Turpu Kapu and Telaga communities have also established numerous jewellery shops in Rajam town.

¹¹¹ Although it was joint family, some of the funds were utilised from the joint corpus to establish business for his two sons in Rajam. His nephews claim that our uncle cleverly sidelined some of the surplus for his son's business. This invited some family disputes as well. By the end of the 1990s, while the three daughters were married to Telaga agricultural families, the properties and agricultural land were distributed among the four sons.

¹¹² A seasoned mason, with close to three decades of experience, stated that since the 1990s, construction laborers have consistently found employment every single day without fail.

Table 6.4. Caste-wise distribution of Jewellery stores

	Different Castes						
	Turpu Kapu	Non-locals (Baliya and Reddy)	Telaga	Vysya	Viswa Brahmin	Koppula Velama	Marwadi
Jewellery (41)	42%	29.00%	9.76%	7.32%	7.32%	2.44%	2.44%

Source: Field data

Interestingly, the Baliya community also plays a prominent role in Rajam's gold business. Initially, an individual named Narasayya (a Baliya) from Ongole arrived in Rajam and established a jewellery shop. Recognising the town's potential, Narasayya encouraged his relatives to join him and set up their own jewellery shops, thereby creating a strong presence of Baliyas in the gold trade. Similarly, a Reddy family who hailed from Anapurthi of East Godavari, migrated to Rajam four decades ago for the finance business (see Section I in this chapter on moneylending) and later diversified into the jewellery business. Also, people belonging to Telagas, Viswa Brahmins, and Koppula Velamas have established jewellery shops in Rajam town (see Annexure 3 Table C, for their proportions). All the owners of the jewellery shops formed an association to advance/promote their interests and create a conducive atmosphere with the government officials in the town. This association collects a monthly fee of 1000 INR from its members, and the funds generated are then utilised to establish effective "liaisons" with government officials and authorities in the town.

Although Vysyas still dominate the trade in terms of volume, the Turpu Kapus also hold a significant presence in Rajam town, owing to their close business connections with Machilipatnam and harnessing non-provincial networks. Machilipatnam is reputed for its thriving imitation gold or gold-plated jewellery industry, where skilled workers craft rolled gold ornaments of various kinds. These products find their way to markets in Saudi Arabia, China, Sri Lanka, Thailand, and within the South Indian states of Tamil Nadu, Karnataka, and Kerala. With an annual turnover ranging from Rs. 150 to Rs. 200 crores, this industry provides direct and indirect employment for nearly 60,000 individuals (Brahmaji, 2023). Recognising its significance, the government has proposed the establishment of the privately-owned 'Machilipatnam Imitation Jewellery Park Limited' on 46 acres of land (ibid). Before

the 1990s, many individuals from Bejjipuram village in Laveru Mandal, Srikakulam, migrated to Machilipatnam to seek employment in the flourishing jewellery industry. After working and acquiring expertise in gold works and trade for several years, they subsequently spread out to various towns in North Andhra, including Rajam, where they established successful jewellery shops. The story of Ramesh Naidu traces this journey.

Case study 4:

Ramesh Naidu's father (a Turpu Kapu) migrated to Machilipatnam in the early 1980s in search of better livelihood opportunities, as agriculture was not proving to be financially rewarding. His father found work in the "*Masikattu Vyaparam*¹¹³" in Machilipatnam. Following his father's footsteps, Ramesh Naidu joined the family business at a young age and learnt the art of goldsmith work. After gaining nearly two decades of experience in Machilipatnam, Ramesh Naidu had aspirations of establishing his own jewellery shop. While initially considering Hanuman Junction in Krishna district, he eventually set up his business in Rajam town for two compelling reasons. Firstly, Rajam had relatively low competition in the jewellery business¹¹⁴ during that time, presenting a promising opportunity. Secondly, recognizing the dominance of the Turpu Kapu community in the region, he believed that Rajam would offer a secure and supportive environment for his business, both in terms of customers and political backing. With personal savings and loans from family and friends, Ramesh Naidu established his jewellery shop in Rajam in 2000. His business in Rajam flourished for nearly one and half decades, to such an extent that he could effectively compete with the Vysyas, a prominent business community. There have been allegations suggesting that he engaged in the purchase of 'stolen gold' from local thieves and also in the practice of mixing lower-quality gold in the ornaments. He invested the surplus from the gold business into real estate. He says he made a policy of purchasing at least one real estate property¹¹⁵ yearly. He didn't resale those properties whose prices, as he claims, increased hundred times. He has served as the president of the Jewellery Shops Association in Rajam town on multiple occasions, actively engaging in its affairs. Additionally, he played an active

¹¹³ *Masikattu Vyaparam* is hunting for precious metal pieces such as gold in the waste from jewellery manufacturing shops, and rolled gold business (Reddy, 2019).

¹¹⁴ By then, only Kalki Jewellers was set up by a Vysya family in 1998.

¹¹⁵ He further states that he was able to follow this principle till 2012. With the surpluses, he bought a house in the towns Rajam and Vizianagaram and established three commercial properties and houses, which are given on rent and purchased real estate sites in Rajam town and acquired sixteen acres of agricultural land.

role in the Turpu Kapu Caste Association. He fostered liaisons with local bureaucracy and local politicians. He is a devotee of Ramachandra mission ashram and donated land to construct its Ashram in Rajam.

His VIT graduate son wanted to enter the family business. So, building upon the success of his business in Rajam town, he attempted to expand his enterprise into Vizianagaram in 2012, establishing a large store. However, unlike his experience in Rajam, entry into Vizianagaram proved challenging and eventually failed. The failure was primarily due to the presence of numerous well-established competitors and the entry of corporate players such as Vaibhav, Lalitha, CMR, Khazana, Tanishq, and others. Consequently, he redirected his focus towards further expanding his existing business in Rajam town.

Despite coming from an agricultural background, his family's involvement in the gold business for nearly three decades provided him with surplus funds, expertise, and significant jewellery trade networks. These networks and expertise counterbalance the competition posed by established businesses within the town. Additionally, the profits from the gold trade in Rajam allowed him to invest in commercial real estate properties, agricultural land, his children's education, and gold.

While the provincial players reap their business connections with non-provinces and launch themselves in the provincial businesses (as indicated in the Ramesh Naidu story), the non-provincial players, with their wider networks, enter into different provinces and exploit the opportunities it provides. The networks, which are nurtured along the caste lines, are quite helpful in entrenching themselves in other provinces. In this regard, the case of Ankella Baburao is quite noteworthy. If Kolkata is renowned for new gunny bags, the town of Tuni has gained popularity for its trade of repairing and selling old gunny bags, extending its influence across the state. For decades, the Telaga community has been actively engaged in this business, purchasing used gunny bags from various states, repairing them, and subsequently reselling or re-exporting them. This practice has sustained itself over time and has become deeply ingrained in Tuni town's economic activities. Their primary focus is the skilful mending and restoration of old gunny bags. Having been entrenched in this business for decades with well-knit connections, many Telagas migrated to different parts of the country as part of this business.

Case study 5:

In a similar manner, Ankella Baburao's family decided to migrate to Rajam town in 1975 in pursuit of business opportunities. During that period, towns like Rajam were known for their vibrant agricultural commodity trade with heavy participation of local Vysyas in the market. The demand for both old and new gunny bags was substantial in this trade. Leveraging their connections with Tuni, where individuals from their caste and kinship network were involved in the same business, Ankella Baburao's family established a virtual monopoly in the town. Their success and expansion coincided with the growth of agricultural trade in Rajam, which continued until the mid-1990s.

Along with Rajam, they supplied the bags to rice millers and agricultural commodity traders in other towns in Srikakulam and Vizianagaram. Due to their extensive connections with members of their caste involved in the gunny bag business across the state, Ankella Baburao's family established a monopoly in Rajam town. When there was a higher demand for bags than they could supply, they could rely on their caste members in Tuni to provide the necessary bags. Conversely, if there was a surplus of bags, they had the flexibility to send them to Tuni. This network of connections allowed them to effectively manage fluctuations in supply and demand, ensuring a smooth operation of their business. This business required hard labour, key connections and a sufficient local market for the old gunny bags. Even though local players entered this business, they were not as successful.

Baburao utilised kinship and community networks utilized to protect their business interests. However, if the suppliers of gunny bags and the traders or millers who required the gunny bags belonged to the same community, this could undermine the existing monopoly. For instance, in towns like Srikakulam, Narasannapeta, Tekkali, and Pasala, where Kalinga Vysyas are actively involved in the gunny bag business, the local millers and traders, who also belong to the Kalinga Vysya community, prefer to engage in business with their fellow community members. In both scenarios, the influence of caste and community networks significantly shapes business dynamics.

Following the economic shift in the town around the 2000s, Baburao's family diversified into the real estate sector. Although the demand for gunny bags declined by then, the surplus they accumulated thus far provided the necessary funding for their diversification and transition. The family seized the opportunity in the real estate sector growth in the town and

successfully established themselves as prominent players. In 2012, they expanded their business portfolio further by starting a rice mill and acquiring a pipe manufacturing company through an auction in Rajam town. Both of these units operate with a workforce employed on a daily wage basis. Additionally, they have ventured into building commercial properties for rental purposes. As a result of their entrepreneurial pursuits, the family's net worth currently stands at approximately INR 150 crores.

These case studies illustrated how agrarian castes could enter into businesses and the routes through which they did so. While neoliberal policies may have played a role, provincial elites navigated these policies and shaped them to their advantage by utilising various resources such as land and education, as well as various networks, including their interactions with non-provincial business networks and expertise. This has resulted in the expansion of the social composition of business elites in the town, drawing in elites from different castes, mainly Turpu Kapus and Telagas, to the existing list of Vysyas, Velamadoras, and Devangula. However, the question remains: What facilitated this phenomenon at the provincial level? The next section explores this question.

Section IV: Land Rents, Assetization, and Expansion of Secondary Circuit of Capital

Economic reforms have opened the route for foreign capital (FDI) in real estate, which has been shaping the infrastructure sector (especially housing and townships) in contemporary India¹¹⁶ (Chadchan & Shankar, 2012). As indicated in the Introduction chapter, the significant increase in population in the towns post-globalisation period has been restructuring the new demands for infrastructure in the towns, such as housing, water facilities, drainage systems, health, education, etc. On the other hand, the Government has withdrawn from providing the above-mentioned infrastructural facilities and facilitated and streamlined the entry of private players into the urban infrastructure (ibid).

¹¹⁶ To put in perspective, the demand for infrastructure investment during the 11th Five Year Plan (2007–2011) has been estimated to be US\$492.5 billion (Planning Commission, 2007a). According to Planning Commission (2007b) during the period 1994–1995 to 1999–2000 the real estate services, housing and construction sector grew by 4.6%. In this, housing sector grew by 2.8% only while the construction sector grew by 6.4%. As per FICCI (2005), the real estate industry in India is around US\$12 billion. This figure is growing annually at a pace of 30% for the last few years. Almost 80% of real estate developed in India, is residential space and the rest comprise office, shopping malls, hotels and hospitals (these reports are quoted in, Chadchan & Shankar, 2012).

Since liberalisation, the state's economic role has primarily centered around benefiting the elite by creating and distributing economic rents, granting monopoly profits to certain sectors and powerful allies. This has led to significant advantages for politicians and large-scale actors, while small and medium businesses face increasing disadvantages in accessing capital, regulatory favour, and government support (Naseemullah, 2020). As the state has increasingly less power over the direction of capital in the economy, neo-liberal policies have benefitted banks, insurance, real estate and financial services concerns, allowing short-term profit maximisation over developmental priorities (ibid). While characterising the changes in the land brought about by the integration of land into the realm of finance capital, Searle (2013) says:

“..... that Indian land is taking on new value internationally; it is being transformed from a resource for agricultural or industrial production into a financial resource increasingly available to international corporations and [local] investors. Scholars have characterized this transformation in terms of Marx's “primitive accumulation” or Harvey's “accumulation by dispossession,” whereby new assets are made available for capitalist accumulation through enclosure and dispossession (Harvey, 2003; Chandrasekhar, 2006; Basu, 2007). The state is a key actor in this process, as it privatizes public assets, appropriates land for private construction, and opens urban development projects to private interests” (Searle, 2013; p.66).

In light of these structural changes, the contemporary land question and the associated processes of dispossession have shifted away from narratives centred around development and industrialisation. Consequently, it becomes crucial to bring the land question into the neoliberal framework and analyse the implications of land ownership during an era marked by extensive financialisation and commodification. By doing so, we can understand what it means to possess the land in this context and explore the opportunities it offers for the overall trajectory of capitalist development (D'Costa & Chakraborty, 2017). Harvey (2005) proposes the concept of ‘accumulation by dispossession’ as a theoretical framework to elucidate the phenomenon of land acquisitions and dispossessions in the context of neoliberalism. According to Harvey, the crisis inherent in global capitalism, caused by excessive capital accumulation, leads to the reclassification of land as a non-productive component within the circuits of capital. Consequently, land has been transformed into a tradable financial asset, detached from its traditional role in productive activities.

While forwarding the reconceptualization of primitive accumulation in neoliberal times, Adnan (2014) brings the causal interlinkages between primitive accumulation and capitalist production. He identifies two contrasting causal directionalities to indicate how these processes unfold in the neoliberal era: one, from capitalist production to primitive accumulation and second, from primitive accumulation to capitalist production. Regarding

the former process, he says, the capitalist production itself has driven land grabs through the deliberate dispossession of peasants and indigenous peoples, resulting in resource expropriation beyond the appropriation of surplus value from wage labour. In these cases, the causation flows from capitalist production to primitive accumulation. And, regarding the later process, he says that not all mechanisms leading to primitive accumulation aim to procure inputs for capitalist production. This process is particularly evident in indirect mechanisms like the neoliberal dispossession of peasants and artisanal producers. The unintended consequences of these indirect processes involve the subsequent deployment of land, labour, and commodities in capitalist production. Here, the causation shifts from primitive accumulation to capitalist production (Adnan, 2014). He suggests these two processes are interconnected and mutually dependent, forming distinct facets of an integrated and interdependent causal relationship. One significant implication of this hypothesis is that primitive accumulation can either serve as a prerequisite or a result of capitalist production, depending on the specific phase of their dynamic interaction.

In the context of Rajam town, land transfers can be categorised into two distinct waves: the pre-real estate era (before the 2000s) and the post-real estate era (after the 2000s). The land transfers before the 2000s were primarily associated with agrarian changes and the government's lack of attention toward agriculture. In contrast, the land transfers that took place after the 2000s were influenced by the neoliberal principles of capital.

First wave (before the 2000s):

GMR group acquired significant amounts of land for its industrial units, educational institutions, and hospitals. However, he acquired more land than necessary for their economic activities. Part of the surplus funds generated by GMR's agro-based industries, such as jute mills in the region, found their way into purchasing agricultural lands. The lands of Turpu Kapu and Telaga communities and other agrarian castes from Dolapeta, Bucchampeta, Kondampeta, and Kancharam villages were acquired. Multiple factors, including the vulnerability of the agrarian sector, a series of droughts, and the absence of proper irrigation facilities, compelled farmers to sell their agricultural land. Due to these factors, GMR acquired a few thousand acres¹¹⁷ in and around the town at relatively low prices (ranging

¹¹⁷ Even the modest estimations from reasonably credible sources in the field indicate that he owns a land bank of nearly fifteen hundred to two thousand acres of land within the vicinities of the Rajam town.

from one hundred to fifteen hundred rupees per one cent). This availability of willing sellers often results from agrarian distress (Vijayabaskar, 2020). The process of land acquisition reveals even more insights. GMR enlisted the support of village elders¹¹⁸ from the villages to facilitate the acquisition of lands. Subsequently, he formed a dedicated team of five elders from nearby villages where he intended to make land purchases. These village elders played a crucial role in persuading villagers to sell their lands and negotiating the prices. It is worth noting that this extensive acquisition took place before the development of the commercial real estate sector and without active state involvement¹¹⁹. While other Vysyas also acquired agricultural lands when venturing into establishing industrial units in the town, their acquisitions were not on the same scale as GMR's.

In contrast, the second wave (after the 2000s):

Scholars such as Levien (2012) argue that a significant shift has occurred in the factors and process of land dispossession since the 1990s. This shift entails the state assisting private players in accumulating wealth through rent-seeking rather than creating value by utilizing the land. This transformation is often associated with changes in agrarian practices during neoliberal times (Vijay, 2012; Vijay & Sreenivasulu, 2013) and changes in the governance of accumulation (Vijayabaskar, 2020). Vijay (2012) highlights how land markets in the neoliberal era have facilitated non-cultivating households in Andhra Pradesh to acquire land from cultivating households, resulting in the dispossession of the latter. This phenomenon is noteworthy due to the prevalence of 'below the radar transactions' (Vijayabaskar & Menon, 2018), which offer insights into the nature of capitalist development and land markets. Instead of only concentrating on land grabs and large-scale acquisitions, it is essential to acknowledge the micro-level changes occurring through below-the-radar transactions as well. Because the transformation of land and its changing character extend beyond large scale acquisitions under neoliberal land markets. Interestingly, Rajam town exemplifies both large-scale acquisition by GMR over the years and the significance of below-the-radar transactions. Despite being distinct time periods, there exists a connection and underlying logic that ties them together.

¹¹⁸ They are called '*peddhamanushulu*' in local terms and play a role in village politics as well.

¹¹⁹ It doesn't mean to say there is no tacit support from the local bureaucracy. The qualification is made precisely to say that state didn't acquire the land (nor initiated the negotiation processes) and handed it over to GMR.

In the late 1990s, the commercial real estate market began in Rajam town, initiated by two doctors¹²⁰. They could purchase agricultural land and start their business by leveraging their popularity in the town. The process involved several steps: Initially, they offered farmers an advance payment for their agricultural lands and agreed to pay the total amount within one year. They converted the farms into multiple plots and put them up for sale. The prevailing model at the time was the Equated Monthly Instalment (EMI) system. In this model, customers would agree to pay a specific amount each month until they paid the total cost of the plot. For instance, they had to pay 10,000 rupees for a 15 by 60 plot in fifty monthly instalments. Real estate agents were responsible for looking for customers and ensuring customers made their EMI payments. The EMI-based real estate prevailed in Rajam till the mid-2000s.

It is not enough to indicate what type of economic activity can create a surplus, and it is equally important to understand the practices that contribute to wealth creation in that economic activity. Real estate players adopted various practices to generate surpluses both from the outcome of the process and through the process itself. Three practices are noteworthy. Firstly, they converted agricultural land into commercial real estate, significantly increasing its value. They purchased the land at agricultural rates but sold the plots to customers at higher commercial prices. Secondly, in the EMI model, they sold more plots than they possessed, collecting EMIs from more customers. This allowed them to acquire additional agricultural land adjacent to the layout or elsewhere using the surplus funds. Lastly, they organized monthly lucky draw events to attract customers, where the winner would be exempt from further EMI payments. However, some customers discontinued their payments before completing all the EMIs, others did not receive the promised property despite making total payments, and a few were allocated sites in different locations instead of initially shown. Although this was the early days of real estate in Rajam, this EMI model did not last for more years.

Because the real estate market in Rajam town experienced a significant surge from the mid-2000s. This growth was driven by various factors, including the influx of government employees, particularly teachers, who migrated to the town for better living standards and

¹²⁰ One belongs to Kamma community. He migrated to Rajam to work as duty doctor in St. Anns Hospital and later set up 'Gorantla Nursing Home' in Rajam town. That was one among the early clinics in the town and he gained good reputation in the town. Another doctor is from Ponduru, 15 km away from Rajam town.

education opportunities for their children. Increased salaries through PRCs¹²¹ (Pay Revision Commission) and the availability of bank loans based on these salaries further fuelled the demand for properties among government-salaried individuals. As a result, there was a notable transformation in the real estate business, with government employees actively purchasing properties to construct their own houses. This demand contributed to the emergence of layout projects like Navya Real Estate and Vasavi Real Estate and, in a way, to the rapid expansion of the real estate market in Rajam town. In the later years, with increased salaries for government employees and the CTC packages for professional classes such as software, rent-thick sectors like health and education have increased the demand for land in the towns, both for building houses and investing in property. Furthermore, whether one realises the dream or not, the “aspiration” to buy some piece of land in the town is high among all the communities (field interview from real estate brokers). In other words, the savings patterns have changed, and the absolute incomes have increased for the salaried employees in public and private sectors. Additionally, as individuals seek higher returns on their investments, there is a clear trend towards directing funds into areas with the potential for substantial returns. Given the scale of real estate as indicated till now, an analytical framework has been developed to explain the dynamics in Rajam town.

Towards an analytical framework:

Within this framework, there are four key players involved. The first group comprises **brokers**, who facilitate land transactions and earn a two per cent commission from the buyer and seller. Brokers play a crucial role in real estate due to their vast field knowledge. They not only speculate the land prices but also expedite the transaction process. Many individuals are attracted to becoming brokers because of the perceived benefits of earning quick and easy money with minimal or no investment. They carry the information between the buyers in various places such as Hyderabad, Visakhapatnam, Bengaluru and abroad and the local seller. In other words, they act as essential nodes for exchanging information within the province and between the provinces and non-provincial places and anchor the transnational flows.

The second important participant in the real estate sector is referred to as the **broker cum investors**. These individuals negotiate the land price with property sellers and provide a token advance payment with the understanding that the remaining amount will be paid in one

¹²¹ AP government PRCs from 8th PRC, 9th PRC, 11th PRC and 12th PRC.

or two instalments within a specified timeframe. Simultaneously, brokers actively search for potential buyers and typically quote them higher prices than the prices initially agreed upon with the sellers. If the transaction goes through successfully, the broker cum investor/trader realizes a substantial profit margin using only the token advance funds. It is pertinent to highlight two significant aspects of this process: firstly, a notable degree of speculation is inherent, and secondly, brokers who also function as investors must possess sufficient funds to fulfil the transaction in case no buyers come forward. Many people with a regular flow of income entered the real estate market as **broker cum investors**.

In this context, the involvement of one such community, i.e., teaching community in real estate, assumes particular significance. Since the post-2004 period, their entry into the local town and real estate markets has profoundly impacted the real estate business. Apart from acquiring property sites for residential construction, they actively participate in the real estate business. Factors such as their salary ranges, access to personal loans from financial institutions, provident fund facilities, private loans obtained from colleagues, regular access to town-specific information, and the social credibility they enjoy allowed them to play this role. Consequently, they have emerged as substantial beneficiaries in speculative land markets, assuming diverse roles as brokers, intermediaries, investors, traders, and speculators. Together, both brokers and broker cum investors play a critical role in shaping the real estate landscape and speculating land prices.

The third group in the framework is **property developers**, who play a significant role in real estate. These developers acquire substantial parcels of land, typically agricultural land, and transform them into marketable real estate properties. They require a lot of capital for the whole process to be done. However, due to the escalated land prices, many layouts are now established through joint ventures with various arrangements. Additionally, the availability of agricultural land in close proximity to the town has become limited.

The fourth category within the framework comprises **pure investors**. The participation of this category is of utmost importance for the entire real estate sector, as their investments contribute significantly to its growth and development. There are two distinct types. The first type consists of individuals with ample financial resources, derived from their business activities, professions, or regular income from commercial rents. Unlike the broker cum

investor group, these investors do not actively trade¹²² the land. Instead, they acquire properties to hold them for future returns. Within the town, a few individuals from Vysya, Turpu Kapu, and Telaga communities frequently purchase plots and accumulate a substantial portfolio of properties. The second type comprises aspiring investors who seek to buy a property in the town using their personal savings and loan facilities. These individuals aim to either construct residential properties for their personal use or develop commercial properties for rental purposes. Many individuals from rural areas are keen on investing in properties within the town. This fourth category encompasses various professionals such as government employees, software professionals, individuals receiving remittances from abroad (NRI), doctors, lawyers, local business people, and more.

This categorization serves a dual purpose: it facilitates the analysis of the processes underlying the land markets and speculative logic of capital while also providing insights into the layers of capital at work within the regional economy. Current observations show that a significant surplus is directed into real estate and urban properties. In this context, this framework allows us to unpack the processes and explore avenues that generate surpluses, which are channelled (either partially or entirely) into the real estate and urban property sectors and explain the process of assetization.

Rent-seeking activity, the assetization of provincial surplus and consolidation of wealth:

A considerable number of **brokers cum investors** provide an advance payment to property sellers with the expectation of subsequently reselling the property to another buyer at a certain profit margin¹²³. If he finds an investor, he gets a good amount of profit. There are

¹²² Most of the land transactions are in trading only. Brokers and investors in the field have indicated that nearly 70% of the real estate land is in trade only and there are nearly one lakh plots have been sold in Rajam town in the last decades. To indicate the scale: One property which was 4 cents of the site in 1991, costed 44,000 thousand is now costing nearly 1 Crore. Some people had multiple properties; Near More supermarket, a small bit of land has been bought for 1.2cr; Nearby one hospital, 44 cents of land have been sold for 5.6cr; In Guravam village, adjacent to GMR college, 20 cents of agricultural land. 1 cent has been bought for 92,000 in 2017. Then it resold at 1,23,000, at 1,80,000, at 2,10,000, and at 2,30,000 per cent. From around 18 lakh rupees property in 2017 to 56 lakh property as of May 2020. Farmer has been paid only 92,000 per cent and still the land documents with the farmer while meanwhile it changed hands four times; Around DAV school, 2 acres of land has been bought at 4.4 cr per acre. And, within 40 days, it has been resold at 5.3cr per acre.

¹²³ For instance, if there is a property worth twenty lakhs for sale, the broker cum trader pays a certain amount as a token advance, say one lakh rupees, and agrees to pay the total amount in one month to three-month duration. Meanwhile, he looks for another buyer to resell the property, usually at a higher price than the initial deal, say twenty-three lakh rupees. If he finds the buyer, he gets the three lakh rupees as the profit and the registration would be done between the actual seller and the buyer.

numerous instances in the town where a property has changed hands multiple times before the final registration between the original seller and the ultimate buyer on the title deed. Essentially, this means that several individuals, acting as **broker cum investors**, have made minor investments in the property purely based on the anticipation of short-selling it to another party and benefiting from the transaction. Ultimately, the final buyer in this chain of transactions is a pure investor. In this process, the pure investors consolidate their wealth by diverting their surplus into acquiring assets while the broker cum investors derive rents from the whole activity. What separates the ‘broker cum investor’ and ‘pure investor’ is the aspect of ‘resale’. Whereas the former buys the property to resell it quickly, and so he gains the profit margin if he succeeds in selling the property to another party (investor or broker-cum-investor), the latter buys the property to keep it for future, and he doesn’t want to resale the property immediately.

One crucial question that arises is what happens if no **pure investor** comes forward to purchase the property. In such cases, the ‘chain’ of transactions breaks, and the property remains with the **broker cum investor** who initially bought with the intention of short-selling rather than as an investment for the future. Consequently, the last buyer in this chain must fulfil the financial commitment, regardless of their ability to resell the property. Therefore, the **broker cum investor** must possess the necessary financial capacity to sustain and potentially profit from this speculative process. This process invites another question: what if the **broker cum investor** cannot either resell the property or retain it for future returns? In such circumstances, the transaction tends to reverse and can give rise to various complications and issues.

This situation can arise in **three** scenarios. Firstly, Sometimes, the pure investor encounters difficulties in liquidating their assets. Given that a significant portion of the surplus is being converted into assets (assetization), the investor may have to sell some existing properties in order to acquire a new property. He cannot purchase the intended property if he does not find an investor to liquidate the property to buy another. Secondly, regular investors in the town consistently purchase properties whenever they become available for sale. These investors have a steady surplus from their businesses, occupations, or other economic activities. However, if they experience a shortage of income or seek to diversify their business ventures, they may refrain from purchasing additional properties. Instead, they may liquidate their existing properties to acquire capital for their other ventures. Thirdly, investors sometimes

adopt a cautious approach and monitor the situation when property rates soar due to excessive speculation. If the rates in the town become unfavourable, they may invest in other towns/cities or buy agricultural land¹²⁴. Despite these potential irregularities, the presence of **broker cum investors**, the rapidity with which properties change hands, and the number of individuals involved before the transaction concludes are all distinctive features of speculative capital, representing the new logic of capitalist accumulation.

If one extends the discussion further to analyse the impact of real estate land markets on the agricultural lands in peri-urban areas, the real estate sector has undergone a significant evolution in terms of land conversion over the past two decades. The agricultural land has significantly transformed into commercial real estate in the surrounding areas of the town, often involving agricultural lands in peri-urban villages. The transformation of land into real estate followed two distinct processes. Initially, agricultural land was converted into industrial units, and later, these industrial areas transitioned into real estate properties. This meant that agricultural lands, which were previously transformed into industrial units (such as jute mills, oil mills, rice mills, cable industries, etc.), mostly by the Vysya community, are now being converted into real estate by the same group. Secondly, some agricultural lands underwent direct conversion into real estate without going through the intermediate step of industrial development. This process is primarily carried out by real estate developers.

However, since the mid-2015s, the pace of conversion of agricultural land into commercial real estate plots has slowed down within the vicinity of the town. This does not imply that there is no agricultural land available for conversion. Previously, farmers would sell their agricultural land based on prevailing agricultural land prices, resulting in substantial profit margins for real estate developers. Early entrants into the real estate market greatly benefited from such conversions, as their investments primarily consisted of low-cost and extensive agricultural lands. However, some agricultural families have now recognized the commercial potential of their lands and have become reluctant to sell them. In particular, families whose younger generations have received education and secured salaried positions, either in the government or private sector, are choosing to retain their lands. In other words, the agricultural families of different castes, with a certain level of flexibility, are holding onto

¹²⁴ Some investors, with multiple commercial plots in the town, indicated that since the rates in the Rajam town are high, they are planning to redirect their investments towards acquiring substantial tracts of agricultural land in nearby villages.

their lands. Even if they decide to sell, it is done as commercial property rather than agricultural land. Essentially, those families, with a little bit of flexibility, have self-converted their agricultural lands into commercial real estate assets, transforming their perception of the land¹²⁵. This indicates that regardless of whether the land is actively in circulation, it has already acquired the nature of a commodity due to the influence of capitalist urbanization and the speculative logic of land in neoliberal times.

The real estate sector is constantly influenced by various triggers that ignite its activity. When there is an influx of money from diverse sources, the market tends to experience sudden surges. In the past, government teachers played a significant role in triggering these market shifts. Similarly, the change in liquor policy by the YSRCP government, leading to the closure of wine and belt shops, prompted the owners of such establishments to form syndicates and swiftly engage in property acquisitions and subsequent sales within one to two months. Individuals with sufficient funds available for rotation within a given period are often inclined to enter the real estate business, resulting in price increases. However, this explanation alone does not sufficiently account for the recurring cycles of spikes and stagnation observed in the real estate market. To comprehend these patterns, it is necessary to consider additional factors, such as generational shifts and the shifting sources of wealth within the town.

Overall, there is a notable shift in the last two decades and the focus has shifted from *converting agricultural land into commercial properties* to *converting existing commercial properties into newer commercial developments*. This shift signifies a transition within the real estate market, where the primary emphasis is no longer only on converting agricultural land into commercial ventures. Instead, the market has seen a proliferation of commercial-to-commercial conversions, indicating a growing trend of repurposing within the commercial real estate sector. It is important to note that this shift does not discount the significance of agricultural land conversions or the role of agricultural farmers in contributing to the real estate market. Instead, it only showcases the dynamic nature of capitalist accumulation and the various pathways through which the logic of the speculative land market has brought into the circuits of capital accumulation. Furthermore, with the influx of numerous players (brokers, broker cum investors, pure investors and property developers) into the real estate

¹²⁵ For instance, a three-acre agricultural plot may be viewed as a single large ‘bit’ containing 20 individual plots.

sector, there is now greater accessibility to information regarding available properties and their respective prices compared to previous periods. This increased availability of information has elevated the speculative aspect of the market to a new level. Rather than being confined to secret rent-seeking activities, speculation now manifests as notable spikes in land prices driven by demand. This evolving dynamic reflects a transformation in the real estate sector, where market players are driven by their anticipation of future gains and engage in speculative activities openly on the one hand. On the other, it signifies a demand in the land markets.

Levien (2012) argues that increasingly there is a greater degree of the commodification of land because of significant changes in the relations of production (removal or exclusion of labour from circuits of capital) and the growth of dynamic increase for land prices, resulting from the speculative logic of capital. And he further notes that this process affects various castes and classes in the local economy differently. In other words, the well-to-do families with sufficient income supply have invested in the speculative circuits of capital, such as buying lands and extracting ground rents. They are involved in the trade and get commissions as agents or brokers. On the other hand, poorer households are engaged in casual labour and self-employed in petty commodity production (PCP) (because stable regular employment is not available for all the dispossessed). These people are subjected to market-based exploitation through circuits of unproductive capital. Taken together, the uneven outcomes of land dispossession can be seen as 'relative proletarianisation', instead of dispossession without proletarianization (Levien, 2012). There is a greater degree of exclusion of many people from the circuits of capital (Bhattacharya & Sanyal, 2011) and the resultant rise of the need economy and petty commodity production. Depropriation and conversion of agricultural land into real estate properties (both by individual owners and private property players) are creating their own 'wastelands' (Bhattacharya & Sanyal, 2011). The point is that labour is excluded. The service sector and other sectors cannot absorb them into the circuits of capital because capital has shifted from labour-intensive semi-skilled work to capital-intensive and skill-based (Bardhan, 2009).

As indicated in this section about how land is getting transformed over the years in Rajam town, these transformations attracted to many individuals to exploit the neoliberal land

markets and derive wealth from the processes. Among the 32 real estate ventures in Rajam town (see Annexure 3 Table C and Table D), Vysyas accounted for the largest share at 31.25%, followed by Turpu Kapus at 25%, Devangula at 12.5%, and non-locals (Kamma and Telaga, independently) also at 12.5%. Most of these layouts are unauthorised, giving rise to rampant corruption at the registration office. The owners of unauthorised layouts in various areas, such as Saradi, Rajam, Ponugutivalasa, Gopalapuram, Kottavalasa, and Kondampeta, are selling plots to private parties using registered documents. And the concerned sub-registrars are registering these plots without proper verification. The total area of these layouts is approximately 71 acres, and there are a total of 21 real estate ventures in Rajam (Sumadhura, 2019). The rise of agricultural land's significance in the context of neoliberal capitalist expansion (Gururani, 2020) and its connection to the rent-thick real estate sector (Gandhi & Walton, 2012) have paved the way for the emergence of provincial elites within this sector. The stories of Silla Ramesh (a Vysya) and Rami Naidu (a Turpu Kapu) exemplify the processes.

Case study 6:

Silla Ramesh hails from the Vysya community of Pogiri village, located 6 KM from Rajam. His father worked as a small trader. After completing intermediate education, Ramesh worked as a marketing agent in a real estate firm in Visakhapatnam during the late 1990s for a few years. This experience allowed him to gain knowledge about dealing with customers, property sellers, and farmers. After quitting the job, Ramesh partnered with his relative to start real estate ventures in Bobbili and Balijipeta- towns 40 km and 35 km from Rajam town, by acquiring agricultural lands during the mid-2000s. Generally, real estate projects involve acquiring twenty to thirty acres of agricultural land. Ramesh recognized the challenges non-local developers face in agricultural land acquisition and negotiating with farmers. On the other hand, local players benefit from their connections with village elders and politicians, who can influence farmers and assist in resolving any issues that may arise. Considering these potential obstacles, Ramesh shifted to his local town Rajam to establish a real estate business in Rajam town, with support from his brother residing in the United States. He succeeded in developing layouts in Rajam, using the profits to invest in agricultural lands in and around Rajam and properties in Rajam and Visakhapatnam. Currently, the family owns twenty-five acres of agricultural land and has plans to acquire an additional thirty to fifty acres. Their focus is primarily on cultivating commercial crops such as Sree Gandham,

Agarwood, Red Sandalwood, and Malbaries. Additionally, they intend to expand their existing layouts by acquiring adjacent lands. Moreover, they are exploring the possibility of a venture worth ten crore rupees on the outskirts of Rajam.

Case study 7:

On the other hand, Rami Naidu, an influential real estate developer in Rajam town, has established three notable real estate ventures in Rajam town. Naidu hails from the Vedullavalasa village of Garividi Mandal, 20 km from Rajam town. They had two acres of agricultural land. He is the youngest of five siblings. Naidu married a mother's side relative¹²⁶, a niece of an IPS officer. People in the town speculate that his journey into the real estate sector is rather "grey". Alongside his job as a lab technician at GMRIT College following his graduation in 1993, he ventured into the real estate field as an agent to supplement his income. After working there for a few years, the real estate firm's owner registered five out of ten acres in Naidu's name to evade detection or legal issues. It is alleged that Naidu asserted his claims on the registered land, leading to disputes between the owner and Naidu. Eventually, with the intervention of elders, they reached an agreement, which required Naidu to pay a certain amount to the owner and obtain the entire ten acres of land. This marked the beginning of Naidu's success as he initiated two real estate ventures on that land. These ventures were sold to the faculty members at GMRIT, rapidly catapulting him into wealth and prosperity. Although he started as a real estate agent, he had fully transformed himself into an investor and property developer by 2010. In 2019, He, along with a Vysya businessman by name MVR, started real estate venture on approximately ten acres of land with all the VUDA¹²⁷ approvals.

Naidu is closely associated with the Botsa family, a prominent political family in North Andhra region. Leveraging his political connections, he has secured a position as a Simhachalam Devasthanam Trust board member. He emphasizes the significance of social networks and fostering relationships with influential individuals.

"One should nurture the relations if one were to succeed in business. Even before I have a work with certain individuals, I extend them good treatment. Recently, I presented expensive silk garments worth

¹²⁶ His relatives on his mother's side are well-educated and hold influential positions, including some who are IPS officers and politicians.

¹²⁷ Visakhapatnam Urban Development Authority.

ten thousand rupees to a politician. Although they may not require it, such gestures are essential in our approach”.

It is not that these relations are confined to business alone. Even politicians nurture relationships with individuals for their politics. Naidu actively participates in village politics and is involved in numerous charitable activities. He maintains regular contact with villagers, addressing their needs in education, health, and finances, and often participates in religious activities in the village, which proves beneficial during elections. As Naidu experienced financial success through his ventures in real estate in Rajam town, he utilized surplus to expand his business into different sectors. However, his political connections with the influential Botsa family were crucial in furthering his success. These connections allowed him to secure civil contracts in the Integrated Tribal Development Agency (ITDA) and contracts for maintaining signals and communications within the Railways.

While the real estate layouts in the town have largely been done by acquiring tens of acres of agricultural land (what is called as ‘low cost and high extent’), even the smaller parcels of land have also been converted into real estate plots on a huge scale. Because, earlier the prices were based on prevailing agricultural land costs on acreage. However, agricultural land for real estate commercial purposes (usually, the dry lands and on sideways of the main roads) is not available. Given the huge demand price for their lands, the agricultural families are not coming forward to sell the land like before. Even as they sell, they sell at commercial rates prevailing in those locations. This has allowed many small players, also aptly suits the landholding patterns of the region and doesn’t involve dealing with many farmers. A single or group of small players come forward to buy the agricultural land when an agricultural family plans to sell their agricultural land (the reasons are varied now) or commercial land. The following case study illustrates one such story of a school teacher whose assets rose significantly in the last two decades.

Case study 8:

Marrapu Srinivasa Rao, a government high school teacher, hails from the Koppula Velama community in Ramanaidu Valasa, located 8 km from Rajam. His father is a farmer with fifteen acres of agricultural land and a moneylender. Rao acquired a site and constructed a house in Rajam in 2004, leading him and his teacher wife to relocate there. Upon settling in Rajam, Rao received two lakh rupees from his father. Like his father, he also extended loans to interest. In the mid-2000s, he ventured into real estate as a broker, earning a two per cent

commission¹²⁸. Rao, joined by teacher friends as partners, transitioned into a broker cum investor, actively buying and short-selling properties. He gained substantially in real estate and retained profitable plots. With the support of wife and husband salaries, loan interests, and broker commissions, their family's wealth increased by the rising value of personal assets. Alongside rent-seeking activities (broker commission, profit margins on short-selling of property sites, and personal assets), they have also invested in their children's education. Their son, an IIT Chennai graduate, works with MNC while their daughter is still pursuing her studies. All the family savings found their way to moneylending, acquiring personal assets and agricultural land, thus amassing a net worth of approximately INR 50 crores, alongside ancestral property in the village.

These three case studies are chosen carefully to illustrate the following points. It can be observed that Silla Ramesh possesses substantial financial resources; nevertheless, his lack of political support inhibits him from venturing into diverse sectors such as civil contracting. Consequently, he opted to channel his surplus funds towards further acquiring agricultural lands and venture into commercial agriculture. On the contrary, Nimmadhi Naidu benefits from capital and influential political affiliations with prominent politicians in the North Andhra region. This advantageous combination enables him to expand his investment portfolio to encompass eco-tourism initiatives and secure government contracts in which political support and patronage assume significance. Furthermore, those individuals generating surpluses through professions, such as teachers, appear to follow a distinct pattern in the assetization of their surplus income. Given their primary focus on their professions, their surplus funds are often redirected towards asset investments as a viable form of financial investment, making it difficult to trace their financial journey beyond assetization. If one extends these illustrations further, one can analyse the forces behind the assetization of provincial surpluses.

Assetization of provincial surplus and its impact on the businesses:

The assetization of provincial surplus occurs due to several reasons. Firstly, the source of surplus lies in professions such as government-salaried employees, software engineers, doctors, and lawyers. This source inherently imposes limits on its expansion beyond

¹²⁸ With close ties to a jewellery shop owner, Rao accompanied them in property purchases, earning commissions for his recommendations.

assetization. In the past, surplus from agriculture and mercantile activity flowed into investments in small-town businesses and agro-based industries, transforming them into provincial propertied classes (Balagopal, 1987; Upadhyay, 1988). However, the marginalization of agriculture and mercantile activities resulting from neoliberal economic reforms, coupled with the expansion of professional education and job creation in both the public and private sectors, has led to the surplus/savings getting invested in land. As members of professional classes, individuals continue to work in their respective fields, investing their savings in rent-thick sectors like real estate. They cannot visualize establishing small to medium-scale industries or securing contracts from the state without the support of the political class to diversify into different sectors. In other words, while some people generate savings/surplus, many cannot access business opportunities because of the limited access to the state and political class, which acts as an impediment, resulting in the transfer of surplus funds to real estate. Secondly, neoliberal economic policies undermine small and medium-scale industries, favouring big capital, making the real estate sector an attractive investment option for local individuals with surpluses seeking future ground rents. Additionally, as the economy shifts from labour-intensive semi-skilled industries to capital-intensive skill-based service sectors, many provincial elites may need more capital or skills to tap into the opportunities provided by neoliberal capitalism at a broader level. In such cases, the surplus gets directed towards rent-thick sectors like real estate, which offer promising returns. Thus, the assetization process continues.

The nature of land has transformed from being a productive asset, as seen in agricultural and industrial economies, to a financial asset under the neoliberal land regime. The shift reflects a broader change in how land is valued, utilized, and controlled. Under neoliberal principles, land has increasingly become a financial asset. Its value is no longer only dependent on its productive potential but is influenced by market forces, speculation, and investment opportunities. Agricultural lands have been converted into real estate (the process is acres to plots). On the other hand, there is also another type of conversion where the individuals sell a plot and buy some acres of agricultural land (the process is plots to acres). Spatially, both conversion processes, from acres to plots and from plots to acres, play a role in shaping the rural-urban and urban-regional linkages. As part of the urban expansion, the agricultural lands are transformed into real estate through the creation of plots, commercial properties, infrastructure and amenities. And the same urban expansion and the dividends through land markets facilitate individuals to acquire agricultural lands in the nearby villages. These

changes contribute to the integration of rural and urban areas, blurring the boundaries between them and facilitating the flow of population, resources, and economic activities. Adopting a spatial lens to understand and analyse this complex phenomenon is essential. Such an approach considers the geographical distribution, location, and interconnectivity of the converted lands and the broader spatial dynamics within rural-urban and urban-regional contexts. It is not simply how capitalist urbanisation is merely a result of transforming agrarian land (Gururani, 2020), but it also involves how this, in turn, influences and triggers changes in rural and agrarian settings.

Section V: Petty Commodity Producers and Need Economy

Two distinct economies characterise the contemporary urban political economy-- need/subsistence and accumulation-- which are guided by the same economic logic, i.e., the capitalist logic (Bhattacharya & Sanyal, 2011). Neoliberal policies have brought about, along with many, scores of petty commodity producers¹²⁹ in the form of different types of self-employments. Harriss-White (2012) notes PCP is ‘more common than wage work’, accounting for ‘53 per cent of total “livelihoods”, including those in agriculture, she observes: ‘[PCP] is not transitional. If it is but a stage in the differentiation of individual capitals, it is constantly being replenished and reproduced.... Its existence does not imply a teleology of development (117–118). Bhattacharya and Sanyal (2011) indicate that scores of people are excluded from the circuits of capital. These dispossessed or excluded social groups have become the targets of neoliberal welfare governmentality either to dispel the anger or to buy the legitimacy or both (Sanyal, 2007) and termed this as the reversal of primitive accumulation. Marx’s primitive accumulation is the process of dispossessing the actual producers from their means of production and subsistence. There is a mechanism to it: extra-economic coercion and state violence. The process of primitive accumulation involves changing social-property relations and the class structure. In the case of the reversal of primitive accumulation, there is no such thing as a change of property and social relations and class structure (Adnan, 2014), and the reversal of the benefits is not proving to be sufficient for sustaining and creating alternative livelihoods (Basu & Das, 2009). However, these social groups own self-employed petty businesses and depend on the markets for their survival (Bhattacharya & Sanyal, 2009). And in the process, they interact with the circuits of capitalist

¹²⁹ Petty commodity production (PCP) ‘is numerically the commonest form of production and contributes roughly as much to GDP as the corporate sector (Harriss-White (2012), as quoted in Adnan (2014).

producers and merchant-moneylenders, and they cannot avoid this interaction. In this context, Adnan (2014) argues that looking for the differential implications of these interactions is analytically more fetching than positing them as excluded. The present work tries to focus on some of these insights to examine their significance.

One of the key factors that have facilitated the growth of small businesses is the entrepreneurial spirit of individuals from agrarian or trading backgrounds. Often hailing from lower socio-economic classes, these individuals have invested their savings into their own enterprises. Diversifying their income streams and venturing into business reduced their reliance on agriculture. This transition has proven crucial in providing financial stability and resilience in the face of fluctuating agricultural conditions. However, it is crucial to recognise that this phenomenon cannot be generalised to encompass the entire community of individuals. Only a 'tiny' percentage of them can enter small-town businesses, stabilise themselves and accumulate wealth. At its core, it is worthwhile to the nature of the capitalist accumulation process. As an ideology, capitalism enables this tiny percentage of individuals to thrive and amass wealth. Their success serves as a way to legitimise capitalism as a whole, reinforcing the notion that anyone can achieve prosperity through entrepreneurial pursuits. However, it is essential to understand why only a tiny percentage of people can generate and accumulate wealth. It is not that they are fortunate. Rather, it is about their ability to establish different types of networks.

However, the combination of an unremunerative agricultural sector under the globalisation policies (depeasantization), lack of regular employment (deindustrialisation and jobless growth), and neoliberal capitalist logic of land (depropertisation) force many people to take up employment in informal sectors. There is a rise of non-farm activities in the town where many dispossessed, small, marginal, and landless groups of people populate these activities (Shah & Harriss-White, 2011). Jodhka and Kumar (2017) find that the local non-farm economy lacks economic promise, with most commercial establishments operating at a subsistence level, without generating surpluses, savings, or opportunities for capital accumulation. The primary focus of these businesses is survival rather than seeking profits. While a few might thrive, many remain at a subsistence level, earning modestly higher wages. There is a proliferation of petty businesses (a number of shops of different varieties) in Rajam town. For instance, when the discussion about re-establishing the Chamber of Commerce was held in 2020, the representatives of seventy kinds of businesses attended the

meeting. Then the question is what is sustaining the demand for local consumption. Not only are these income-generating activities precarious, but a lot of these petty commodity productions require small investments for which they depend on local moneylenders and kinship/family. The more prevalent form has been the finance system (*vaarapu vaddee*).

The forces such as disguised industrial labour and unremunerative agriculture push somebody into the need economy who depend on self-employment and proprietorship. Since he is both capitalist (by expanding his accumulation by way of self-exploitation and right moves or important decisions) and a wage worker (often, he may also include family labour or hire one or two workers to work in his shop), he stands chance of being either at the subsistence level or can make incremental profits. Many of the small businesses in post-liberalization India arose when entrepreneurial actors from agrarian or trading backgrounds, many from the lower classes, invested their savings in their own enterprises (Naseemullah, 2021). Another significant point to be highlighted is that some of them who have started like this owing to the vagaries of the capital and its workings have made into the big in the town economy in later periods. With the “right” kind of networks, some have catapulted into the elite structures of the town economy and their presence in the town is now palpable. Their caste position and their circle in the town are the key catalysts in making them what they are today.

Case study 8:

One such case is Maatha Koti (Telaga). He is a 70-year-old native of Rajam and, belonging to the Telaga community, has an intriguing background. Having initially worked in a footwear shop, he established his own footwear shop in the 1970s. Despite coming from an agrarian community, his family owned no land. Reliable sources suggest that he was involved in the illicit exchange or smuggling of counterfeit currencies, which allegedly provided him with the initial investment to enter the real estate sector. Being one of the early players in the real estate business, Koti began as a broker and later transitioned into an investor. In the late 1990s, he made a significant purchase by acquiring Tirumala Complex, a valuable property in the town. As the real estate sector flourished, Koti emerged as one of the influential figures, reaping substantial profits from his ventures.

Alongside his real estate activities, he acquired a hill for quarrying in a village, located a few miles from Rajam. Furthermore, Koti offers high-end loans to business people, ranging from 50 lakhs to 1 crore rupees. Given his prominent position in the real estate industry, many

agricultural lands and properties remain under his ownership. Estimates place his net worth at no less than 100 crore rupees. In addition to his real estate endeavours and moneylending activities, he possesses numerous rental properties, including commercial buildings and houses for rent. According to local real estate brokers, Koti is often informed about significant property deals in the town. Koti's sons continue to manage the family's various businesses, while he has also held the franchise for MRF tires for the past two decades. Notably, his daughter is married into the prominent Telaga business family, the Vaikuntam family. He actively supports the Telugu Desam Party and works behind the scenes for the party, maintaining close ties with an ex-MLA.

The rising land prices have brought about a significant shift in agrarian families' understanding of the importance of land ownership. Those who retain their lands are the ones who rely on non-farm activities for sustenance. Although they may lead precarious lives, engaging in informal and casual labour in the town, their efforts to hold onto their lands should not be underestimated. The Telagas and Turpu Kapus, who constitute a significant portion of the population near the town and own agricultural lands, have managed to safeguard their properties by diversifying into non-farm activities, often as petty commodity producers, construction workers and migrants in different parts of the country. This ability to sustain themselves while capitalising on the increasing value of land has a notable impact on the land markets in the region.

Summary:

This chapter highlighted different cultures of wealth creation and emphasized the discussion on the new logic of provincial capital, focusing on land, neoliberal consumption, and the privatization of essential services such as health and education. While money-lending was one of the traditional ways for Vysyas to extract surplus, this economic activity remains significant in contemporary times, with non-Vysyas also entering the business, especially teachers belonging to different castes. The chapter underscored that although neoliberal economic policies might create a conducive atmosphere for accumulating new service-based sectors like health and education, it is not possible without local resources for the provincial elite to take advantage of these policies. Furthermore, the chapter highlighted how agrarian communities with a history of trading in the past entered various businesses in the town, such as jewellery, real estate, borewells, hotels, etc., by exploring the interactions between

provincial and non-provincial networks and expertise to counterbalance the competition from existing players.

Most importantly, the post-2000s witnessed an expansion in the social composition of elites, with the inclusion of Telagas and Turpu Kapus to the existing list of Vysyas, Velamadoras, and Devangulas. The chapter addressed the question of what facilitated this expansion by discussing how rent-thick sectors like real estate majorly contributed to this trend. Qualitative data on land markets and real estate are used to develop a framework (brokers, brokers cum investors, pure investors, and property developers) to elucidate the features of speculative capital in small towns during the neoliberal period and explain the phenomenon of the assetization process. In the end, the chapter also highlighted how a ‘tiny’ percentage of people from petty commodity production businesses such as footwear shops, tea shops, and small-scale hotels transformed into prominent figures in the town.

The last chapter will take up major findings and emerging themes, drawing on the entire field data spread from Chapter 4 to Chapter 6 for further discussion with the help of existing scholarship.

Chapter-7

Summary and Discussion

Whether it is urbanisation or the accumulation of capital, the focus tends to be on major cities. The recent census data has shown that nearly 70% of the urban population lives in small towns below one lakh (Harriss-White, 2015; Raman et al., 2015). However, the role of small towns in the broader context of capitalist accumulation and urbanisation is often overlooked. Are they not significant? Can they also be considered as sites of accumulation processes? These are important questions to consider. These questions further deepen when examining the post-reform period (post-1990s), when cities were viewed as the ‘engines of growth’. Thereby, disregarding small-scale and cottage industries and the agrarian economy. Despite this neglect, the sheer volume of small towns is on the rise as indicated by successive censuses. What does this phenomenon signify? Some scholars, such as Jodhka & Kumar (2017), label this as ‘post-agrarian urbanism’. Meanwhile, proponents of subaltern urbanisation argue that it mirrors India’s ongoing socio-economic change as this transition is characterised by a decline in agriculture-based employment and a notable absence of substantial job creation in the industrial sector.

Irrespective of their centrality in the urbanisation process, the small towns received less attention in urban studies research, what Bunnell & Maringanti (2010) call this situation as ‘metropolitan bias’ in urban theory. The present study attempted to focus on the small towns and their accumulation processes i.e., to analyse “*the urban condition of small towns*” and “*decentring outside the megacities*” (Mukhopadhyay et al., 2020; p.3-4). Even those studies delved into small towns predominantly focused on labour migration, social change, local politics, and governance (Raman et al., 2015). While there are some works on entrepreneurship and agrarian histories, such as Chari’s study on Gounders and Harriss-White’s exploration of the grain economy in Arni town, the overall attention on the transformation of land, which is crucial to the current accumulation process in small towns in the neo-liberal phase -is somewhat limited.

Furthermore, recent reports by Hurun India, which curates a list of individuals with wealth exceeding INR 1000 crore, reveal that a significant number of wealthy elites originate from small towns. The puzzle is: how? What propels their growth? Essentially, understanding the

nature of ‘big wealth’ requires attention to provincial businesses and their origins because substantial wealth does not accumulate overnight. While some have benefited from agrarian and mercantile surplus, followed by diversifications, as seen in the case of South Coastal Andhra, others have emerged through arrack and mining contracts, as observed in Rayalaseema. If this explains the rise of the provincial capitalist class in these two regions of Andhra Pradesh, how can we comprehend the emergence of the capitalist class in the case of the North Andhra region?

Also, most studies on small towns have concentrated on states like Tamil Nadu, West Bengal, and Punjab (Raman et al., 2015). While Andhra Pradesh has not industrialised like Tamil Nadu, specific regions within it have thrived due to agrarian surpluses from canal irrigation and the Green Revolution, leading to the emergence of regional elites. Despite extensive research on South Coastal Andhra and Rayalaseema, limited research exists on North Andhra, particularly regarding provincial elites. This study focuses on a North Andhra town to explore how Andhra Pradesh’s political economy influenced the emergence of elites in the North Andhra region.

The scholarship on Indian capitalism has shown that not only the urban industrial class, represented by the Bania caste, but also dominant peasant castes, primarily belonging to the Shudra category, have also prospered within the capitalist framework. They have expanded their interests in businesses located in towns and cities, leveraging their political influence and caste networks to facilitate this transformation. Consequently, they have evolved into what can be described as **‘provincial propertied classes’**, **‘capitalist farmers’** and **‘regional capitalists’** (Balagopal, 1978; Upadhyay, 1988; Baru, 2000, 2004; Damodaran, 2008; Parthasarathy, 2015). The concepts just mentioned are both empirical insights and theoretical abstractions. There has been limited discussion on unpacking the above three categories and how caste intersects with the transfer of capital from rural to urban areas and within urban and regional circuits of capital (Kalaiyarasan & Vijayabaskar, 2021). Therefore, the present study delves into the intersection of caste with accumulation processes, extending beyond the conventional linear flow of surplus from rural to urban areas. It thereby investigates the networks and barriers influencing provincial capital. Based on the above understanding, the present study seeks to analyse the regional political economy, diverse and regionally-specific capitalist trajectories, and social, cultural and institutional understanding of the economy in small towns.

As towns serve as primary investment sites for local individuals, Rajam town in Srikakulam district is chosen as a site of investigation. This town was once renowned as a small-scale industrial town in Srikakulam and served as the foundation for the rise of GMR, now globally known for greenfield airport projects (in other words, his provincial origins can be traced back to Rajam town). Additionally, this town highlights the decline of industrial activity and the simultaneous emergence of a new economy. The question arises: How can a town with a population of nearly 50,000 sustain these economic activities and produce a global player like GMR? While GMR narrates one aspect of this story, the emergence of new propertied classes unfolds a much larger narrative. Whether it is the dynamics of the rent economy, land question, or real estate, these classes provide insight into significant facets of the accumulation in small towns.

Section I: Major Findings of the Study

- i. Although provincial elites emerged with the locally available resources (local trade cultures, cheap availability of land and labour), their transition into non-provincial circuits hinged on aligning themselves with the evolving macro-economic dynamics and cultivating various networks to leverage these dynamics. Pertinently, as a consequence of the transition of provincial elites into non-provincial circuits, it does not necessarily propel the province into global dynamics as in the case of the Tiruppur Knitwear industry. In the case of Tiruppur, the provincial capital, represented by Gounder caste, has integrated into global capital circuits, transforming the province into a global site (Chari, 2004). However, in the case of Rajam town, it represents the phenomenon of ‘the flight of the capital’ from the province, where the accumulation was made possible in the first place. This flight of capital also entails exploiting labour power by using different tactics and locally available resources such as land and raw materials to consolidate a few individuals away from both provincial origins and provincial circuits. A debate exists regarding the distinction between provincial and national big capital, with some arguing that this distinction is not sustainable because all national big capital is essentially provincial. In other words, while cases like GMR demonstrate that this distinction can be transient in nature, as he was able to transition into the ranks of national big capital, a larger number of provincial elites in North Andhra remain confined within their provinces. Hence, this distinction

remains a valuable tool for comprehending the emergence of provincial capital and its associated political dynamics.

- ii. The logic of provincial capital operated before and after the 1990s significantly differed both in terms of business sectors and the social composition of the provincial elites. Although major economic changes might hold significance, the shifts internal to the town or the region played a significant role in changing the composition of elites. Before the 1990s, the Vysyas dominated sectors such as grocery businesses, agricultural commodity trade, moneylending, and agro-based mills, while the Devangulas operated cloth stores. However, after the 1990s, Turpu Kapus and Telagas also entered towns, engaging in diverse ventures such as supermarkets, real estate, educational institutions, hospitals, construction and jewellery businesses.
- iii. The dominance of Vysyas is prominently evident in the towns of dryland regions where agrarian surplus was relatively lower until the 2000s. Only after the 2000s did their dominance face a challenge with the entry of business individuals from agrarian castes. This does not imply that the new entrants replaced Vysyas but rather signifies the broadening of the social base of provincial elites. Some new elites emerged while others experienced a decline.
- iv. There are markable variations in the routes through which provincial elites emerged in the towns, depending upon the caste, family size, nature of sectors they enter into, first-mover advantage and the networks (cultural, political and non-provincial business and kinship networks). This point will be substantiated in Section 7.3 of this chapter.
- v. Political lacuna in the town made the nexus between provincial business elites and local bureaucracy much easier in terms of establishing 'liaisons'. Fraudulent practices are structured into accumulation processes, thus expanding or even transforming the meaning of 'corruption'.
- vi. The newly-entered agrarian castes engaged in competition with the pre-existing elites, and in doing so, they managed to disrupt the established order, particularly affecting elites with weaker social networks. This scenario implies a significant shift in the

power dynamics within the town, as the influence and strength of the traditional elites are challenged by the political power wielded by the agrarian castes.

- vii. In the case of small towns, it is not only the surplus that induces diversification. Even the risk of loss or lower profits also induces diversification. Provincial elites need a multiplicity of businesses to maintain profit margins and divert the surplus to loss-making ones.
- viii. In small towns, limited investments in small-scale production, often reliant on family labour, characterise the impact of economic restructuring in the neoliberal era. While not highly efficient for job creation, these practices are crucial for social reproduction and stability. Termed as non-farm activities by agrarian sociology scholars, these activities help certain families retain their land, with reasons tied to factors such as employing children, engaging in small businesses, or migrating for work. Despite being a few, families diversifying into various small businesses such as tea shops, footpath eateries, and fast-food centres and engaging in urban employment like school teachers in private and public educational institutions, construction workers gain resilience against agricultural uncertainties, strengthening their urban connections.
- ix. In the post-2000s era, the neoliberal framework reframed the land question, bringing land speculation increasingly into the circuits of unproductive capital. This transformation manifested in various aspects of speculative accumulation in towns: an abundance of land circulating in the real estate market in terms of trade, agricultural land assuming commodity characteristics even before the sale, thereby imposing limits on the conversion of agricultural land into real estate, and the assetization of provincial surplus.
- x. Also, the process of consolidation in affluent localities has been underway, primarily driven by the demand for consumption-related services. Concurrently, the accumulation of wealth through speculative logic of land has been observed due to the expansion of peri-urban regions, often leading to the inclusion and displacement of farming communities in the neoliberal land markets. Notably, this expansion transcends the administrative classification of towns, implying that conventional administrative categories are insufficient to fully encapsulate and comprehend the intricate dynamics of these ongoing processes.

- xi. Previously, towns played a crucial role in integrating the rural economy and its resources into the global capital circuits (Guin, 2019). However, post-economic reform period, the towns have transformed into ecosystems conducive to neoliberal policies. As a result, these towns simultaneously serve as both local-global integrators and regional platforms for implementing neoliberal policies and allowing the provincial elites to take advantage of these dynamics. For example, sectors like healthcare, education and real estate actively engage with and benefit from the neoliberal economy. In other words, both the spatiality and the site of accumulation occur within the region itself. However, the players can be big players from outside or provincial players.
- xii. In the absence of agrarian and mercantile surpluses in the contemporary neoliberal economy and the rise of professional classes, professional classes such as salaried employees such as Doctors, software professionals, teachers and lawyers appear to emerge as new propertied classes in the provincial towns.

The subsequent sections of this chapter present the findings thematically rather than sequentially, with an intention to provoke discussion.

Section II: Old and New Logic of Provincial Capital

Significant changes have occurred in how the provincial capital operated before and after the 1990s. This includes shifts in both resource mobilisation and the sectors where capital is invested. Previously, resource mobilisation relied heavily on agrarian and trading surpluses. Now, resources can be acquired through various cultural and formal means such as inheritance, marriage alliances, and bank loans. In the past, funds were primarily directed toward agro-commerce and agro-processing units, but today, they diversify into real estate, stocks, shares, finance, education, supermarkets, and cell phone outlets. Consequently, categorising capital as agrarian or industrial, rural or urban, has become a matter of debate (Jan et al., 2020).

To elaborate on this point in the context of Rajam town, historically, the trajectory of economic activities in Rajam town witnessed a progression from mercantile activity (till 1978) to industrial endeavours (from 1978 to the early 2000s) and eventually transitioned into a service-oriented economy (post 2000s), often referred to as the post-industrial phase.

During the 1980s and 1990s, Rajam town witnessed a surge in industrial expansion, facilitated by the support of mill owners and banks. Vysya families, benefiting from agricultural commodity trade and agro-based mills, capitalised on this opportunity to diversify their businesses. Along with the surpluses from trade and agro-based mills, and with the support of banks, they ventured into various industries such as jute, sugar, iron, poly packs, and manufacturing. The Vysya community maintained dominance throughout these phases, wielding significant influence on Rajam town. During the decline of the industrial phase, many Vysya families benefited from insolvency petitions and subsequently diverted the funds to different cities while renting out their commercial properties in the town. However, starting in the 2000s, other social groups began actively participating in the economic sphere alongside the Vysyas. This marked a notable shift in the overall dynamics of the economy and the social composition of the economy in the town.

The post-1990s phenomenon should be examined through both the rationale behind neoliberal policies and how they manifest spatially across different regions and in the process, how provincial elites tailor these policies to their advantage (Parthasarathy, 2012). If one were to revisit the concept of provincial capital which is marked by the loose coalition of non-monopoly comprising small landowners, rich and middle peasants, merchants of rural and semi-rural townships, small-scale manufacturers and retailers that mattered the most for the direction and pace of the development (Harriss-White, 2003). While there was competition among Vysyas in Rajam in agricultural commodity trade, retail and wholesale groceries, agro-based mills, and industries before the 2000s, in terms of social composition, Vysyas enjoyed a virtual monopoly in the town until the entry of peasant castes such as Telagas and Turpu Kapus from early 2000s. Now, the character of the provincial capital transformed both in terms of social and sectoral composition.

Tracing the evolution of business elites before and after the 1990s reveals distinct patterns. For the purpose of analysis, let us classify it as old logic and new logic. The old logic of provincial capital was often tied to the surpluses generated from trading, moneylending and small-scale industrial activities (agro-based and small-scale manufacturing). Whereas the new logic of capital, the sectors that are conducive for capital accumulation have been real estate, jewellery, petty commodity producers (this is transient nature, and not many individuals can leverage on this) and privatisation of essential services such as healthcare and education. At first glance, this evolution might seem straightforward, yet it is intricately connected to

internal dynamics. The key element lies in how effectively one can navigate between various sectors, where one economic activity is linked to another and how efficiently one can deploy various networks such as political, marriage and non-provincial. Before the 1990s, mercantile activities and establishing diverse agro-based mills and small-scale industrial units were commonly associated. However, in the post-1990s, the service sector businesses, encompassing education, healthcare, consumer cultures and real estate growth, are linked, as most of the surpluses generated by various businesses flowed into the real estate sector.

In every economic regime, a pattern emerges where provincial elites come to the forefront. The classical notion of transition often involves surplus generated from agricultural and mercantile activities being channelled into various business ventures, including small and medium-scale industries. This notion can be expanded as the macroeconomic landscape evolves over a period of time. By examining the facilitating factors and the social dynamics at play, a deeper understanding can be gained regarding the emergence and composition of the provincial elites in each regime. This exploration of the continuities and discontinuities between the old and new provincial elites is crucial for two reasons. First, this sheds light on how the provincial elites are being reified in each regime. Second, and perhaps even more politically significant, it also helps identify any structural transformations within the social composition of the provincial elites.

In Rajam, while it is true that existing players are able to diversify their surpluses, others have entered freshly into the new logic of capital. The Vysyas, Velamadoras, and a small percentage of Devangula and Pattusale trace their origins to the traditional logic of capital, deriving surpluses from caste-based activities. While Vysyas and Velamadoras maintain their presence, they are compelled to diversify both within the town and beyond. In contrast, Devangulas and Pattusales have faced overall marginalization, with some resorting to BC-B reservations for education and employment opportunities. Agrarian castes like Turpu Kapus and Telagas have embraced the new logic of capital, benefiting from education, employment, and the transformation of agricultural lands within the neoliberal framework.

The consequence of this broad expansion is notably two. One, the rate at which new players from Vysyas and Velamadoras have been emerging has declined while the old players from these communities continue to exist and expand. This means that it is not the case of displacing these communities by the new entrants. However, there is certainly a shift towards

peasant communities represented by Telagas and Turpu Kapus. Secondly, this shift also entailed the marginalising of earlier provincial elites from Pattusale and Devangula communities and hindered the emergence of elites from other social groups such as Yadhavs, and Dalits.

What is important in this context is to analyse what facilitates the entry of new players, the continuation and the marginalisation of existing players. This shift can be understood by analysing how agricultural land has transformed over the years, facilitating the consolidation of existing elites and the emergence of new ones. To elaborate this further, the transformation of agricultural land into real estate can be attributed to two primary pathways. Initially, agricultural land was acquired for the establishment of industrial units. However, with the eventual decline of industrial activities, these lands gained substantial value in the context of neoliberal land markets, leading to their subsequent conversion into real estate ventures. The second route involves the direct acquisition of agricultural land for the explicit purpose of developing real estate ventures, a trend that gained prominence after 2005. In the first pathway, the beneficiaries were primarily the Vysya community, who initially capitalised on small-scale industries and power and tax subsidies of the state and subsequently on skyrocketing land prices following the decline of the industrial phase and the emergence of neoliberal economic shifts. In contrast, the second route favoured the Turpu Kapus and Telagas, who owned lands that were directly acquired for conversion into real estate projects. These divergent outcomes highlight how different communities leveraged the evolving dynamics of land transformation to their advantage.

Section III: Change in ‘Business Ethic’

To understand the emergence of the provincial elite, along with economic shifts and their interplay with local forces, one must give due attention to considering the changes in cultural perceptions related to business among different caste communities. Before the 1990s, Vysya families instilled a strong business-oriented mindset in their children from a young age, whether they were involved in industries or small trade in small shops. These children would later take on leadership roles within the family business. However, the subsequent generations have experienced a significant change in this tradition. Now, they are not automatically inducted into the family businesses as before. Instead, many pursue education and employment opportunities, becoming software professionals, doctors and chartered

accountants in Indian cities and abroad. This shift is so much as that education and employment have become crucial factors even in marriage proposals among Vysya families. In other words, while those who were already engaged in the trade/business are the only ones continuing in the businesses, their children are now choosing different career paths and focusing on education and jobs. This shift has resulted in a notable structural change within Vysya families.

In conjunction with the above point, agrarian castes are increasingly making their way into town businesses, transforming the social composition of businesses and raising questions about the possible displacement of Vysyas. Several factors contribute to the search for alternative revenue streams among Vysyas, mainly the shrinking profit margins due to the proliferation of businesses with the entry of new players from different communities, the number of dependents on family businesses (family size), and inter-generational aspirations. The old business elites believe that the new businesses engage in “filthy” competition and even compromise for lesser profits. It is interesting to explore how these new businesses can sustain themselves despite lesser profit margins because of the competition from existing Vysyas. While some businesses manage to survive, many eventually succumb to the challenges. Nonetheless, this phenomenon is important because of its subversive nature, where new entrants continuously seek opportunities to encroach upon existing businesses. This subversive nature allows new businesses to enter the market, either alongside or replacing the established ones. This holds significance for both newcomers from the same community and those from different communities, posing an increasing threat to Vysyas and compelling them to compete with new entrants.

Section IV: Different Routes of Provincial Elites

Based on their origins of surplus, the provincial elites can broadly be classified into two groups: those with traditional merchant and trading castes and those with agrarian backgrounds. While the traditional merchant castes have entered into various businesses through their mercantile surplus and subsequent diversifications, the emergence of provincial elites from peasant castes can be attributed to four distinct pathways. Firstly, individuals from agrarian backgrounds, with ample experience in agricultural trade and entrepreneurial activities in their villages, successfully transition into urban centres by leveraging their accumulated resources and expertise. Secondly, agricultural families invest in their children’s

education, who later become provincially important as doctors, lawyers, teachers, and software professionals. The third pathway occurs within the framework of neoliberal land markets, where urban expansion is facilitated, resulting in a transition in the nature of lands and their role as a rent-seeking class within the province. Finally, there are those who begin as petty commodity producers in towns and later diversify into various sectors, particularly rent-thick areas like real estate. The question arises: How do they negotiate or compete with existing businesses? To comprehend this, the above characterisation is insufficient. The discussion needs to shift towards the ways in which they navigate space and compete with established businesses. In this context, factors such as the sectors they enter and the networks they establish—be they political, business-related, or non-provincial—must be considered. While all these processes are influenced by caste, the first-mover advantage also plays a significant role.

However, the question is what facilitated this subversion? The growth of real estate and urban expansion in Rajam town facilitated the rise of agrarian castes, such as Turpu Kapu and Telaga, in the surrounding villages. Accumulation through real estate is significant because, on the one hand, it exempted itself from labour-related concerns, while on the other, it gave rise to propertied classes that generate income through rents on fixed assets. Furthermore, since converting land from agricultural to other service sectors is notably less expensive in towns than in cities, people with surplus have chosen these vibrant towns as their investment hotspots. As a result, these communities have challenged the economic dominance previously held by the Vysyas in the town. However, it is important to note that this shift does not imply that these communities have surpassed or replaced the Vysyas entirely. Rather, the Vysyas have responded by diversifying their economic endeavours. One way in which the Vysyas have adapted is by divesting their properties in the town and channelling their capital into cities like Visakhapatnam or Bengaluru. Alternatively, they have converted their assets into commercial rental properties, seeking more profitable avenues to sustain and expand their wealth.

Section V: Expansion of Secondary Circuit of Capital and Emerging Features of Speculative Capital in Small Towns

When discussing the land question in contemporary times, the conversation typically centres around large-scale land acquisitions and resulting dispossession, often framed within “developmental” narratives. Even during the neoliberal period, the emphasis has been on Special Economic Zones (SEZs) and major cities like Gurugram, Hyderabad, and Kolkata, along with their peripheries, illustrating how agrarian land histories have influenced urban accumulation processes. Unfortunately, this approach tends to overlook the subtler, below-the-radar land transactions (Vijayabaskar & Menon, 2018). D’Costa and Chakraborty (2017) argue that the land question needs to be examined within the neoliberal framework, characterized by extensive financialization and commodification.

A significant amount of land in enclosures in Rajam is a major factor in escalating land prices. This phenomenon exerts inherent pressure on the land resources of a relatively small town, particularly in light of the rising demands driven by population growth, increased need for health and educational services, and ancillary facilities. In most towns, it is common for a few individuals to hold a substantial amount of land. However, in the case of Rajam town, this prevailing phenomenon is further accentuated by a notable concentration of significant land holdings under the sole ownership of a single individual.

Three notable features are emerging from the real estate sector in the small towns. Firstly, the active presence of ‘broker cum investors’ who engages in the land trade by paying token advance money to the seller and looks out for short-selling the property to the buyer (‘pure investor’) and the rapidity at which the property changes hands before the final deal concludes between the buyer and seller exemplifies the fact that significant amount of land is in speculation and purely for trading purpose. Secondly, agrarian families with some flexibility are retaining their agricultural lands, imposing limits on the conversion of these lands into real estate ventures. Some of these families have independently transformed their agricultural holdings into real estate properties, altering the perception of the land. Essentially, a substantial portion of land in the town takes on the characteristics of a commodity even before conversion and sale, effectively becoming what Bhattacharya & Sanyal (2008) call as ‘wastelands’, with serious implications for labour processes, agricultural productivity, and increasing shift toward accumulation through the circuit of

unproductive capital (Levien, 2017). The displacement of labour from agricultural land by a specific capitalist entity is not the sole prevailing scenario. Also, the broader logic of capital, driven by the anticipation of achieving higher rates of return, plays a decisive role in transforming agricultural land into marketable property. Following the speculative logic of dynamic land prices in neoliberal land markets, individuals themselves assume the role of accumulators, dissociating themselves from direct involvement in labour-dependent activities, often leading to the detachment of labour from the land.

As a result, the labour now is dispossessed and constitutes a huge chunk of people for whom agriculture is not viable for social reproduction. Rajam town's industrial capital's tryst with factory labour is anything to offer that it is how capital, in the process of accumulating wealth, can disempower the labour force. In other words, it not only deprives the individuals of their property (agricultural land) but also their rights as factory workers. Moreover, these factory units, upon closure, have become sites of land speculation. The neoliberal capital is more ruthless and innovative in this regard. It has created scattered opportunities with a promise of increased incomes (in absolute terms) compared to what it offers to industrial labourers. However, simultaneously, it places individuals in precarious positions and keeps them at the margins. On the one hand, neoliberal policies lead to a loss of employment in agriculture and trigger extensive land dispossession for capitalist urbanisation. On the other, depeasantization and deindustrialisation result in many individuals being excluded from the labour force. These divergent yet simultaneous processes are frequently interconnected with the logic of capital. The question now is, which sectors can absorb the displaced labour force? The public sector undertakings in Visakhapatnam City were earlier one of the important sources of employment to the local people, now, it provides low-paying outsourcing and contractual jobs to the local people. Except for these large-scale industries, the agro-based industries and factories in the North Andhra region did not contribute significantly to poverty alleviation or reduce dependence on agriculture. Instead, they primarily serve as platforms for the local capitalist class to extract labour power, accumulate wealth, and diversify into non-provincial circuits. As a result, labour has shifted towards the construction sector and petty businesses. However, the recent big pharma companies and other neoliberal projects in the North Andhra region are increasingly recruiting non-locals (Prasad, 2017).

The twin institutional reforms of economic liberalisation and decentralisation since the early 1990s have fundamentally transformed land and property relations in India, shifting from a state-controlled land system to dynamic land and real estate markets (Balakrishnan, 2018). Post economic reforms, the dominant trend had been ‘entrepreneurial capitalism’ (Damodaran, 2020), in which regional business elites and propertied classes from regionally dominant castes with strong agrarian roots are pushing upwards (Balagopal, 2004). With the increased global financial networks and formal loan options available for the various businesses, the agrarian question of capital may have been ‘resolved’ as pointed out by Bernstein (2004). However, the relevance of the agrarian question to capitalist accumulation is strikingly visible in the small-town accumulation, which is largely represented by the ‘accumulation through unproductive capital’ and the subsequent emergence of provincial elites.

Thirdly, there is a correlation between the surplus generated through various business activities and professions and getting invested in real estate, indicating a significant investment of provincial surpluses into real estate signifies a phenomenon of the assetization of provincial surpluses, thus confining them to the province. Kalaiyarasan & Vijayabaskar (2021) explored why provincial capital stays confined to provincial boundaries without entering the broader non-provincial circuits. They attributed this phenomenon to factors such as the dominant influence of specific caste groups in non-agrarian accumulation, contemporary challenges related to agrarian surplus in the neoliberal era where agriculture appears marginalised, and sub-national political trajectories. While these perspectives are crucial, they primarily offer macro-economic viewpoints. From a micro perspective, the assetization of provincial surplus also signifies constraints on entering non-provincial circuits.

In contemporary urban processes, a significant expansion of the secondary circuit of capital has occurred. Historically, this circuit served as a buffer during economic crises, providing some stability and resilience (Roy, 2009; Merrifield, 2010). However, this secondary circuit has undergone a significant transformation in the current context, becoming a mainstay within the global capitalist economy (ibid). A substantial portion of the provincial capital is presently tied up in assetized lands, with a significant emphasis on investments in real estate. In the past, economic activities in the region were characterized by mercantile activities and agro-based industries, such as rice mills, oil mills, and sugar factories, contributing

significantly to the emergence of the provincial capital. However, the current scenario illustrates a shift in focus, with a substantial proportion of provincial capital being assetized in real estate. It is argued here that neoliberal capitalism strategically restricts surplus investment opportunities, directing the focus towards the land markets. This deliberate emphasis on land as a primary investment avenue allows various big players to monopolise all available options, effectively pre-empting potential competition or challenges from the provincial elite. Counterfactually, in the absence of such prioritisation of land markets, the provincial surplus would have naturally diffused into diverse businesses at the local town level, potentially fostering a more competitive and decentralised economic landscape.

In recent times, there has been a prevailing perception within the town that drylands have experienced significant development in contrast to wetland areas, which is often attributed to the influence of the real estate sector. This suggests that the expansion of real estate activities has played a pivotal role in shaping the contrasting growth patterns between these two types of lands. While this is true, the reality is far more complex than this simplistic notion because wetlands still hold inherent value and offer unique advantages, even in the era of speculative land markets. This can be part of further explorations, drawing on the comparative perspective based on the perceptions of land in wet and dry land regions in the neoliberal context.

Section VI: Can we consider professional classes as new propertied classes?

As indicated above, one can distinguish two distinct types of propertied classes/provincial elites based on their origins: those with agrarian roots and those with trading backgrounds. A significant shift occurred with the decline of agrarian and trading surplus after the 1990s and the emergence of professional classes through affirmative policies (both in education and employment) and neoliberal economic reforms that facilitated the growth of sectors like healthcare and IT/ITES. In this context, can we consider the salaried and professional classes such as teachers, doctors, lawyers and engineers as a newly emerging propertied class?

To elaborate further, previously, when Balagopal (1988) coined the term provincial propertied classes, it was the surplus generated from agriculture and trade found its way into towns through various investments. However, nowadays, the generation of surplus income is driven by rents, salaries, and land transactions and is directed toward urban areas in terms of investment in real estate. In the past, provincial capital had the potential to extend beyond its

provincial boundaries and become integrated into non-provincial economic networks. Now, this potential seems uncertain. Because provincial surplus is increasingly confined within the province, primarily through avenues involving the assetization of local land markets (can be referred to as the ‘assetization of provincial surplus’). Since it is a self-imposed limit on the expansion of provincial capital, the new logic appears to anticipate the arrival of big capital from outside or its emergence from within, aiming to benefit from their interaction rather than adopting an approach of pushing from below, which previously constituted a force against big capital. Essentially, the point is that land plays a crucial role in the production process, but in the context of generating a surplus economy without labour involvement, its importance is heightened as it is increasingly incorporated into the secondary circuits of capital. This marks a substantial shift in the significance of land within various accumulation regimes.

Section VII: The Relationship Between Business and Politics in the Context of Provincial Elites

The interplay between business families and political connections at various levels stokes the debate about the nature of provincial propertied classes (Balagopal, 1987). The propertied classes can be divided into two groups based on the causality between business and politics. As they strive for further expansion, the first group of individuals actively seeks to establish political connections. In this case, the logic of causality is the businesses seeking the support of politics. The second group of individuals is the ones whose rise to economic prominence can be attributed to political patronage. In this second case, the logic is political class creates its business class. These two pathways - one where business leads to political connections and the other where political backing fosters business success - raise intriguing questions about the intricate relationship between economic power and political influence within provincial contexts.

Section VIII: Emerging Political Economy in North Andhra

In the broader context of Indian businesses, scholarship has highlighted the dominance of the ‘Bania community’ in business activities and non-farm capital accumulation (Damodaran, 2008; Roy, 2018; Kalaiyarasan & Vijayabaskar, 2021). Their dominance was more pronounced in North and East India than in South and West India (Damodaran, 2008). In exploring the Indian capital ‘beyond the Baniya’, Damodaran (2008) highlighted that

although there are equivalent castes such as Komatis (*Vysyas*) in the case of Andhra Pradesh, they could not exploit money markets as effectively as their counterparts in the North. Instead, he says, many Komatis channelled their surpluses towards moneylending activities and trading. Consequently, this ‘Vysya vacuum’ allowed the space for dominant peasant communities such as *Kammas*, *Reddys*, and *Rajus* to emerge as entrepreneurs (ibid). However, the question that remains is why similar trends have not emerged from the North Andhra region at the same level as *Kammas*, *Reddys*, and *Rajus*. In conjunction with this question, another question follows: has the ‘Vysya vacuum’ created the space for dominant peasant castes to emerge as entrepreneurs or have the dominant castes surpassed the Vysyas in their respective regions?

In North Andhra, the four peasant castes—Turpu Kapu, Koppula Velama, Polinati Velama, and Kalinga—displaced the erstwhile landlords such as Brahmins, Rajus, Velamadoras, and Hill Zamindars. The abolition of Zamindars and Inamdars and the inclusion of these four castes under the Backward Classes (BC status) in the late 1960s significantly strengthened their influence in the region. In other words, these castes gained advantages through land redistribution (abolition of Zamindars and Inamdars), improved access to education and employment (facilitated by BC reservation and LPG reforms), and enhanced political representation (both in general and BC reserved seats, owing to the substantial population of these castes). Consequently, these castes, which can be referred to as ‘forwards among backward classes’, have marginalised other castes in the region, including the erstwhile landlord class. The question then arises, how are they utilising this newfound ‘power’? Is it leading to their emergence as business elites in the region?

A closer examination of Visakhapatnam City does not seem to indicate such progress. The emergence of a capitalist class hinges on three fundamental sources: a flourishing agrarian surplus, formidable mercantile capital, and substantial public expenditure. The northern hinterlands of Andhra Pradesh, particularly in Vizianagaram and Srikakulam, have failed to generate agrarian or trade surpluses that can be compared to their counterparts in South Coastal Andhra. This limitation hampered their capacity to establish businesses and compete with social groups such as the Kammas, Rajus, Reddys, and Kapus in the Visakhapatnam city or elsewhere. North Andhra faces a significant disadvantage due to the absence of an agrarian surplus. Except for those agricultural lands that benefit from irrigation facilities, there is little generation of agrarian surplus in this region. Even the surplus from canal-irrigated land is not

substantial enough to be invested in businesses because even those scanty irrigation facilities came up after the state's withdrawal from an agrarian-based economy. Instead of investing actively into businesses, the meagre surplus is typically utilised to fund children's education or acquire agricultural land or property in urban areas.

The case of Rajam town illustrates two broad observations. Firstly, agrarian communities in the region, including Telaga, *Turpu Kapu*, *Koppula Velama*, *Polinati Velama*, faced limitations in generating significant agrarian surpluses that could have been redirected to urban centres before the 1990s. At the same time, the Vysya community experienced substantial benefits from their mercantile activities like jute, mirchi, groundnut and other regionally grown crops. Secondly, during the pre-1990s, certain individuals like GMR could capitalise on trade restrictions and adapt to economic reforms later in the post-1990s, allowing them to break free from provincial constraints and expand their business activities beyond the region. However, many other nascent capitalists in the town, even from the Vysya community remained confined to the province, unable to make a similar leap. What then follows is the strong presence of the *Vysya* community represented by GMR, coupled with the relative lack of prosperous agrarian communities (due to the zamindari system, landholding patterns, and limited irrigation facilities), prevented the emergence of provincial elites like GMR from agrarian communities.

While investigating the reasons behind monopoly businesses, Kalaiyarasan and Vijayabaskar (2021) outlined factors that could potentially pre-empt competition. These include the ability of existing players to lobby the state for licenses and a first-mover advantage so that they could corner state benefits and available loans. The limited surplus from North Andhra agrarian castes before the 1990s made it challenging for them to compete with local Vysyas. Consequently, this situation granted Vysyas a virtual monopoly in Rajam town. Even among the Vysyas, only a few could transition into non-provincial circuits. This observation leads us to a broader point about the interaction between local and regional political economies within the overarching political economy of Andhra Pradesh. Vysyas could emerge as provincial elites, benefiting from a surplus in mercantile activities and facing minimal competition from agrarian castes due to a lack of agrarian surplus. However, when competing with dominant peasant castes like Kammas and Reddys, Vysyas were predominantly confined to the province, with few exceptions such as GMR. In other words, in the context of the broader political economy of Andhra Pradesh, the specific economic dynamics of North Andhra

allowed certain families (whether agrarian or trading) into business rather than leading to the collective rise of an entire community both in the case of trading castes and agrarian castes. This is to say, ‘caste and political manoeuvring of certain families’ instead of the entire community is an emerging feature of the political economy of North Andhra.

Furthermore, exploring this issue from a regional political economy perspective is essential. Firstly, it is essential to understand the importance of ‘cross-regional caste networks’ when studying the rise, expansion, and consolidation of businesses within the Kammas and Reddys, the two socially and politically dominant communities in Andhra Pradesh. Kammas, propelled by their entrepreneurial spirit, could establish their presence across diverse regions in Andhra Pradesh. In contrast, the Reddys extend their influence across Rayalaseema, South Coastal Andhra, and Telangana through their presence in these areas. This enabled them to nurture cross-regional caste networks, granting them control over both political and economic domains in undivided Andhra Pradesh. The political clout of the Kammas and Reddys and ‘cross-regional networks’, enabled by their social location, situate them in an enormous advantageous position compared to other dominant communities in undivided Andhra Pradesh. To put it simply, leveraging their enormous political power in Andhra Pradesh, these two castes politically directed and regulated economic reforms to their advantage.

Secondly, before the 1990s, communities such as *Kammas*, *Reddys*, and *Rajus* were keen on challenging and disrupting the dominance of national big capital by ‘pushing themselves from below’, with the surplus origins from agriculture, trade, civil, mining and arrack contacts and the support of political power. Second, as time progressed, the enormous political power that communities like *Kammas* and *Reddys* enjoy at the state level and with capitalist expansion strategies with the same political support have become barriers hindering the entry and growth of nascent capitalists from other regions, including the North Andhra region. This is the context in which agrarian communities like Turpu Kapu, Koppula Velama, Polinati Velama, and Kalinga, as well as merchant castes such as the Vysyas of North Andhra, find it challenging to develop their political networks and pursue their economic ambitions to the same extent as the Kammas and Reddys (Prasad & Rambarki, 2023). So, in what was then considered Kammas and Reddys as ‘capitalists from below’, challenging the ‘capitalists from above’ with their extensive political networks, have transformed themselves, in due course, into the ‘capitalists from above’ in the case of Andhra Pradesh. Paradoxically, they now impede the progress of the capitalists from below in different regions and sub-

regions of Andhra Pradesh. The economic dominance of *Kammas* and *Reddys* in various sectors and their strong presence in the political spheres created barriers and challenges for aspiring business elites from other castes from different regions and sub-regions of Andhra Pradesh.

By utilising the trends emerging from North Andhra town, the present study seeks to intervene in this discussion and propose a hypothesis: Vysyas hold significant prominence in the regions where agrarian surplus is largely absent. Conversely, in the regions where the agrarian surplus was available to peasant castes historically due to Ryotwari Settlements and strong irrigation facilities, the locally dominant peasant castes have also entered into agricultural trade and subverted the Vysyas in those respective regions. In the latter periods, with the active state patronage, the same dominant castes transformed into the 'capitalist class'. This comparative study could be part of further explorations.

Overall, Vysyas dominated the town's economic space until the early 2000s. However, the evolving dynamics of the real estate market and the shifting economic base of Rajam have significantly altered the social and economic landscape. This transformation reflects the intricate interplay between the historical legacies of various communities and their respective positions within the local economy as the macro-economic picture unfolds in the background. While the Turpu Kapus and Telagas continue to make inroads into the town's economic landscape, the Vysyas have been actively exploring strategies to preserve and grow their financial prosperity. Nevertheless, the role of the Vysyas in the town has been diminishing despite their wealth not experiencing a significant decline. Devangulas and Pattusalees encountered limitations on business expansion due to the decline of the weaving industry and the challenges they faced in adapting their existing networks to the neoliberal era. Additionally, they experienced difficulties such as the absence of agricultural lands, unlike Telagas and Turpu Kapus, and political marginalisation. These factors highlight the impact of unequal opportunities, prompting a shift toward education and employment through affirmative policies. While this is the case of Vysyas, Velamdoras, Turpu Kapus, Telagas, Devangulas and Pattusales, the emergence of Yadhavs, and Dalits in the town economy is almost invisible in the town.

Exploring the intricate dynamics of wealth accumulation in smaller towns and regions, Rajam served as an example for comprehending these complexities. While certain insights are

unique to Rajam town and the North Andhra region, others can be applied to small towns in general. Nevertheless, further research is essential to unfold contemporary routes of accumulation and the role of local histories and macroeconomic changes in shaping the trajectories of provincial elites. This involves examining the significance of histories of trading cultures, land markets, the impact of local politics, and how these factors influence the composition of provincial elites, particularly in terms of caste communities.

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**Table A: Caste-wise representation from 1952-2019
(all the parties, all the year
and all the MLA constituencies combined)**

Caste	COUNT of S.No	COUNT of S.No
Agnikula Kshatriya	3	0.58%
Brahmin	27	5.18%
Gavara	13	2.50%
Kalinga	33	6.33%
Kamma	13	2.50%
Kapu	23	4.41%
Keviti	1	0.19%
Koppula Velama	80	15.36%
Marwari	1	0.19%
Muslim	2	0.38%
Nagaralu	2	0.38%
Polinati Velama	37	7.10%
Raju	57	10.94%
Reddika	7	1.34%
Reddy	2	0.38%
SC	36	6.91%
Segidi (Toddytapper)	11	2.11%
ST	65	12.48%
Telaga	8	1.54%
Turpu Kapu	73	14.01%
Unknown	11	2.11%
Velama	9	1.73%
Viswa Brahmin	1	0.19%
Vysya	3	0.58%
Yadhava	3	0.58%
Grand Total	521	100.00%

Table B: Party-wise representation from 1952-2019
(for all the years, all the castes and all the
Assembly
constituencies combined)

<i>Party</i>	<i>Number</i>	<i>Percentage</i>
Bahujana Samaj Party	1	0.19%
Bharatiya Jana Sangh	1	0.19%
Bharatiya Janata Party	2	0.38%
Communist Party of India	10	1.92%
Independent	46	8.83%
Indian National Congress	166	31.86%
Janata Party	14	2.69%
Kisan Mazdoor Praja Party	1	0.19%
Krishikar Lok Party	23	4.41%
NTR Telugu Desam Party	1	0.19%
Praja Rajyam Party	4	0.77%
Praja Socialist Party	9	1.73%
Swatantra Party	23	4.41%
Telugu Desam Party	179	34.36%
YSR Congress Party	41	7.87%
Grand Total	521	100.00%

Table C: Election-wise political party representation of MLAs of North Coastal Andhra from 1952-2019 (for all the castes combined)															
COUNT of S.No	Party														
Year	Bahujana Samaj Party	Bharatiya Jana Sangh	Bharatiya Janata Party	Communist Party of India	Independent	Indian National Congress	Janata Party	Kisan Mazdoor Praja Party	Krishikar Lok Party	NTR Telugu Desam Party	Praja Rajyam Party	Praja Socialist Party	Swatantra Party	Telugu Desam Party	YSR Congress Party
1952				7.14%	14.29%	17.86%		3.57%	39.29%				17.86%		100.00%
1955					24.24%	21.21%			27.27%			27.27%			100.00%
1962				8.11%	10.81%	56.76%			5.41%				18.92%		100.00%
1967		3.03%		6.06%	21.21%	33.33%			3.03%				33.33%		100.00%
1972					28.13%	71.88%									100.00%
1978				2.94%	5.88%	50.00%	41.18%								100.00%
1983					28.57%	11.43%								60.00%	100.00%
1985						17.14%								82.86%	100.00%
1989						34.29%								65.71%	100.00%
1994				3.03%		3.03%								93.94%	100.00%
1996										100.00%					100.00%
1999			2.86%		2.86%	22.86%								71.43%	100.00%
2004	2.78%			2.78%		61.11%								33.33%	100.00%
2006						100.00%									100.00%
2008														100.00%	100.00%
2009						69.44%					11.11%			19.44%	100.00%
2014			2.86%											68.57%	28.57%
2019														17.14%	82.86%
1957 (By-Polls)						100.00%									100.00%
1959 (By-Polls)					100.00%										100.00%
1960 (By-Polls)						100.00%									100.00%
1980 (By-Polls)						100.00%									100.00%
2012 (By-polls)															100.00%
Grand Total	0.19%	0.19%	0.38%	1.92%	8.83%	31.86%	2.69%	0.19%	4.41%	0.19%	0.77%	1.73%	4.41%	34.36%	7.87%
															100.00%

Table D: Election-wise caste representation of MLAs of North Coastal Andhra from 1952-2019 (for all the political parties combined)

COUNT		Caste																													
Year		Agnihotra Kabatriya	Brahmin	Gavara	Kalinga	Kamma	Kapu	Kaviti	Koppula Velama	Mairani	Muslim	Nagarulu	Pollari Velama	Raju	Reddika	Reddy	SC	Sagali (Todyapper)	ST	Telaga	Turpu Kapu	Unknown	Velama	Veswa Brahmin	Vysya	Yathava	Grand Total	Brahmin+Rajus+Velamas	KV, TK, PV and K		
1952		25.00%			3.57%		3.57%		3.57%					10.71%	3.57%		3.57%	3.57%	14.29%	3.57%	14.29%	10.71%						100.00%	35.71%	21.43%	
1955		6.06%	3.03%		12.12%				9.09%				6.06%	18.18%				3.03%	12.12%	3.03%	9.09%	9.09%	9.09%				100.00%	33.33%	36.36%		
1962		8.11%	2.70%		5.41%		5.41%		10.81%				5.41%	2.70%	2.70%			8.11%	2.70%	13.51%	5.41%	13.51%	8.11%	2.70%		2.70%		100.00%	13.51%	35.14%	
1967		12.12%			6.06%		6.06%		12.12%			3.03%	9.09%	12.12%	3.03%			6.06%	3.03%	9.09%	3.03%	12.12%		3.03%				100.00%	27.27%	39.39%	
1972		6.25%	3.13%		9.38%				9.38%		3.13%	3.13%	6.25%	18.75%	3.13%			6.25%	12.50%	3.13%	12.50%			3.13%				100.00%	28.13%	37.50%	
1978		14.71%			5.88%		5.88%		17.65%				2.94%	14.71%		2.94%	8.82%	2.94%	8.82%	2.94%	11.76%							100.00%	29.41%	38.24%	
1983			2.86%		5.71%	2.86%			22.86%				8.57%	20.00%			8.57%			8.57%	2.86%	11.43%	2.86%			2.86%		100.00%	20.00%	48.57%	
1985			2.86%		5.71%	5.71%	2.86%		28.57%				8.57%	11.43%			8.57%	2.86%	8.57%			14.29%						100.00%	11.43%	57.14%	
1989			2.86%		5.71%	2.86%	8.57%		17.14%				8.57%	14.29%		2.86%	8.57%	2.86%	8.57%			14.29%	2.86%					100.00%	14.29%	45.71%	
1994			3.03%		3.03%	9.09%	3.03%		21.21%			3.03%			3.03%	3.03%		9.09%	3.03%	9.09%			18.18%				3.03%	100.00%	3.03%	51.52%	
1996																									100.00%			100.00%	0	0	
1999			2.86%		5.71%		8.57%	5.71%	22.86%				8.57%	8.57%			8.57%	2.86%	8.57%			14.29%				2.86%		100.00%	8.57%	51.43%	
2004		2.78%		2.78%	5.56%		2.78%		11.11%	2.78%			8.33%	13.89%	2.78%		8.33%	2.78%	13.89%		19.44%		2.78%					100.00%	19.44%	44.44%	
2006		100.00%																										100.00%	100.00%	0	
2008									100.00%																				100.00%	0	100.00%
2009	2.78%	2.78%	5.56%	11.11%	2.78%	8.33%		11.11%					5.56%	8.33%			5.56%		22.22%		11.11%		2.78%					100.00%	13.89%	38.89%	
2014	2.86%		5.71%	5.71%	2.86%	2.86%			14.29%				8.57%	5.71%			5.71%	2.86%	20.00%		17.14%		2.86%			2.86%		100.00%	8.57%	45.71%	
2019	2.86%				5.71%	2.86%	11.43%	2.86%	2.86%	14.29%			8.57%	2.86%	2.86%		5.71%		20.00%		17.14%					2.86%		100.00%	2.86%	45.71%	
1957 (By-Polls)									100.00%																			100.00%	0	100.00%	
1959 (By-Polls)																					100.00%							100.00%	0	100.00%	
1960 (By-Polls)															100.00%													100.00%	100.00%	0	
1980 (By-Polls)		100.00%																										100.00%	100.00%	0	
2012 (By-polls)													50.00%				50.00%											100.00%	0	50.00%	
Grand	0.58%	5.18%	2.50%	6.33%	2.50%	4.41%	0.19%	15.36%	0.19%	0.38%	0.38%	0.38%	7.10%	10.94%	1.34%	0.38%	6.91%	2.11%	12.48%	1.54%	14.01%	2.11%	1.73%	0.19%	0.58%	0.58%	100.00%	17.85%	42.80%		

Table E: Political Party-wise representation of MLA Constituencies from 1952-2019 (for all the castes and all years combined)

COUNT of S.No	Party															
Constituency	Bahujana Samaj Party	Bharatiya Jana Sangh	Bharatiya Janata Party	Communist Party of India	Independent	Indian National Congress	Janata Party	Kisan Mazdoor Praja Party	Krishikar Lok Party	NTR Telugu Desam Party	Praja Rajyam Party	Praja Socialist Party	Swatantra Party	Telugu Desam Party	YSR Congress Party	Grand Total
Alamanda													0.19%			0.19%
Amudalavalasa						0.77%								0.96%	0.19%	1.92%
Anakapalli				0.77%	0.19%	0.38%			0.19%		0.19%			0.96%	0.19%	2.88%
Araku														0.19%	0.38%	0.58%
Balijipeta						0.38%										0.38%
Bheemili					0.19%	1.15%					0.19%	0.19%		1.15%	0.19%	3.07%
Bhogapuram						0.77%						0.19%		1.15%		2.11%
Bobbili					0.19%	1.34%	0.19%						0.19%	0.58%	0.38%	2.88%
Boddam						0.19%										0.19%
Brahmanateria									0.38%							0.38%
Cheepurapalli					0.38%	0.96%						0.19%	0.19%	1.15%	0.19%	3.07%
Chodavaram					0.38%	0.58%	0.19%		0.19%				0.38%	0.96%	0.19%	2.88%
Etcherla					0.19%	0.58%	0.19%							1.15%	0.19%	2.30%
Gajapathinagaram					0.38%	0.77%	0.19%					0.19%	0.19%	0.96%	0.19%	2.88%
Gajuwaka											0.19%			0.19%	0.19%	0.58%
Golugonda					0.19%				0.38%				0.19%			0.77%
Harichandrapuram						0.38%							0.19%	1.15%		1.73%
Honjaram									0.19%							0.19%
Itchapuram					0.19%	0.58%	0.19%		0.38%				0.19%	1.34%		2.88%
Jami					0.19%								0.19%			0.38%
Kanithi						0.38%										0.38%
Kondakarla				0.19%					0.19%							0.38%
Kothuru					0.19%	0.77%	0.19%							0.77%		1.92%
Kurupam						0.19%									0.38%	0.58%
Madugula					0.58%	0.58%			0.19%			0.19%		0.96%	0.38%	2.88%
Nagarikatakam					0.38%	0.38%										0.77%
Naguru				0.19%	0.38%	0.96%	0.19%						0.19%	0.19%		2.11%
Narasannapeta						1.34%			0.19%				0.38%	0.77%	0.38%	3.07%
Narsipatnam					0.19%	0.96%								0.96%	0.19%	2.30%
Nellimarla						1.54%								0.38%	0.19%	2.11%
Pachipenta						0.19%										0.19%
Paderu	0.19%					0.19%									0.38%	0.77%
Palakonda					0.58%	0.77%	0.19%						0.38%	0.58%	0.38%	2.88%
Palasa						0.19%								0.19%	0.19%	0.58%
Paravada				0.19%	0.19%	0.77%			0.19%					0.96%		2.30%
Parvathipuram					0.38%	0.96%	0.19%						0.19%	0.96%	0.19%	2.88%
Pathapatnam					0.38%	1.34%				0.19%				0.96%	0.38%	3.26%
Payakaraopeta				0.19%	0.38%	0.77%								1.15%	0.38%	2.88%
Pendurthi				0.19%		0.77%					0.19%			0.77%	0.19%	2.11%
Ponduru						0.38%							0.19%			0.58%
Rajam						0.19%									0.38%	0.58%
Ramathirham						0.19%										0.19%
Rampachodavaram						0.19%									0.38%	0.58%
Revidi					0.19%							0.19%				0.38%
Salur						0.38%			0.19%			0.19%			0.38%	1.15%
Sathivada						0.96%								0.38%		1.34%
Shermuhmadpuram					0.19%				0.19%							0.38%
Sompeta						0.38%	0.19%		0.77%					0.96%		2.30%
Srikakulam					0.38%	0.58%	0.19%		0.38%				0.19%	1.15%	0.19%	3.07%
Srungavarapukota					0.19%	0.96%						0.19%	0.19%	1.34%	0.19%	3.07%
Tekkali					0.19%	0.96%							0.38%	1.15%		2.69%
Terlam						0.38%								1.15%		1.54%
Unukuru					0.19%	0.58%	0.19%		0.19%					0.96%		2.11%
Uttarapalli						0.38%								0.77%		1.15%
Visakhapatnam 1			0.19%		0.19%	1.34%		0.19%						0.58%		2.50%
Visakhapatnam 2				0.19%	0.19%	0.38%	0.19%							0.77%		1.73%
Visakhapatnam East														0.58%		0.58%
Visakhapatnam North			0.19%			0.19%								0.19%		0.58%
Visakhapatnam South						0.19%								0.38%		0.58%
Visakhapatnam West						0.19%								0.38%		0.58%
Vizianagaram		0.19%			0.19%	0.38%	0.19%					0.19%	0.38%	1.15%	0.19%	2.88%
Yelamanchili					0.77%	0.77%			0.19%					0.96%	0.19%	2.88%
Grand Total	0.19%	0.19%	0.38%	1.92%	8.83%	31.86%	2.69%	0.19%	4.41%	0.19%	0.77%	1.73%	4.41%	34.36%	7.87%	100.00%

Table F: Caste representation of the political parties from 1952-2019 (all the assembly constituencies and all the years together)

Table 1: Caste Representation of the political parties from 1952-2019 (all the assembly constituencies and all the years together)																
COUNT of S.No	Party															
Caste	Bahujana Samaj Party	Bharatiya Jana Sangh	Bharatiya Janata Party	Communist Party of India	Independent	Indian National Congress	Janata Party	Kisan Mazdoor Praja Party	Krishikar Lok Party	NTR Telugu Desam Party	Praja Rajyam Party	Praja Socialist Party	Swatantra Party	Telugu Desam Party	YSR Congress Party	Grand Total
Agnikula Kshatriya						0.19%								0.38%		0.58%
Brahmin		0.19%		0.96%	0.58%	1.92%	0.19%	0.19%	0.58%			0.19%	0.38%			5.18%
Gavara				0.19%		0.58%			0.19%		0.19%			1.34%		2.50%
Kalinga					0.77%	2.11%	0.19%		0.77%				0.19%	2.11%	0.19%	6.33%
Kamma			0.19%	0.19%	0.19%									1.92%		2.50%
Kapu					0.38%	1.34%			0.19%		0.58%			1.34%	0.58%	4.41%
Keviti															0.19%	0.19%
Koppula Velama					1.54%	3.45%	0.58%					0.19%	0.77%	7.87%	0.96%	15.36%
Marwari						0.19%										0.19%
Muslim						0.19%								0.19%		0.38%
Nagaralu				0.19%	0.19%											0.38%
Polinati Velama					0.38%	1.54%	0.19%		0.19%				0.77%	3.45%	0.58%	7.10%
Raju			0.19%		1.54%	4.99%	0.19%					0.96%	0.38%	2.50%	0.19%	10.94%
Reddika					0.38%	0.19%			0.19%				0.19%	0.19%	0.19%	1.34%
Reddy						0.19%	0.19%									0.38%
SC				0.19%	0.58%	1.92%	0.38%		0.19%				0.19%	2.69%	0.77%	6.91%
Segidi (Toddytapper)							0.19%		0.77%					1.15%		2.11%
ST	0.19%			0.19%	0.77%	5.37%	0.38%		0.19%			0.19%	0.38%	2.30%	2.50%	12.48%
Telaga						1.15%							0.19%	0.19%		1.54%
Turpu Kapu					1.15%	4.61%	0.19%		0.19%			0.19%	0.58%	5.76%	1.34%	14.01%
Unknown					0.19%	0.58%			0.77%				0.38%	0.19%		2.11%
Velama					0.19%	1.15%			0.19%						0.19%	1.73%
Viswa Brahmin										0.19%						0.19%
Vysya						0.19%								0.19%	0.19%	0.58%
Yadhava														0.58%		0.58%
Grand Total	0.19%	0.19%	0.38%	1.92%	8.83%	31.86%	2.69%	0.19%	4.41%	0.19%	0.77%	1.73%	4.41%	34.36%	7.87%	100.00%

Table G: Election-wise caste representation of MPs of North Costal Andhra from 1952-2019 (for all the political parties combined)

Table G: Election-wise caste representation of MPs of North Coastal Andhra from 1952-2019 (for all the political parties combined)															
COUNT of S.No	Caste														
Year	Brahmin	Gavara	Kalinga	Kamma	Kapu	Koppula Velama	Polinati Velama	Raju	Reddy	Segidi	ST	Telaga	Turpu Kapu	Velama	Grand Total
1952	50.00%		16.67%								33.33%				100.00%
1957	20.00%		20.00%					20.00%			40.00%				100.00%
1962	16.67%		16.67%					16.67%			33.33%			16.67%	100.00%
1967	40.00%									20.00%	20.00%		20.00%		100.00%
1971		20.00%	20.00%					20.00%			20.00%		20.00%		100.00%
1977	20.00%	20.00%	20.00%					20.00%			20.00%				100.00%
1980		20.00%	20.00%					20.00%			20.00%	20.00%			100.00%
1984	20.00%	20.00%	20.00%					20.00%			20.00%				100.00%
1989		20.00%	20.00%					20.00%			20.00%		20.00%		100.00%
1991		20.00%	20.00%	20.00%				20.00%			20.00%				100.00%
1996						20.00%	20.00%		20.00%		20.00%		20.00%		100.00%
1998				20.00%	20.00%		20.00%				20.00%		20.00%		100.00%
1999				20.00%	20.00%		20.00%				20.00%		20.00%		100.00%
2004					20.00%		20.00%		20.00%		20.00%		20.00%		100.00%
2009			20.00%	20.00%		20.00%					20.00%		20.00%		100.00%
2014				20.00%	20.00%		20.00%	20.00%			20.00%				100.00%
2019		20.00%		20.00%			20.00%				20.00%		20.00%		100.00%
Grand Total	10.34%	8.05%	11.49%	6.90%	4.60%	2.30%	6.90%	10.34%	2.30%	1.15%	22.99%	1.15%	10.34%	1.15%	100.00%

Table H: Election-wise political party representation of MPs of North Coastal Andhra from 1952-2019 (for all the castes combined)

COUNT of S.No Party										
Year	Bharatiya Janata Party	Independent	Indian National Congress	Progressive Group	Samajwadi Party	Socialist Party	Swatantra Party	Telugu Desam Party	YSR Congress Party	Grand Total
1952		66.67%	16.67%			16.67%				100.00%
1957			80.00%		20.00%					100.00%
1962			83.33%	16.67%						100.00%
1967			60.00%				40.00%			100.00%
1971			100.00%							100.00%
1977			100.00%							100.00%
1980			100.00%							100.00%
1984			20.00%					80.00%		100.00%
1989			80.00%					20.00%		100.00%
1991			80.00%					20.00%		100.00%
1996			40.00%					60.00%		100.00%
1998			40.00%					60.00%		100.00%
1999			20.00%					80.00%		100.00%
2004			40.00%					60.00%		100.00%
2009			100.00%							100.00%
2014	20.00%							60.00%	20.00%	100.00%
2019								20.00%	80.00%	100.00%
Grand Total	1.15%	4.60%	56.32%	1.15%	1.15%	1.15%	2.30%	26.44%	5.75%	100.00%

**Table I: Party representation of the MP Constiuencies from 1952-2019
(all the years and all the castes combined)**

<i>COUNT of S.No</i>	<i>Party</i>									
<i>Loksabha Constituency</i>	<i>Bharatiya Janata Party</i>	<i>Independent</i>	<i>Indian National Congress</i>	<i>Progressive Group</i>	<i>Samajwadi Party</i>	<i>Socialist Party</i>	<i>Swatantra Party</i>	<i>Telugu Desam Party</i>	<i>YSR Congress Party</i>	<i>Grand Total</i>
Anakapalli			10.34%					5.75%	1.15%	17.24%
Araku			1.15%						2.30%	3.45%
Bobbili			6.90%					5.75%		12.64%
Cheepurapalli			1.15%							1.15%
Golugonda			2.30%							2.30%
Narsipatnam			1.15%							1.15%
Parvathipuram		1.15%	10.34%		1.15%		1.15%	2.30%		16.09%
Pathapatnam			1.15%							1.15%
Srikakulam		1.15%	9.20%				1.15%	8.05%		19.54%
Visakhapatnam	1.15%	2.30%	11.49%	1.15%				3.45%	1.15%	20.69%
Vizianagaram			1.15%			1.15%		1.15%	1.15%	4.60%
Grand Total	1.15%	4.60%	56.32%	1.15%	1.15%	1.15%	2.30%	26.44%	5.75%	100.00%

Table J: Caste representation of MP Constituencies from 1952-2019 (for all the political parties and all the years combined)

COUNT of S.No	Caste														
Loksabha Constituency	Brahmin	Gavara	Kalinga	Kamma	Kapu	Koppula Velama	Polinati Velama	Raju	Reddy	Segidi	ST	Telaga	Turpu Kapu	Velama	Grand Total
Anakapalli	2.30%	8.05%			4.60%	2.30%									17.24%
Araku											3.45%				3.45%
Bobbili								4.60%					8.05%		12.64%
Cheepurapalli														1.15%	1.15%
Golugonda	1.15%										1.15%				2.30%
Narsipatnam											1.15%				1.15%
Parvathipuram											16.09%				16.09%
Pathapatnam	1.15%														1.15%
Srikakulam			11.49%				6.90%			1.15%					19.54%
Visakhapatnam	4.60%			6.90%				4.60%	2.30%		1.15%	1.15%			20.69%
Vizianagaram	1.15%							1.15%					2.30%		4.60%
Grand Total	10.34%	8.05%	11.49%	6.90%	4.60%	2.30%	6.90%	10.34%	2.30%	1.15%	22.99%	1.15%	10.34%	1.15%	100.00%

Table K: Party representation from 1952-2019
(for all the years, all the castes and all the
Loksabha
constiuencies combined)

<i>Party</i>	COUNT of S.No	COUNT of S.No
Bharatiya Janata Party	1	1.15%
Independent	4	4.60%
Indian National Congress	49	56.32%
Progressive Group	1	1.15%
Samajwadi Party	1	1.15%
Socialist Party	1	1.15%
Swatantra Party	2	2.30%
Telugu Desam Party	23	26.44%
YSR Congress Party	5	5.75%
Grand Total	87	100.00%

**Table L: Caste representation
from 1952-2019
(all the parties, all the year
and all the MP constituencies combined)**

Caste	COUNT of S.No	COUNT of S.No
Brahmin	9	10.34%
Gavara	7	8.05%
Kalinga	10	11.49%
Kamma	6	6.90%
Kapu	4	4.60%
Koppula Velama	2	2.30%
Polinati Velama	6	6.90%
Raju	9	10.34%
Reddy	2	2.30%
Segidi	1	1.15%
ST	20	22.99%
Telaga	1	1.15%
Turpu Kapu	9	10.34%
Velama	1	1.15%
Grand Total	87	100.00%

**Table M: Caste representation of the political parties from 1952-2019
(all the constituencies and all the years together)**

COUNT of S.No	Party									
Caste	Charatiya Janata Party	Independent	Indian National Congress	Progressive Group	Samajwadi Party	Socialist Party	Swatantra Party	Telugu Desam Party	YSR Congress Party	Grand Total
Brahmin		1.15%	6.90%			1.15%		1.15%		10.34%
Gavara			5.75%					1.15%	1.15%	8.05%
Kalinga		1.15%	9.20%					1.15%		11.49%
Kamma	1.15%		2.30%					2.30%	1.15%	6.90%
Kapu			1.15%					3.45%		4.60%
Koppula Velama			1.15%					1.15%		2.30%
Polinati Velama								6.90%		6.90%
Raju			6.90%	1.15%				2.30%		10.34%
Reddy			2.30%							2.30%
Segidi							1.15%			1.15%
ST		2.30%	13.79%		1.15%		1.15%	2.30%	2.30%	22.99%
Telaga			1.15%							1.15%
Turpu Kapu			4.60%					4.60%	1.15%	10.34%
Velama			1.15%							1.15%
Grand Total	1.15%	4.60%	56.32%	1.15%	1.15%	1.15%	2.30%	26.44%	5.75%	100.00%

Table N: Castes in North Andhra and thier occupations

S.No	Caste	Occupation
1	Baliya (Gajula Baliya, Vada Baliya, etc.)	Bangle making, sailing, petty trade, cultivation
2	Bhaktalu, Telagalu, Nagaralu, etc.	Soldiers (worked with local Zamindars/rulers)
3	Sristi Karnalu	Village administration
4	Kapu, Koppula Velama, Gollalu, etc.	Agriculture, sheep farming, cattle farming
5	Vupparlu	Tank works
6	Vaddarlu	Irrigation repair works
7	Banjaris and Kudiyalu	Petty trading (wheat, chenna, red chalk, salt)
8	Devangulu, Pattu Salilu, Kaikalavallu, etc.	Weaving cloth
9	Dasarivallu	Weaving dungaries and tape for cots
10	Gone Perikilu	Weaving Gonies
11	Mangali	Barbers and musicians
12	Jetti	Shampoo and ointments
13	Medara, Goodalavallu	Making Bamboo boxes and sieves
14	Mandulaballu	Selling drugs and powders
15	Kamsalis	Stonecutters, Iron smiths, Carpenters, Goldsmiths
16	Muchchis	Painting and drawing
17	Talukali	Oil pressing
18	Doodekula	Cotton processing
19	Godari and Madiga	Making and selling slippers
20	Katikilu	Butchers
21	Thiragati Gantlavallu	Repairing hand mills, catching and selling antelope
22	Bhogam vallu, Sanivallu, Nagavasulu	Dancing and sex work
23	Nagavasulu	Cultivation
24	Itevallu	Circus and feats
25	Bhagavathulu	Dramatics and plays
26	Bommalatavallu	Exhibit shows
27	Gangiredlavalu	Training bulls and exhibiting to the public
28	Gosangi	Begging
29	Chitta jalluvallu	Conjuring tricks
30	Neravidyavallu and Pailamanlu	Wrestling and feats
31	Garadivalu	Sleight of hand
32	Pamulavallu	Taming and exhibiting snakes
33	Vipravinodulu	Begging from Brahmins
34	Runjulavallu	Begging
35	Panasavallu	Begging from Kamsalis
36	Podapothulavallu, Varugubhatlu, etc.	Begging from Gollalu
37	Bhatrajulu	Minstrels and peons
38	Satanlu, Dasarlu	Singing religious songs and begging
39	Jangalu	Singing religious songs, begging, and tailoring
40	Mala, Pariahs	Cultivation, serving as servants, ryots, village-security
41	Paidimalalu	Cultivation and spinning of cotton
42	Boya	Same as Mala, serving as peons
43	Relli	Renting gardens and selling vegetables
44	Jalari	Fishing and carrying palanquins
45	Pallilu	Fishing and selling fish
Source: Compiled based on the information provided in Vizagapatam Gazetteer by Francis (1909)		

Table O: Economic activities performed by different castes in different locations in North Andhra

S. No	Economic Activity	Location	Primary Castes/Groups Involved	Key Information and Details
1	Jute-Weaving	Chittivalasa in Vizianagaram)	-	Dominant industrial activity, the early jute mill was established in 1921.
2	Cotton-Weaving	Palakonda Taluk and Anakapalli	Periki caste	Handloom weaving products sold to local Komatis.
3		Jami in Sringavarapukota Taluk	Devangulas	Devangulas weaving rugs, apparel, and carpets.
4		Rajam, Siripuram, Ponduru	Devangulas	Weaving and products sold in Ganjam district, Odisha.
5		Nakkapalli and Payakaraopeta	-	Products sold in the Godavari region.
6		Cheepurapalli	-	Dying done by Balijs in Sigadam; clothes sold locally and to Berhampur, Cuttack, and Calcutta.
7	Other Means of Livelihood	Cheepurapalli	Pattusalees	Shifted to tobacco curing and money-lending.
8	Indigo- Making	Palakonda Taluk	-	Thrived due to encouragement by Messrs. Arbuthnot & Co.; declined later due to competition from German dye.
9	Jaggery Trade	Anakapalli	Gavara caste	Cultivation and production of sugarcane; supported by Messrs. Arbuthnot & Co.
10		Samalkota (Godavari district)	-	Jaggery was sent to Samalkota for sugar and arrack production.
11	Manganese Ore Mining	Koduru (Chipurapalli Taluk), Garbham	-	Significant industry; ore exported to America, Middlesborough, and Dunkirk; declined due to international competition.
12	Glass Bangles Making	Anakapalli, Yelamanchili, Chipurapalle	Gazula Balijs	Production of glass bangles.
13	Oil Pressing	Bimili	Telikulas and Tellis	Oil pressing, European oil-company set up an oil press mill at Bimilipatnam.
14	Gold and Silver Work	Rajam, Parvathipuram, Bobbili	Kamsalis	Crafting of cups, rose-water sprinklers, etc.
15	Brass and Bell Metal Work	Anakapalle, Bobbili, Yelamanchili, Alamanda, Lakkavarapukota	Kancharis	Brass and bell metal work.
16	Ivory Work	Vizianagaram	Kamsalis	Notable for ivory work; and manufacturing of fancy articles for European clients.

Source: Compiled based on the information provided by Francis (1909) in Vizagapatam Gazetteer.

Annexure 2								
List of Registered Companies at Ministry of Corporate Affairs (MCA) (1978-2023)								
S.No	Company	Type of Business	Sector	Year	Period	Name	Caste	Active or not
1	Sri Vasavi Industries Ltd	Jute Manufacturing	Manufacturing	1978	1978-1982	Grandhi Mallikarjuna Rao	Vysya	Active
2	Sri Seetharama Jute twine Mills Private Limited	Jute Manufacturing	Manufacturing	1993	1993-1997	Chelikani Jagannadha Swamy	Velama Dori	Active
3	Sri Venkatasrinivasa Polymers Private Limited	Polymers Manufacturing	Manufacturing	1996	1993-1997	Inuganti Janardhan Rao	Velama Dori	Active
4	Sri Vasavi Polymers Private Limited	Polymers Manufacturing	Manufacturing	1995	1993-1997	Grandhi Susila and Manne Venkat	Vysya	Active
5	Sarita Synthetics And Industries Limited	Textiles	Manufacturing	1993	1993-1997	Butchi Venkata Ramana Murthy Yadavalli, Chandra Sekhara Rao Kotla	Vysya	Active
6	Sri G S R Builders And Investments Private Limited	Construction	Construction	1995	1993-1997	Grandhi Sanyasi Raju	Vysya	Active
7	Sarita Steel And Industries Limited	Steel Manufacturing	Manufacturing	1990	1988-1992	Butchi Venkata Ramana Murthy Yadavalli, Chandra Sekhara Rao Kotla	Vysya	Active
8	Suryanarayana Textiles Private Limited	Textiles	Manufacturing	1998	1998-2002		Devangula	Strike off
9	Runway Labz Private Limited	Education Services	Education	2015	2013-2017	Banisetty Santosh Balajee	Devangula	Strike off
10	Ratnam Jute Private Limited	Jute Manufacturing	Manufacturing	1996	1993-1997	Kotha Santosh, Anandarao Suramalla	Vysya	Active
11	Vedalakshmi Boards Private Limited	Software Services	Software-Startup	1998	1998-2002	Pusarla Mohan Rao	Vysya	Active
12	Sai Steel Re-rolling Mills Private Limited	Steel Manufacturing	Manufacturing	1985	1983-1987		Vysya	Strike off
13	Sri Varalakshmi Jute Twine Mills Private Limited	Jute Manufacturing	Manufacturing	1990	1988-1992	Grandhi Varalakshmi	Vysya	Active
14	Kvr Organics Limited	Manufacturing of basic metals	Manufacturing	1997	1993-1997	Kotha Venkata Rao	Vysya	Strike off
15	Rajam Aqua-vet Limited	Fishing/ Fish farms and Hatcheries	Agro and allied busine	1994	1993-1997	Ramakrishna Veeramachaneni	Kamma	Active
16	Hero Wiretex Limited	Manufacturing of Machinery and Equipment	Manufacturing	1991	1988-1992	Sridhar Vanjarapu	Turpu Kapu	Active
17	Sri Venkata Srinivasa Builders Private Limited	Construction	Construction	2013	2013-2017	Inuganti Janardhan Rao	Velama Dori	Active
18	Rajam Extractions Limited	Fish Processing	Agro and allied busine	1989	1988-1992	Lalitharani Veeramachaneni	Kamma	Active
19	Seetha Mahalakshmi Poultry And Farms Private Limited	Poultry	Agro and allied busine	1995	1993-1997	Kolluru Venkata Raju	Vysya	Active
20	Umr Cashew Industries Private Limited	Agro-business	Agro and allied busine	2017	2013-2017	Girada Taviti Naidu	Turpu Kapu	Active
21	Sri Lakshmi Srinivasa Jute Mills Private Limited	Jute Manufacturing	Manufacturing	1994	1993-1997	Kotha Venkata Rao	Vysya	Active
22	Agrobin E-commerce Private Limited	Agro-business	Agro and allied busine	2019	2018-2022	Taddi Chinaappala Naidu	Turpu Kapu	Active
23	Sri Saraswati Packing Industries Private Limited	Manufacturing of packing material	Manufacturing	1999	1998-2002	Seemakurthi Srinivas Gupta	Vysya	Active
24	Sgs Spintex Park Private Limited (Textiles)	Textiles	Manufacturing	2014	2013-2017	Seemakurthi Raghunadha Gupta	Vysya	Strike off
25	Venkatsoftware Private Limited (Software related)	Software Services/ Start up	Software-Startup	2021	2018-2022	Adapa Venkatasathya Bhaskar Ra	Telaga	Active
26	Stv Infra Projects Private Limited	Construction	Construction	2015	2013-2017	Goduri Venkata Sai Varma and Pasurmarthi Sobharani	Vysya	Active
27	Jana Jyothi Farm Estates India Private Limited	Real Estate	Real Estate	2015	2013-2017	Duppada Taviti Naidu and Sriniva Neelam	Turpu Kapu	Strike off
28	Seetharama Enterprises (Cement And Minerals) Private Limited	Manufacturing of cement and mine	Manufacturing	1996	1998-2002	Chelikani Jagannadha Swamy	Velama Dori	Active
29	Ratnam Coppers Private Limited	Mining and Quarrraying	Manufacturing	1998	1998-2002	Kotha Venkata Rao family	Vysya	Strike off
30	Ssr Jute Industries Private Limited	Jute textile	Manufacturing	2016	2013-2017	Saladi Satish	Telaga	Active
31	Skt Chit Funds Private Limited	Chitfunds/moneylending	Chitfunds/Financial	2019	2018-2022	Kenguva Jyothsna and Varanasi C	Kalinga Vysy	Active
32	Riveting Techdora Solutions Private Limited	Computer related services/Start up	Software-Startup	2022	2018-2022	Saptagiri Guntamukkala and Kris	Viswa Brahm	Active
33	Adithya Emperor Private Limited	Construction and Demolition Equip	Construction	2017	2013-2017	Ambica Sai Sudhakar	Vysya	Strike off
34	Molaka Farmers Producer Company Limited	Agro-business	Agro and allied busine	2017	2013-2017	Kameswara Rao Nakka, Eswarara Lokanadharao Koyyana, Balarami Koyyana, Arjun Gangu, Umadevi	Polinati Vela	Active
35	Sri Lakshmi Srinivasa Trading Private Limited	Wholesale business	Retail and Wholesale business	2022	2018-2022	Arun Goyal and Sonika Goyal, Shanmukha Srinivasa Rao Buraga and Ganesha Valluru	Turpu Kapu	Active
36	Seetharama Oil Industries Private Limited	Manufacturing of Oils	Manufacturing	2017	2013-2017	Chelikani Jagannadha Swamy	Velama Dori	Active
37	High Tea And Coffee (opc) Private Limited	Tea and Coffee	Food processing	2022	2018-2022	Ambica Sai Sudhakar	Vysya	Active
38	Vijaya Venkateswara Constructions Llp	Constuction	Construction	2021	2018-2022	Srikarr Jagannathavenkata, Venkata Lakshmi Annapurna Koll	Vysya	Active
39	Aaditri Security Services Private Limited	Financial Services	Chitfunds/Financial	2015	2013-2017	Maradana Swathi and Simhachala	Koppula Vel	Active
40	Sierra Agro Private Limited	Agro-business	Agro and allied busine	2007	2003-2007	Chelikani Jagannadha Swamy	Velama Dori	Active
41	Blockchain Builders Private Limited	Software Services/ Start up	Software-Startup	2021	2018-2022	Simhachalam Dasari and Bindu Rani Kadimisetti	Devangula	Active
42	Sree Vijayalakshmi Chits Private Limited	Chitfunds/moneylending	Chitfunds/Financial	2020	2018-2022	Bhavani Varanasi, Ramesh Varana and Satyanarayana Varanasi	Kalinga Vysy	Active
43	Studyway Private Limited	Education services	Education	2021	2018-2022	Kemburu Venu Gopala Naidu and Rajesh Naraharisetti	Turpu Kapu	Active
44	Seek Warm Tech Scoot Private Limited	Software Services/ Start up	Software-Startup	2022	2018-2022	Appalaraju Gattam and Purushottam Naidu Pedalenka	Turpu Kapu	Active
45	Savitru Technical And Consultancy Services Private Limited	Software Services/ Start up	Software-Startup	2021	2018-2022	Manoj Palla and Venkata Rajesh P	Turpu Kapu	Active
46	Fresh Max Super Mart Llp	Super Mart/Departmental Stores	Super Mart/ Departmental Stores	2021	2018-2022	Pandiripalli Gautam and Gayatriidevi Vyuntam	Telaga	Active
47	Janabhitha Farms & Estates Private Limited	Agro-business	Agro and allied busine	2009	2008-2012	Neteti Rajasekhara Rao, Yeturi Tir and Kameswara Rao Penta	Vysya	Strike off
48	Hari Chandana Chits Rajam Private Limited	Chitfunds/moneylending	Chitfunds/Financial	2020	2018-2022	Kishor Kumar Sasapu, Anuradha and Srinivasarao Sasapu	Turpu Kapu	Active
49	GMR Varalaxmi Foundation	Social Services	Education	2003	2003-2007	GMR	Vysya	Active
50	Ratnam Finance Private Limited	Financial Services	Chitfunds/Financial	1997	1993-1997		Vysya	Strike off
51	Sri Sai Sathvik Impex Private Limited	Wholesale business	Retail and Wholesale business	1995	1993-1997	Seemakurthi Raghunadha Gupta and Butchi Raju	Vysya	Active
52	SreeKanya Boards Private Limited	Manufacturing of cables, paper and products	Manufacturing	1997	1993-1997	Potta Satyanarayana Gupta	Vysya	Active
53	Sri Kimidi Surapu Naidu Jute Twine industries private	Jute Manufacturing	Manufacturing	1980	1988-1992	Kimidi Ganapathi Rao	Turpu Kapu	Active
54	Lakshmi Ganapathi Jute Mills Private Limited	Jute Manufacturing	Manufacturing	2004	2003-2007	Kimidi Ganapathi Rao	Turpu Kapu	Active
55	Varalakshmi Sugars Limited	Sugar Manufacturing	Manufacturing	1994	1993-1997	GMR (later sold it EID Parry Grou	Vysya	Active

Others from Outside and locallers established this business

Annexure 3				
Caste profile of certain sectoral business establishments in Rajam town				
S. No	Type of Business entity	Name of the Business/Commercial entity	Caste of the owner/property	
1	Hotel and Restaurants	JJ Inotel	Velama Dora	
2	Hotel and Restaurants	Trupthi resorts	Raju	
3	Hotel and Restaurants	Hotel Surya Chandra	Telaga	
4	Hotel and Restaurants	Hotel Rajadhani	Raju	
5	Hotel and Restaurants	Akshara Grand	Telaga	
6	Hotel and Restaurants	Annapurna Multicuisine Restaurant	Vysya	
7	Hotel and Restaurants	Silver Spoon Restaurant	Turpu Kapu	
8	Hotel and Restaurants	RK Restaurant	Telaga	
9	Hotel and Restaurants	Sri Majjigowri Family Restuarant	Turpu Kapu	
10	Hotel and Restaurants	Krishnaveni Hotel and Multi Cuisine Restaurant	Raju	
11	Hotel and Restaurants	Eat In Restaurant	Turpu Kapu	
12	Hotel and Restaurants	Venkata Padma Restaurant	Kalinga	
13	Hotel and Restaurants	Sri Balaji Hotels	Vysya	
14	Hotel and Restaurants	SR Restaurent	Velama Dora	
15	Hotel and Restaurants	Sri Vasavi Restaurant	Vysya	
16	Hotel and Restaurants	SVG Grand	Vysya	
17	Hotel and Restaurants	Ginger and Chilli Restaurant	Turpu Kapu	
18	Hotel and Restaurants	Food Lovers Restaurant	Telaga	
19	Hotel and Restaurants	Mandi Mahal	Turpu Kapu	
20	Hotel and Restaurants	Chowdary Bar and Restaurent	Non-local	Kamma
21	Hotel and Restaurants	Sri Rajulamma Dhaba	Unknown	
22	Hotel and Restaurants	Majji Gowri Dhaba	Turpu Kapu	
23	Hotel and Restaurants	Royal Garden Dhaba	Turpu Kapu	
24	Hotel and Restaurants	Friends Dhaba	Turpu Kapu	
25	Hotel and Restaurants	Raga Restaurant	Turpu Kapu	
26	Hospitals	GMR CARE Hospitals	Vysya	
27	Hospitals	Amrutha Hospitals	Turpu Kapu	
28	Hospitals	Suraksha Hospitals	Turpu Kapu	
29	Hospitals	Sunrise Hospitals	SC	
30	Hospitals	Sri Venakata Padma Hospitals	Kalinga	
31	Hospitals	Vijayamma Maternity Hospital	Telaga	
32	Hospitals	Dr Satyavani Maternity Hospital	Turpu Kapu	
33	Hospitals	Arogya Hospital	Turpu Kapu	
34	Hospitals	Sri Vasavi Nursing Home	Vysya	
35	Hospitals	Shirdi Sai Nrusing Home	Turpu Kapu	
36	Hospitals	Sri Krishna Nursing Home	Raju	
37	Hospitals	Chandini Medical Center	Koppula Velama	
38	Hospitals	Suresh Multispeciality Hospital	Turpu Kapu	
39	Hospitals	Jai Bharat Hospitals	Turpu Kapu	
40	Hospitals	Balaji Clinic (Dr Ramesh Babu Mutiki)	Devangula	
41	Hospitals	Bommidala Krishna Rao Hospital	Koppula Velama	
42	Hospitals	Mithra Dental Multispeciality	Turpu Kapu	
43	Hospitals	Surya Krishna Multi Speciality Dental Hospital	Koppula Velama	
44	Hospitals	Gorantla Nursing Home	Non-local	Kamma
45	Hospitals	Samatha Hospital	Telaga	
46	Hospitals	Krishna Medical Center	Polinati Velama	
47	Hospitals	RK Multispeciality Hospital	Turpu Kapu	
48	Hospitals	Vandana Dental Hospital	Polinati Velama	
49	Hospitals	Dr Phani orthocare	Kalinga	
50	Hospitals	St Anns Hospital	Christian Missionary Trust	Donated by GMR
51	Hospitals	AB Eye Care and Opticals	Telaga	
52	Educational Institutions	The Sun School	Telaga	
53	Educational Institutions	Varalaxmi St Anns School	Christian Missionary Trust	Donated by GMR
54	Educational Institutions	Little Flower English Medium School	Vysya	
55	Educational Institutions	GMR Varalaxmi DAV Public School	Vysya	
56	Educational Institutions	Narayana e-techno school (Property owner)	Telaga	
57	Educational Institutions	Vidyanikethan School	Telaga	
58	Educational Institutions	Orient Kids School	Vysya	
59	Educational Institutions	Sri Chaitanya Techno School	Vysya	
60	Educational Institutions	Ravindra Bharathi School	Vysya	
61	Educational Institutions	Bhashyam Little Champs	Telaga	
62	Educational Institutions	Sri Viswashanti Vidyalayam	Pattusalee	
63	Educational Institutions	Srujana Vidyalaya	Devangula	
64	Educational Institutions	Geethanjali Vidhyalayam/Sri Bhavisa EM School	Patnaik	
65	Educational Institutions	Viswa Bharati Public School Apsara theatre	Turpu Kapu	

66	Educational Institutions	Ravindra Bharathi Dolapeta School	Turpu Kapu		
67	Educational Institutions	Sudha Public School	Turpu Kapu		
68	Educational Institutions	Narayana School Guravam (property)	Turpu Kapu		
69	Educational Institutions	Star Public School	Polinati Velama		
70	Educational Institutions	Brilliant Public School	Koppula Velama		
71	Educational Institutions	Krishnaveni Talent School (property)	Vysya		
72	Educational Institutions	Spurthi Degree college	Turpu Kapu		
73	Educational Institutions	Sri GCSR College of Education	Vysya		
74	Educational Institutions	SSN degree college	Turpu Kapu		
75	Educational Institutions	Gayathri Junior college	Turpu Kapu		
76	Educational Institutions	Vidya Junior and Degree College	Turpu Kapu		
77	Educational Institutions	Sri Chaitanya Junior College (property owner)	Sadadhi Vaishnav		
78	Educational Institutions	Rangumudri Degree College	Telaga		
79	Educational Institutions	Vedha Gayatri Junior College	Telaga	Partnership with Turpu Kapu	
80	Educational Institutions	Narayana Junior College (property owner)	Telaga		
81	Educational Institutions	Adithya Junior College	Turpu Kapu		
82	Educational Institutions	Jnana Jyothi School	Telaga		
83	Educational Institutions	Sri Rama Vocational College	Yadhava		
84	Educational Institutions	GNR junior and degree college	Koppula Velama		
85	Educational Institutions	Mother Teresa college of Nursing	Koppula Velama		
86	Educational Institutions	Arunodhaya Educational Institution (Regular and di	Turpu Kapu		
87	Educational Institutions	GMRIT Engineering college	Vysya		
88	Function Halls	Natraj Function hall	Vysya		
89	Function Halls	Siri Function Hall	SC		
90	Function Halls	SR Convention	Velama Dora		
91	Function Halls	Sri Surya Durga Kalayanamandapam	Devangula		
92	Function Halls	Venkateswara Kalyana Mandapam	Devangula	Given on lease to Turpu Kapu	
93	Function Halls	Devi Sridevi Function Halls	Pattusalee		
94	Function Halls	Kotta Daliraju Function Hall and AC function Hall	Vysya		
95	Function Halls	Sri Venkat Surya Durga Funcion Hall	Devangula		
96	Function Halls	Sri Sai Navadurga Function Hall	Devangula		
97	Function Halls	Trupthi resorts	Raju		
98	Function Halls	JJ Inotel	Velama Dora		
99	Shopping Malls	Sri JK Shopping Mall (property)	Velama Dora		
100	Shopping Malls	MGR Shopping Mall	Vysya		
101	Shopping Malls	SR Shopping Mall (property)	Velama Dora		
102	Shopping Malls	Reliance Trends (Property)	Vysya		
103	Shopping Malls	Sudarshan Brothers	Turpu Kapu		
104	Shopping Malls	Balaj Cloth Stores	Devangula		
105	Shopping Malls	Maruthi Stores	Telaga		
106	Shopping Malls	Style Bazar (property)	Telaga		
107	Shopping Malls	Shri Shankar Readymade stores	Vysya		
108	Shopping Malls	URL fashions	Vysya		
109	Shopping Malls	SMG Baby shopping Mall	Turpu Kapu		
110	Shopping Malls	3G Fashions	Vysya		
111	Shopping Malls	Jagannadha Textiles	Devangula		
112	Shopping Malls	Talupulamma Textiles	Devangula		
113	Departmental Stores	Ganga Kaveri Departmental Stores	Vysya		
114	Departmental Stores	Sri Saravana Departmental Stores	Turpu Kapu		
115	Departmental Stores	Sampath Departmental Stores	Telaga		
116	Departmental Stores	City Super Market	Turpu Kapu		
117	Departmental Stores	Majji Gowri Departmental stores	Turpu Kapu		
118	Departmental Stores	Rajam Mart Super Mart (Dolapeta)	Turpu Kapu		
119	Departmental Stores	Reliance Fresh (property)	Unknown		
120	Departmental Stores	Sri Ganesh Departmental stores	Turpu Kapu		
121	Jewellery Shops	Sri Kalki Jewellers	Vysya		
122	Jewellery Shops	Vysyaraju Jewellers	Vysya		
123	Jewellery Shops	Ramesh Naidu Jewellers	Turpu Kapu		
124	Jewellery Shops	Chandu Naidu Jewellers	Turpu Kapu		
125	Jewellery Shops	Sri Parvathi Parameswara Jewellers	Non-local	Reddy	
126	Jewellery Shops	Sri Rama Jewellers	Turpu Kapu		
127	Jewellery Shops	Sri Hari Jewellers	Telaga		
128	Jewellery Shops	Sri Sravani Jewellers	Koppula Velama		
129	Jewellery Shops	Tirumala Jewellers	Non-local	(Baliya/Ongole)	
130	Jewellery Shops	SMK Jewellers	Non-local	(Baliya/Ongole)	
131	Jewellery Shops	Naresh Jewellers	Non-local	(Baliya/Ongole)	
132	Jewellery Shops	Navanidhi Jewellers and gems	Turpu Kapu		
133	Jewellery Shops	Anupama gold and gems	Turpu Kapu		
134	Jewellery Shops	Abhirama Jewellery	Turpu Kapu		
135	Jewellery Shops	Hemanth Ganesh Jewellery	Turpu Kapu		
136	Jewellery Shops	Sandeep Jewellery- I	Marwadi		

137	Jewellery Shops	Sree Seetharama Jewellery	Turpu Kapu		
138	Jewellery Shops	Sandeep Jewellery- II	Non-local	Marwadi	
139	Jewellery Shops	Sivananda Jewellers	Viswa Brahmin		
140	Jewellery Shops	Narayana Jewellers	Non-local	(Baliya/Ongole)	
141	Jewellery Shops	Rajesh Jewellery- I	Non-local	(Baliya/Ongole)	
142	Jewellery Shops	Rajesh Jewellery- II	Non-local	(Baliya/Ongole)	
143	Jewellery Shops	Rajesh Jewellery- III	Non-local	(Baliya/Ongole)	
144	Jewellery Shops	Naveen Jewellers	Non-local	(Baliya/Ongole)	
145	Jewellery Shops	Vegujukka Jewellers	Telaga		
146	Jewellery Shops	Laxm Srinivasa Jewellery	Vysya		
147	Jewellery Shops	Seetharama Jewellery	Turpu Kapu		
148	Jewellery Shops	Naidu Jewellery	Turpu Kapu		
149	Jewellery Shops	Sri Krishna Durga Jewellers	Telaga		
150	Jewellery Shops	Sri Kameswari Jewellers	Telaga		
151	Jewellery Shops	Sri Venkateswara Jewellers	Non-local	Reddy	
152	Jewellery Shops	Sri Radha Krishna Jewellers	Non-local	Reddy	
153	Jewellery Shops	Surya Jewellers	Viswa Brahmin		
154	Jewellery Shops	RS Jewellers	Turpu Kapu		
155	Jewellery Shops	Karnena Jewellers	Turpu Kapu		
156	Jewellery Shops	Sri Laxmi Ganapathi Jewellers	Turpu Kapu		
157	Jewellery Shops	Sai Sri Jewellers	Turpu Kapu		
158	Jewellery Shops	Sankar Naidu Jewellers	Turpu Kapu		
159	Jewellery Shops	Bujji Jewellery	Turpu Kapu		
160	Jewellery Shops	Sri Saikiran Jewellers	Turpu Kapu		
161	Jewellery Shops	Sri Gayatri Jewellers	Viswa Brahmin		
162	Sweets and Bakery	Sri Srinivasa Sweets and Bakery	Telaga		
163	Sweets and Bakery	Keerthana Sweets and Bakery	Koppula Velama		
164	Sweets and Bakery	SVBs Bakery and Sweets	Koppula Velama		
165	Sweets and Bakery	Bhavani Sweets and Bakery	Koppula Velama		
166	Sweets and Bakery	Ravi Sweets and Bakery	Vysya		
167	Sweets and Bakery	Keerthana Sweets and Bakery	Koppula Velama		
168	Sweets and Bakery	Sri Venkateswara Taj Foods (Bakery, Sweets and Res	Vysya		
169	Sawmills and Timber dep	Sri Ramalingeswara traders	Turpu Kapu		
170	Sawmills and Timber dep	Sri Ramalingeswara timber depot and sawmills	Turpu Kapu		
171	Sawmills and Timber dep	Sri Ramalingeswara timber depot and sawmills	Turpu Kapu		
172	Sawmills and Timber dep	Sri Venkateswara Timber depot and Sawmill	Non-local	Odisha	
173	Sawmills and Timber dep	Krishna Sawmill	Velama Dora		
174	Sawmills and Timber dep	Sri Ramanjaneya Sawmill	Turpu Kapu		
175	Sawmills and Timber dep	Sri Seetharama Sawmill	Turpu Kapu		
176	Sawmills and Timber dep	Sri Annapoorna Sawmill	Devangula		
177	Sawmills and Timber dep	Sri Saiswami Sawmill	Turpu Kapu		
178	Sawmills and Timber dep	Shirdi Sai Sawmill	Turpu Kapu		
179	Sawmills and Timber dep	Dondapani Sawmill	Non-local	Odisha	
180	Sawmills and Timber dep	Majji Gowri Sawmill	Turpu Kapu		
181	Sawmills and Timber dep	Sri Mallikarjuna timber depot	Turpu Kapu		
182	Sawmills and Timber dep	Murali Krishna Sawmill	NagaVamsi		
183	Sawmills and Timber dep	Sri Kalki Sawmill	Turpu Kapu		
184	Sawmills and Timber dep	Mauli Sawmill and Timber depot	Turpu Kapu		
185	Sawmills and Timber dep	Sri Venkateswara Sawmill	Turpu Kapu		
186	Sawmills and Timber dep	Sri Venkateswara Sawmill	Turpu Kapu		
187	Sawmills and Timber dep	PAN timber depot	Turpu Kapu		
188	Movie theatres	Apsara AC theatre (given on lease to Dil Raju)	Velama Dora		
189	Movie theatres	Sri Seetharama twin theatres	Velama Dora		
190	Commercial complexes (re	Sathya Complex	Telaga		
191	Commercial complexes (re	Sampath Bhavan	Vysya		
192	Commercial complexes (re	Tirumala Complex	Telaga		
193	Commercial complexes (re	SR Commercial Complex 1	Velama Dora		
194	Commercial complexes (re	SR Commercial Complex 2	Velama Dora		
195	Commercial complexes (re	Ramalingeswara Complex	Turpu Kapu		
196	Show Rooms	Hero Showroom	Vysya		
197	Show Rooms	Honda Showroom	Polinati Velama		
198	Show Rooms	TVS Showroom	Polinati Velama		
199	Show Rooms	Yamaha Showroom	Polinati Velama		
200	Show Rooms	Royal Enfield Showroom	Unknown		
201	Show Rooms	Bajaj Showroom	Unknown		
202	Show Rooms	Maruthi Suzuki Showroom	Vysya		
203	Petrol Bunks	Bharat Petroleum Filling Station Near RTC complex	Vysya		
204	Petrol Bunks	Mr X	Vysya		
205	Petrol Bunks	HP petrol pump station Cheepurapalli Road	Vysya		
206	Petrol Bunks	Indian Oil petrol Bunk near Dolapeta	Turpu Kapu		
207	Petrol Bunks	SVR filling Station GMRIT palakonda road	Turpu Kapu		

208	Petrol Bunks	HP Petrol Bunk near Mogilivalasa	Kalinga		
209	Petrol Bunks	Indian Oil petrol Bunk near Ommi	Telaga		
210	Petrol Bunks	HP Petrol Pump near Vasthrapuri Colony	Telaga		
211	Gas distribution	HP Gas Agency	Vysya		
212	Gas distribution	HP Gas Agency	Turpu Kapu		
213	Real Estate Ventures	Maruthi Real Estate	Vysya		
214	Real Estate Ventures	Vasavi Real Estate	Vysya		
215	Real Estate Ventures	Gayatri Real Estate	Non-local	Telaga	
216	Real Estate Ventures	Shankar Real Estate	Devangula		
217	Real Estate Ventures	Laxmi Real Estate	Devangula		
218	Real Estate Ventures	Navya Real Estate	Non-local	Kamma	
219	Real Estate Ventures	Gorantla Real Estate	Non-local	Kamma	
220	Real Estate Ventures	Eswara Real Estate	Koppula Velama	Partnership with Telaga	
221	Real Estate Ventures	Kavya Sri	Non-local	Kamma	
222	Real Estate Ventures	Varalaxmi Real Estate	Devangula		
223	Real Estate Ventures	Bheri Real Estate	Vysya		
224	Real Estate Ventures	Girada Uma Real Estate	Turpu Kapu		
225	Real Estate Ventures	Rajam Real Estate	Turpu Kapu		
226	Real Estate Ventures	Sri Rama Real Estate	Turpu Kapu		
227	Real Estate Ventures	Grandhi Real Estate	Vysya		
228	Real Estate Ventures	Vedha Gayatri Real Estate	Devangula		
229	Real Estate Ventures	Sai Bhagawan Real Estate	Vysya		
230	Real Estate Ventures	Sun City	Turpu Kapu	Partnership with Vysya	
231	Real Estate Ventures	JVR township	Vysya		
232	Real Estate Ventures	Sai Kiran Layouts	Velama Dora		
233	Real Estate Ventures	Sai Sarvana Real Estate	Velama Dora		
234	Real Estate Ventures	Padma Saraswathi Real Estates	Vysya		
235	Real Estate Ventures	Nimmadhi Naidu Real Estate - I near GMRIT	Turpu Kapu		
236	Real Estate Ventures	Nimmadhi Naidu Real Estate- II near GMRIT	Turpu Kapu		
237	Real Estate Ventures	Converted Saritha Synthetics into real Estate	Turpu Kapu		
238	Real Estate Ventures	Converted 3.5 acres in prime location	Turpu Kapu		
239	Real Estate Ventures	Converted GMR old rice mill into real estate	Vysya		
240	Real Estate Ventures	Converted Rajam Aluminimu Metal Products (RAM Pvt Ltd	Vysya		
241	Real Estate Ventures	Converted cable wire industry into Real Estate	Koppula Velama		
242	Real Estate Ventures	Converted KMR rice mill into Real Estate	Telaga		
243	Real Estate Ventures	Purchased 7 acres Muddham Rice Mill	Velama Dora		
244	Real Estate Ventures	Convrted a Godown into a Real Estate	Vysya		
245	Furniture and Homeneeds	SVG Watch and Electronics	Telaga		
246	Furniture and Homeneeds	Srikanaka Durga furniture and Homeneeds	Telaga		
247	Furniture and Homeneeds	SLV furnitures and Electronics	Telaga		
248	Furniture and Homeneeds	Sri Srinivasa Furniture and Homeneeds	Turpu Kapu		
249	Furniture and Homeneeds	Ganesh Homeneeds	Vysya		
250	Furniture and Homeneeds	Sai Gayatri Modern Furnitures	Telaga		
251	Furniture and Homeneeds	Soundarya Shoppe	Vysya		
252	Furniture and Homeneeds	SMG Electronics	Devangula	With Patnaik as partners	
253	Furniture and Homeneeds	Krishna Digital Shoppe	Telaga		
254	Cement and Iron	Manikanta Traders	Vysya		
255	Cement and Iron	Shirdi Sai Traders	Vysya		
256	Cement and Iron	Vijayadurga Traders	Telaga		
257	Cement and Iron	Venkata Srinivasa Traders	Turpu Kapu		
258	Cement and Iron	Uppalavani Traders	Vysya		
259	Cement and Iron	Satyasai Traders	Koppula Velama		
260	Cement and Iron	Srinivasa Traders	Telaga		
261	Cement and Iron	Sai Durga Traders	Turpu Kapu		
262	Borewells	Sai Borewells	Devangula		
263	Borewells	Sairam Borewells	Devangula		
264	Borewells	Rajulamma Thalli Borewells	Segidi		
265	Borewells	Sri Gayatri Borewells	Segidi		
266	Borewells	Ayyappa Borewells	Turpu Kapu		
267	Borewells	Raghavendra Borewells	Turpu Kapu		
268	Borewells	Sivaganga Borewells	Turpu Kapu		
269	Medical Stores	Balaji Medicals	Devangula		
270	Medical Stores	Vasavi Medicals	Vysya		
271	Medical Stores	Dayal Medicals	Telaga		
272	Medical Stores	Rao and Sons Medicals	Vysya		
273	Medical Stores	Raju Medicals	Devangula		
274	Medical Stores	Shri Manikanta Medical Stores	Vysya		
275	Medical Stores	Prakash Medicals	Vysya		
276	Medical Stores	Shri Vasavi Wholesale Medical stores	Vysya		
277	Medical Stores	Laxmi Wholesale Medicals	Vysya		

**Table A. Caste-wise distribution of
Business establishments**

Caste of the owner/property	% to the Total of
Christian Missionary Trust	0.72%
Devangula	6.86%
Kalinga	1.44%
Koppula Velama	5.05%
Marwadi	0.36%
NagaVamsi	0.36%
Non-local	7.22%
Patnaik	0.36%
Pattusalee	0.72%
Polinati Velama	2.17%
Raju	1.81%
Sadadhi Vaishnav	0.36%
SC	0.72%
Segidi	0.72%
Telaga	13.00%
Turpu Kapu	30.32%
Unknown	1.44%
Velama Dora	5.05%
Viswa Brahmin	1.08%
Vysya	19.86%
Yadhava	0.36%
Grand Total	100.00%

**Table B. Sector-wise distribution of
Business establishments**

<i>Type of Business entity</i>	% to the Total of 277 Business Establishments
Borewells	2.53%
Cement and Iron	2.89%
Commercial complexes (residential)	2.17%
Departmental Stores	2.89%
Educational Institutions	13.00%
Function Halls	3.97%
Furniture and Homeneeds	3.25%
Gas distribution	0.72%
Hospitals	9.39%
Hotel and Restaurants	9.03%
Jewellery Shops	14.80%
Medical Stores	3.25%
Movie theatres	0.72%
Petrol Bunks	2.89%
Real Estate Ventures	11.55%
Sawmills and Timber depot	6.86%
Shopping Malls	5.05%
Show Rooms	2.53%
Sweets and Bakery	2.53%
Grand Total	100.00%

Table C. Caste and Sector-wise distribution of Business establishments

Table C: Caste and Sector wise distribution of Business establishments																				
COUNT of S. No	Type of Business entity																			
Caste of the owner/property	Borewells	Cement and Iron	Commercial complexes (rents)	Departmental Stores	Educational Institutions	Function Halls	Furniture and Homeneeds	Gas distribution	Hospitals	Hotel and Restaurants	Jewellery Shops	Medical Stores	Movie theatres	Petrol Bunks	Real Estate Ventures	Sawmills and Timber depot	Shopping Malls	Show Rooms	Sweets and Bakery	Grand Total
Christian Missionary Trust					2.78%				3.85%											0.72%
Devangula	28.57%				2.78%	36.36%	11.11%		3.85%			22.22%			12.50%	5.26%	21.43%			6.86%
Kalinga									7.69%	4.00%				12.50%						1.44%
Koppula Velama		12.50%			8.33%				11.54%		2.44%				6.25%				57.14%	5.05%
Marwadi											2.44%									0.36%
NagaVamsi																5.26%				0.36%
Non-local									3.85%	4.00%	29.27%				12.50%	10.53%				7.22%
Patnaik					2.78%															0.36%
Pattusalee					2.78%	9.09%														0.72%
Polinati Velama					2.78%				7.69%									42.86%		2.17%
Raju						9.09%			3.85%	12.00%										1.81%
Sadadhi Vaishnav					2.78%															0.36%
SC						9.09%			3.85%											0.72%
Segidi	28.57%																			0.72%
Telaga		25.00%	33.33%	12.50%	22.22%		55.56%		11.54%	16.00%	9.76%	11.11%		25.00%	3.13%		14.29%		14.29%	13.00%
Turpu Kapu	42.86%	25.00%	16.67%	62.50%	27.78%		11.11%	50.00%	34.62%	36.00%	41.46%			25.00%	25.00%	73.68%	14.29%			30.32%
Unknown				12.50%						4.00%								28.57%		1.44%
Velama Dora			33.33%			18.18%				8.00%			100.00		9.38%	5.26%	14.29%			5.05%
Viswa Brahmin											7.32%									1.08%
Vysya		37.50%	16.67%	12.50%	22.22%	18.18%	22.22%	50.00%	7.69%	16.00%	7.32%	66.67%		37.50%	31.25%		35.71%	28.57%	28.57%	19.86%
Yadhava					2.78%															0.36%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Based on fieldwork data

Table D.Sector and Caste-wise distribution of Business establishments

Type of Business entity	Caste of the owner/property																			
	Christian Missionary Trust	Devangula	Kalinga	Koppula Velama	Marwadi	Naga Vamsi	Non-local	Patnaik	Pattasalee	Polinati Velama	Raju	Sadadhi Vaishnav	SC	Segidi	Telaga	Turpu Kapu	Unknown	Velama Dora	Viswa Brahmin	Vysya
Borewells		28.57%												28.57%		42.86%				
Cement and Iron				12.50%											25.00%	25.00%				37.50%
Commercial complexes (rents)															33.33%	16.67%		33.33%		16.67%
Departmental Stores															12.50%	62.50%	12.50%			12.50%
Educational Institutions	2.78%	2.78%		8.33%				2.78%	2.78%	2.78%		2.78%			22.22%	27.78%				2.78%
Function Halls		36.36%							9.09%		9.09%		9.09%					18.18%		18.18%
Furniture and Homeneeds		11.11%													55.56%	11.11%				22.22%
Gas distribution																50.00%				50.00%
Hospitals	3.85%	3.85%	7.69%	11.54%			3.85%			7.69%	3.85%		3.85%		11.54%	34.62%				7.69%
Hotel and Restaurants			4.00%				4.00%				12.00%				16.00%	36.00%	4.00%	8.00%		16.00%
Jewellery Shops				2.44%	2.44%		29.27%								9.76%	41.46%			7.32%	7.32%
Medical Stores		22.22%													11.11%					66.67%
Movie theatres																		100.00%		
Petrol Bunks			12.50%												25.00%	25.00%				37.50%
Real Estate Ventures		12.50%		6.25%			12.50%								3.13%	25.00%		9.38%		31.25%
Sawmills and Timber depot		5.26%				5.26%	10.53%									73.68%		5.26%		
Shopping Malls		21.43%													14.29%	14.29%		14.29%		35.71%
Show Rooms										42.86%							28.57%			28.57%
Sweets and Bakery				57.14%											14.29%					28.57%
Grand Total	0.72%	6.86%	1.44%	5.05%	0.36%	0.36%	7.22%	0.36%	0.72%	2.17%	1.81%	0.36%	0.72%	0.72%	13.00%	30.32%	1.44%	5.05%	1.08%	19.86%
																				0.36%
																				100.00%

Source: Based on fieldwork data

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Wealth elites and their accumulation dynamics: Hyderabad City Region

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Abstract

Majority of the wealth elites from Hyderabad city region emerged during the reform period (1995- 2014), benefiting from the neo-liberal policies, political patronage and nexus with caste and regional networks. In post-2014, while wealth accumulation is accounted for in terms of high growth in sectors such as IT, pharmaceuticals and real estate, our field accounts indicate that large-wealth creation also occurred through contracts in irrigation projects such as Kaleswaram, Polavaram, and privatisation of seaports and infrastructure projects. While the early structural transformation of wealthy elites from agro-based industrial economy to service sector was facilitated by agrarian surplus and land, now the structural shift within the service sector is more complex. The regional and sub-regional story of wealth formation indicates that it is not just the broader economic reforms that have brought about this change, but the structural shift from the political patronage of business to the business patronage of the political or political nexus with business. Taking into consideration the agrarian background of elites and subsequent emergence of professional classes on one hand, and diverse trajectories of business elites on the other, this paper tries to explain the current wealth-accumulation dynamics in Hyderabad City region through a political economy perspective.

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WEALTH ELITES AND THEIR ACCUMULATION DYNAMICS: HYDERABAD CITY REGION

Purendra Prasad and

Raviteja Rambarki | May 2023

Introduction

This paper tries to map wealth and the wealthy elites, identifying broad patterns and processes in Hyderabad City region¹. Invoking Edward Soja's (2000) concept of a city region, the paper attempts to understand how regional social structures serve as networks of power and accumulation that may stretch far beyond the region itself.

Historical sources indicate that big wealth creation in the city region first took place during the 16th and early 17th centuries. During the late 18th and early 19th centuries, the canal-irrigation facilities on the Godavari and Krishna rivers transformed cropping patterns in agriculture in the region, from subsistence to cash crops, especially paddy cultivation. This led the farmers to transform themselves into commercial farmers/rich peasants. During the 1970s, the post-green revolution gave further impetus that transformed the region. As a result, first-generation rural Andhra entrepreneurs invested in construction, government contracts and transport. From the 1980s, these upper-caste elites diversified into agro-towns linked to the agro-processing industry, marketing and selling or entrepreneurship from below (Upadhyaya, 1988).

In the 1990s, a lot of investment went into the entertainment industry (Ramoji Film City, Rama Naidu Studios, film distribution, TV channels), educational institutions (Narayana, Chaitanya), health care industry (pharma, hospital industry, insurance), and manufacturing (cement industry) etc. Post-1990s, many of their businesses expanded into Hyderabad and were increasingly able to integrate themselves into global circuits of capital in pharma, IT and ITES, real estate and construction. The majority of the wealth elites from Telugu states emerged during the reform period (1995- 2014), benefiting from the neo-liberal policies, political patronage and nexus, caste and regional networks. However, post-2014, service sector growth has been predominant in both the states. Taking into consideration the agrarian background of elites and subsequent emergence of professional classes on one hand, and diverse trajectories of business elites on the other, this paper tries to explain the current wealth-accumulation dynamics in Hyderabad City region through a political economy perspective.

Wealth creation – growth of rich and super-rich individuals

Hyderabad City region is home to 78 individuals who have a net worth of Rs 1,000 crores or more and in the last decade, the super-rich individuals have grown from mere 3 to 78 in 2022 (IIFL Wealth Hurun India Rich List 2022). Similarly, Hyderabad was home to 467 ultra-high-net worth individuals in the year 2021, making it the second-highest in the country after Mumbai, where the number of persons with a net worth of \$30m and more stood at 1,596 (Property Consultancy Knight Frank Wealth Report 2022). If we include the non-listed companies and undisclosed wealth, there are at least three times the number who can be considered super-rich, having more than 1,000 crores.

¹ Hyderabad city region includes two Telugu states – Andhra Pradesh (three regions – south coastal Andhra, north coastal Andhra and Rayalaseema) and Telangana (two regions North Telangana and South Telangana) including metropolitan city of Hyderabad.

In terms of industry distribution, healthcare including pharmaceuticals was the biggest contributor to the list from the State with 15 companies, followed by software and services, and chemicals and infrastructure. In terms of number of individuals in the list, the pharma sector accounts for 31% of the richest in Andhra Pradesh and Telangana, followed by the food-processing sector (10%), food & beverages (10%), construction (9%) and chemicals sector (9%), respectively. Hyderabad City is also called the pharmaceutical hub of India, which is reflected in the three billionaires who featured in the top 100 India Rich List from this sector (IIFL Wealth Hurun India Rich List 2022).

Research process

Field work was conducted in three phases (short survey, long survey and case studies) during March to October, 2022. The list comprises people from different regions – North Coastal Andhra, south coastal Andhra, Rayalaseema in Andhra Pradesh and North and South Telangana in the state of Telangana. This distinction is significant, as each region displayed a different political economy and distinct growth trajectories with diverse economic players.

Primary wealth owners (short survey)

We have compiled a list of 234 wealthy individuals from Andhra Pradesh and Telangana states. The list contains the primary wealth owner's name, company/group name, caste/*jati* of the individual owner, region, primary business sector/ activity etc. (See Table 1.1 Appendix 1). The sample of 234 PWOs data from the field consists of 50% super-rich who own more than 10,000 million rupees, 27% wealthy individuals owning between 1000 and 10,000 million rupees, and the fuzzy category, which comprises 23% owning less than 1000 million rupees (see Table 1.2)

Table 1.2. Wealth-wise distribution of 234 PWOs

S. No.	Category of Rich (in Indian Rupees)	No. of PWOs
1	Super Wealthy (>10,000 million)	118 (50%)
2	Wealthy (1,000 million – 10,000 million)	63 (27%)
3	Fuzzy (< 1000 million)	53 (23%)
Grand Total		234

Source: Field data

Field data clearly indicates that the Hurun rich list data 2022 is a gross underestimation in their categorisation of the super-rich. While the Hurun rich list data shows only 78 super-rich individuals in Hyderabad City region, our data from a small sample shows that the figure is 118.

The data sources for the short survey include the following: IIFL Wealth Hurun India Rich List 2021 and 2022 helped in preparing the list of super-rich; Sources such as Fundoodata.com in preparing BSE listed companies; BSE website in preparing primary names associated with the listed companies; Telugu news channel ABN's *Best in the Business* segment; YouTube channel iDream's *Business Icons* interviews and ETV2's *Cheppalani Undhi*, Telugu daily newspapers have been used.

PWOs (long survey instrument)

Throughout this survey, we collected 83 primary wealth owners' data from different sectors, castes and regions (See Table 2.1, Appendix 2). The data shows 71% super-rich and 15% wealthy individuals, while 11% belong to the fuzzy category (See Table 1.3).

Table 1.3: Wealth-wise Distribution of 83 PWOs

S. No.	Category of Rich	No. of PWOs
1	Super Wealthy	59 (71%)
2	Wealthy	15 (18%)
3	Fuzzy	9 (11%)
Grand Total		83

Data sources include – the company's annual reports and websites, published interviews of the company's key personnel such as chairperson, managing director, etc., that appeared in business magazines and newspapers such as Economic Times, Forbes, BuzzFeed, YouTube, and other websites. Reports of credit rating agencies such as CRISIL, CARE, ICRA, India Ratings and Brickwork have been used for the respective companies to determine their key strengths and the range of their business activities. The BSE website and company's annual reports were the sources for listing the promoter group shareholders and board of directors. SEBI's red-herring reports were used sparingly. Websites such as Market Screener and Zaubas Corp were relied upon to check the key people associated with the company, and to note the company's diversification and brief profiles. We have also interacted with business journalists, friends and activists based in Hyderabad to obtain and cross-check information – in particular, to determine the political/marriage/business networks of the key people of the company.

Case Studies

Eight primary wealth owner case studies have been conducted along with interviews from six key informants and business associations. The case studies were chosen from different sectors – agro-business (poultry and milk dairy), start-up companies (digitech/fintech and transport), manufacturing (cement), hospital industry and sanitary distribution and stevedoring.

Data sources include the following: contacts established with a few key respondents (business journalists, opinion-influencers) provided important clues, which in turn helped gain access to PWOs. Also, social media platforms such as LinkedIn, WhatsApp and emails were used to reach out. Along with detailed interviews, company brochures, biographical accounts and companies' newspaper reports were helpful.

History of the region – temporal and spatial aspects of wealth accumulation

This section provides explanation about wealth accumulation and key accelerators in the Hyderabad City region, both temporally and spatially.

Pre-colonial and princely state of Hyderabad

During the Qutub Shahi reign, Golconda became one of the leading markets in the world for diamonds, pearls, steel, arms and printed fabric. Although first Nizam came to Hyderabad state as a provincial governor of the Mughal Empire, the successive Nizams slowly established independence. After conquering Hyderabad in 1724, the Nizams signed an alliance with the British and the territory became Hyderabad state. Historical sources indicate that wealth creation took place during the 16th and early 17th centuries. Hyderabad state had its own currency, mint, railways and postal system. The Nizam rulers amassed a lot of wealth as a result of the diamond trade. Historically, there were two kinds of elites in Nizam state: political/administrative and economic/business. The political elites were significant in Hyderabad state as they held large tracts of land and its revenue. Leonard (1971) characterises the political system of Hyderabad state as being operated based on loosely structured patron-client relationships. Here, a lot of elites from outside were integrated into the Nizam's political system.

“The Nizam's ruling class incorporated Marathis, Telugu and Kannada speaking nobles, officials, and local elites as well as Persian, Urdu and Hindi speakers who accompanied him from northern India. The nobility, the Mughal bureaucracy and the military included adherents of all religions, although Muslims were the majority of urban ruling elite and Hindus formed the bulk of the rural peasantry” (Leonard, 2018:405).

Since most of the land and its revenues were under Nizam, his patronage was crucial for the formation of elites in Hyderabad state. Then, the local rulers in the Nizam territories, who paid an annual tribute called *samsthanams*, continued to govern their inherited land themselves. Subsequently, the bankers and moneylenders of Hyderabad City and the military commanders (usually mercenaries) played a significant role in the political system.

The big moneylenders such as Pannalal Pitti, Nasher Chenoy and Dhanrajgir historically had a strong relationship with the State and gained social prominence comparable with that of the traditional landed gentry during the Nizam period. The Bombay money markets seem to have served as a source of finance for some of the industrialists in Hyderabad. Family connections played a major role in channelling finance from Bombay. Explicating the nature of the bankers and moneylenders in the Nizam state, Leonard (1971) points out that:

“Unlike the local rulers, the nobility or the vakils as a group, these two groups usually could be broken down into functioning caste or community units. The major financial communities in Hyderabad, except for Telugu-speaking Komatis, were not indigenous and had moved into the Deccan over a long period of time. Marwaris, Agarwals, Jains and Goswamis came from western and northern India to Hyderabad in the eighteenth and early nineteenth centuries. Many came first as merchants, dealing in shawls or jewels and then took up moneylending and banking. Caste-fellows settled in the same areas of the city and followed the life styles characteristic of their castes” (Leonard, 1971, p. 574).

But it was neither the landed gentry nor the moneylenders but the third group that played a more significant role in industrial enterprise in the State. They were essentially small-time traders, contractors and assorted professionals who eventually became landowners. Prominent among them were Ahmand Allddin, Karm Abdul Babu Khan, SM Hosain Khan, Laik Ali, and others (Rao Subba CV, 1991). Most of them had some connection with the bureaucracy. It was this elite bureaucracy, tied to each other by caste, religion, social status and kinship relations, that enabled the State to assume leadership of the process of industrialisation (ibid. p.234). What was more significant in Hyderabad was that, despite the large and liberal investment policies of the State, industry could not attract further investments from the private sector. Perhaps the overshadowing role of the State itself inhibited further growth to a certain extent, as it prevented the emergence of autonomous capital that was capable of reproducing itself on an expanding scale.

The nature of the political system has changed over time. By the end of eighteenth century, “yet another category – officials of the civil administration whose power was based on the control of records – became serious participants” (Leonard, 1971; p. 575). Diwans conducted administration in terms of dealing with “foreign relations, appointing *taluqdars* (revenue contractors), and generally supervising the collection of revenue and the disbursement of funds” (ibid, p. 576). After Diwan, the most important civil administrators in Hyderabad were the *Daftardars* (record-keepers). This is hereditary in nature, and there were two hereditary *Daftardars*. These offices were established in Hyderabad by 1760, or probably earlier. The revenue officials at town and village level were *Taluqdars* and *Deshmukhs/Deshpandes*. They were drawn from upper castes such as Velama, Reddy and Brahmin communities. They contracted Diwans to collect the revenue from specific areas. In Hyderabad state, there was no attempt to establish a direct administrative link between the central accounts offices and village-level accounts (Leonard, 1971). This has given a lot of scope for manipulation, and these groups later consolidated into landlord classes. While some of the positions such as *Jagir, Mansab and Daftardars* were hereditary in nature, other positions such as *taluqdars, deshmukhs and deshpandes* entered into contracts with Diwans for revenue collection. By the late eighteenth century, then, the nobility of Hyderabad included a proportionately large number of Shia Muslims and Hindus such as Marathas, Brahmin, Kayasths and Punjabi Khatri. While most of administrative work was done by upper-caste Brahmins and Kayasths, banking and money lending activities were performed by Gujaratis, Marwaris and Goswamis. Military men were from Muslim communities. This reflects the larger trend.

Most of the banking firms were owned by “all Hindu and non-indigenous, from western and northern Indian family firms” (Leonard, 1981, p. 180). In her (1981) terms, most of the great firms in 19th century Hyderabad belonged to three major communities; Gujaratis, Goswamis and Marwaris.

Interestingly, Leonard (2011) captures how adoption and marriages helped these Gujarati, Goswami and Marwari communities to inherit wealth and continue to expand their family firms. While Gujaratis and Marwaris had multiple wives and in some cases adopted sons from their community, Goswamis (as they were sanyasis) would keep women (concubines) and had children. She points out that this phenomenon is “a way of securing heirs and increasing one’s marital and financial networks” (ibid, p. 849) spatially. On the other hand, banking firms owned by Muslims were also active in Hyderabad state in the late 18th century and early 19th century, but not in comparison to Hindu-owned banking firms. For example, though communities such as Khoja and Bohra Muslims (who were earlier Hindus and still follow Hindu laws) were merchants and bankers in western India and migrated to Hyderabad very early, they were “not leading bankers in Hyderabad state” (ibid, p. 837).

Historically, the police action in 1948 (by the Indian forces for its incorporation into the newly formed nation-state) and the subsequent political events in the Hyderabad City changed the demography and composition of elites. The 1948 police action led many Hyderabad elites to migrate to USA and other developed countries, and reorientate themselves in different settings. Subsequently, in the 1970s and 1980s, the old Hyderabad elites (both Hindu and Muslim) had to compete with emerging new elites from coastal Andhra peasant communities for control over the Hyderabad City.

Andhra Pradesh during colonial period

The Ryotwari system prevailed in coastal Andhra and ceded districts of Rayalaseema in Andhra Pradesh (AP). Canal construction, especially a Cotton anicut in 1847-52 in Godavari region and Krishna barrage in 1852-55, led the agricultural development in the region. Subsequently, from a single rain-fed crop to multiple crops, commercial agriculture and trading of commodities took place on a wide scale in the region. High-value crops such as tobacco, cotton, paddy, sugarcane and chillies were adopted in the region, rent being paid in money. Agriculturalists from this region also looked for new avenues, which led some to the grain trade while a few became owners of the rice mills.

Until the 1930s, some of the peasant caste (Kammas, Kapus) landlords engaged in moneylending, trade, rice and oil mills. After the great depression, demand for moneylending diminished. This pushed them to think of different ways to create wealth. Local zamindars and estate owners were the first to look for different avenues. For example, Raja of Challapally (Krishna district) and Yarlagaadda Sivaramprasad set up Andhra bank in 1923. They, with Gudavalli Ramabrahmam, also invested in the Sarathi film studio in 1938 and set up the Andhra Scientific Company for manufacturing precision measuring instruments, which was eventually taken over by Bharat electronics. Along with other Kamma zamindars, he financed a co-operative sugar factory at Uyyuru in 1936, and later at Rayagada, Odisha. Indeed, these entrepreneurs from Krishna district diversified into many portfolios such as mining, ferroalloys, the heavy-engineering industry for machines used in plants and mills, and cement. Similarly,

Mullapudi Harischandra Rao a Kamma, landlord who owned more than 1000 acres, started Andhra Sugars at Tanuku in 1951. Later, he expanded from sugars to chemicals, fertilisers, vegetable oils and textiles. Also, the Kapileswaram estate had started Sri Sarvaraya Sugars in East Godavari district by 1959. He also expanded into spinning mills, textiles, etc. As indicated, landlords and ex-Zamindars invested in sugars, agro-processing and other industries (Damodaran, 2008).

Andhra Pradesh during post-independent period

South Coastal Andhra

During the late 18th and early 19th centuries, the canal-irrigation facilities on the Godavari and Krishna rivers transformed agriculture in the region from subsistence to cash crops (mono-crops), especially paddy cultivation. This led farmers to become commercial farmers/rich peasants. As a result of this phenomenon, rural trade kicked off, and market towns such as Vijayawada, Guntur and Kakinada emerged with Komatis and Marwaris as the key players in those towns. The rich peasant castes such as Kammas, Reddys and Kapus in the region invested surplus funds in land and moneylending. Still others invested in local agro-processing units such as rice mills, and entered the grain trade. It was around this time that these communities started migrating to towns for business and their children's English education. This generated a class of rural elite who moved to urban towns yet didn't lose their affinity with the village and village affairs. They became educated and politically conscious, and maintained caste solidarity by organising caste associations. This proved to be one of the important factors for the emergence of business and political classes in the later period (Upadhy, 1988).

During the 1930s and later, as profits were stagnating and agricultural prices were not encouraging due to the depression, most of the dominant rich peasant communities such as Kammas and Reddys of the region looked to invest in entrepreneurship of different kinds, such as sugar factories and cotton mills. This implied that capital started moving from the countryside to towns/cities and outside regions as well. Most of the prominent sugar barons such as Andhra Sugars started their entrepreneurial journey in this period (Upadhy, 1988 and Damodaran, 2008). Writing on the economic transformation during the 1950s, Upadhy (1988) writes:

“The 1950s was a period of modest industrial growth in the region, stimulated in part by land reforms. The abolition of Zamindari estates in 1949 induced the more enterprising zamindars to convert their assets into industrial capital. A large proportion of privately owned industries in East Godavari district, for example, are owned by former zamindars and estate holders, many of Kamma caste (N V V S Reddy 1981: 126). Members of the Kapileswarapuram Zamindari family, for one, established a textile mill in Kakinada, and later expanded into sugar and other industries. A number of other large-scale plants – sugar, cotton spinning, cement, and fertilisers – appeared in the region at this time. Many of these were established by large companies headquartered outside the region, but some were based on local zamindar/landlord capital. Most of the early local industrialists of the 1930s to 1950s were from this class,

but because zamindars belong to the 'peasant' castes, they became role models for their enterprising caste brethren of more humble backgrounds" (Upadhyaya, 1988; p.1378).

During 1970s, the post-green revolution gave another important impetus that transformed the region. This period strengthened capitalist tendencies in the agrarian economy with the introduction of HYV, agricultural inputs and technology. In this period, while the large and medium landowning farmers were transformed into "capitalist farmers" (Upadhyaya, 1988) with a good surplus from agriculture, the small and medium farmers were struggling with input costs and competition. However, the marked change was the small reinvestment of agrarian surpluses into agriculture. The rate of marginal utility and the Land Ceiling Act prevented these large farmers from investing in more lands and agricultural productivity. Their investments went into building luxurious houses, gold, urban real estate, agro-based industries, trading of agricultural commodities, rice mills, fertilisers and pesticides, government contracts such as irrigation projects and other construction works, chit funds, cinema halls and transportation. They also invested in small-scale industrial units and cement factories. During this period, regional capital entered into the industry (Baru, 1984). Not every caste member of a dominant agrarian community invested similarly, but they commonly spent a great deal of money on their children's education. Upadhyaya (1988) characterises that "Capital has flowed in both directions: agricultural profits were invested in the business when it was started in 1968, and business profits were used to buy more agricultural land" (Upadhyaya, 1988; p. 1380). In other words, "the rural traders and businessmen purchased land with business profits; in others, small farmers were able to increase their land-holdings only after making money in business" (ibid). Rural transformation led to the differentiation of peasant society and the emergence of enterprising agrarian castes, especially Kammas, Reddys and Kapus (Prasad, 2015).

During the 1960s, because of land reforms, a lot of rural wealth was converted into industrial capital, whereas first-generation rural Andhra entrepreneurs invested in construction, government contracts and transport. For example, SRMT (Sri Ramdas Motor Transport Ltd) was set up in 1944 by a group of Kamma cultivators. This started as passenger services in Kakinada region and grew into complete logistics with 350 branches across AP, TN and Karnataka. Later, this diversified into the manufacture of motor spare parts, a dealership for Tata commercial vehicles, and in 1989 into the production of engine valves. In the 1990s, a lot of investment went into the entertainment industry, educational institutions, the healthcare industry, etc.

Post-1990s, while many businesses expanded into Hyderabad and were increasingly able to integrate themselves into global circuits of capital in pharma, IT and ITES, real estate and construction, a lot of capital also went into the food-processing industries and aquaculture, with Kolleru Lake as the key site in the region because shrimp and shrimp fodder attained high demand from the USA and elsewhere. The proposed Machilipatnam, Ramayapatnam and Krishnapatnam ports may further accentuate this growth in the region. In this period, the land was brought into the speculative logic, and many of the upper castes are holding onto land through the process of landlordism and diaspora investments in the land. Similarly, horticulture is also growing fast in the region, another avenue for business activities.

North Coastal Andhra

The region was under the Zamindari system, and after its abolition in 1956, a large majority of landowners were small and marginal farmers. With limited irrigation facilities and canal water, a few agrarian communities belonging to OBC castes of Turpu Kapu, Koppula Velama, Polinati, Velama and Kaalingulu of Vizianagaram and Srikakulam districts benefited from rice, sugar and jute cultivation. But the surpluses were insufficient to diversify and leverage in big business. These communities emerged politically, especially after Telugu Desam Party (TDP) came to power and became involved into various contracts such as liquor, sand, road and mining and dealerships of various kinds.

The traditional merchant communities such as Komatis have confined themselves to trading – small-time businesses that have a remarkable presence in the town economy. Building on this economic base in the region, a few business elites such as Grandhi Mallikarjuna Rao (popularly known as GMR) from Vysya (Komati) community were able to advance to the level of global entrepreneur. His family started off with grain and jute trading in Rajam, a small town, and diversified into sugar factories, the cable wire industry, education, banking, power projects, and subsequently into infrastructural projects in undivided Andhra Pradesh, Tamil Nadu and Karnataka. Later, they entered road highways and airports at a larger scale both in and outside the country, effectively leveraging his caste networks in the business and social realm. For instance, marriage alliances with another prominent Vysya (Bommidala) family from south coastal Andhra Pradesh helped expand his wealth creation and accumulation. In towns such as Vizianagaram, Marwaris are predominant in the local town economy, and a few OBCs (Turpu Kapus and Koppala Velamas) also made significant entry into business.

However, entry of elites from outside the region captured major business and trade activities. Explaining the role of non-locals in the major businesses in Visakhapatnam, Upadhya (1988) points out:

“When new opportunities for business opened up, there was an influx of entrepreneurs from outside, mainly from southern coastal Andhra, who had the necessary resources and motivation to start new enterprises in the town. This 'takeover' of local business by 'outsiders' was mentioned by many, both 'outsiders' and local businessmen, and among the 'outsiders', it is mainly Kammas who are believed to have captured control of the local economy” (p.1438).

Vizag has experienced rapid industrialization since the 1950s, driven by major public sector undertakings. This industrial growth has spurred development across various sectors, including construction, transport, services, and real estate. Aside from the dominant Komatis engaged in traditional trade, Vizag lacks a native business community. Instead, immigrant business groups, such as Punjabis, Sindhis, Marwaris, and Parsis from North India, played a significant role in initiating small industries in the city (Nafziger, 1978).

Initially, local Andhra capital had limited influence on Vizag's growth. However, the construction of the outer harbor, the new naval dockyard, and the expansion of the oil refinery and Hindustan Shipyard attracted entrepreneurs from outside seeking new opportunities, particularly in contracting. Entrepreneurs from coastal

Andhra Pradesh began arriving from around 1965 to establish business ventures, with their numbers rapidly increasing since 1975. With the commencement of the steel plant's construction in 1982, the influx of businessmen, including contractors and transporters, further increased. This led to a surge in small-scale industrial units, particularly general engineering and fabrication firms, in anticipation of business opportunities related to the steel plant. Vizag became a booming city in Andhra Pradesh, characterized by uncontrolled growth, speculative real estate activities, and skyrocketing land prices (Upadhyaya, 1988).

The penetration of south coastal Andhra's capital through Kammas, Rajus, Reddys and Kapus into the investment portfolios is one thing, but the mechanism some of these castes nurtured to achieve near monopoly in the city's economic growth is quite interesting. Caste-based networks are highly evident in the active caste associations² of Vizag.

In fact, their entry is not limited just to the business: they have actively dominated the north coastal Andhra politics as well. From the 1990s onward, the legislative assembly, parliament and municipal corporation (MLAs, MPs, Municipal Chairperson) have been occupied by caste elites from outside the region.

Post-1990s, the pharmaceutical units and chemical plants grew enormously in the region, because the State facilitated land and provided incentives to these companies. Almost 80% of these units are located in and around Visakhapatnam. These include Aurobindo, Pfizer, Reddy's, Divi's, Hospira, Laurus, Eisai, Mylan, Lupin and Nagarjuna Agrichem" (Patnaik, 2022, HansIndia). This process has contributed significantly to wealth creation.

Currently, the announcement of three capital cities by YSRCP's government has repositioned Visakhapatnam as a prime city for economic activities. In fact, the two dominant castes (*Kammas* and *Reddys*) are competing for the city's resources and business opportunities. This further marginalises the local communities in the already "captured economy of the city".

Royalaseema

The Royalaseema region was under the Vijayanagara Empire, ruled by Srikrishnadevaraya. The local-level administration under Vijayanagara Empire formed a group of people called *Palegars*³, who wielded enormous power and controlled the material resources and village masses. Knowing the nature of Palegars and their composition is important to understand present-day mobilisation politics, factional violence for the control of

² For instance, the Kamma caste association in Vizag primarily consists of affluent Kamma businessmen, although Kammas in other professions are also members. Apart from facilitating social connections, the association addressed the needs of its members through initiatives like providing education and scholarships to less fortunate caste members (Upadhyaya, 1988).

³ Palegars are also referred as Polegars.

natural resources, and accumulation of massive wealth in the region. Colonial accounts indicate the presence of 80 *Palegars* who were powerful local elite (Prasad, 2015). On the composition of *Palegars*, Balagopal (2004) pointed out:

“While the *Palegars* were mostly of non-cultivating communities such as Boya and Patra, the practice of establishing dominance and exercising power through the force of armed gangs became a characteristic feature of powerful landed communities, generically described as Kapu (husbandsman) but mainly of the Reddy caste in recent decades” (Balagopal, 2004; p.2426).

The present-day factional politics in the region goes far back to *Palegars*' feudal tradition. They controlled the villages with muscle power supported by organised armed gangs. When the British brought the region under its rule, the *Palegars* revolted against them until eventually the British contained them and made them their allies in the region. They later converted to Christianity under the influence of Christian missionaries (Jangam, 2013) and took an active role in missionary activities. This provided them with political and administrative access under British rule. Thus they had armed gangs with whose help they maintained order and assisted in the collection of revenue (Balagopal, 2004).

These groups, right from Vijayanagara Empire to post-colonial politics, have access to state administration. In fact, “the colonial experience and Christian conversions among Reddy factionists of Rayalaseema did not disturb their pre-colonial feudal roots and helped them perpetuate those inherited privileges unhindered” (Jangam, 2013; p.12). During the independence movement, they joined INC and have become part of the new administration post-independence as well. After independence, the land reforms and peasant struggles made the land transfer from absentee landlords and Brahmins to peasant castes such as Reddys and Kammās. Also, through the Reddy-karanam, Reddys gained control over large tracts of land in the region (Prasad, 2015). Though irrigation facilities in the region are scanty, the huge tracts of land helped them gain control over the region and village masses. Their children were sent to premier educational institutions in the USA and other developed countries, and some entered into business.

Although the region is not known for agrarian surplus like south coastal Andhra Pradesh, it is endowed with ores such as iron, barites, asbestos, gold, talc, cement-grade limestone, clay and dolomite. A lot of surplus from mining activities and civil contracts, arrack contracts and cement factories have been extracted with the help of these factions (Prasad, 2015). These groups monopolised substantial civil contracts in the region. With money flowing from the agrarian economy and mining mafia (of different kinds), they took control of the region and transformed factional politics into fully fledged instruments and political and economic domination at state level (Balagopal, 2004). This surplus has been diversified into different portfolios in Hyderabad, Bengaluru, and Visakhapatnam. YSR has built his solid network across the regions on the basis of caste networking and personal loyalty, and gave impetus to them by pumping massive investments into irrigation projects, roads, bridges, flyovers, etc., catering to its support base among the rich and powerful (Srinivasulu, 2009).

Telangana

The region of Telangana was under Nizam's feudal rule. Under Nizams rule, Nobles, Muslim Jagirdars, and local rulers of samasthanams acquired enormous tracts of land. Muslim Jagirdars and Hindu Deshmukhs/Deshpandes acted as moneylenders and village officials. Also, with the help of *vetti*, they extracted a lot of agrarian surpluses (Srinivasulu 2002). In Telangana, peasant armed struggles, Reddy ryots and tenants benefited from land distribution (Srinivasulu, 2002). A lot of agricultural land in the region is controlled by Reddy and Velama. During armed peasant struggles and Maoist movements, upper caste Velamas and Reddys are made to flee to Hyderabad from villages by selling lands (Prasad, 2015), buying land in and around Hyderabad. By using their caste networks, they became entrepreneurs as well.

Hyderabad City

The history of the development of the city is intertwined with the formation and developments of the regional state itself. The centuries of growth story of the city can be seen quite literally through the expansion of the old city to the new city and the developing parts around it. In the transition of a princely state to democratic rule, vast tracts of lands that belonged to the Nizam as his private estate were handed over to the new state. This meant that the State automatically came to own these lands, and did not have to compensate nor forcefully acquire them from private landowners in the initial years.

One of the main factors that sustained the importance of the city after independence, was new investment in the post-green revolution phase. The reinvestment of surpluses in different sectors facilitated the urban growth of the city. Ameerpet slowly became the hotspot for all kinds of professional training institutes, particularly in the IT sector. Banjara Hills became filled with the residences of the more affluent sections of the population. The transformation of Hyderabad City and its urban life is mentioned below:

“From the 1950s to the turn of the twenty-first century, Hyderabad has been incorporated into greater India's developing urban culture, sharing trends evident elsewhere in the nation. In the 1960s, fancy gas stations with extensive grounds suddenly appeared to serve the new and privileged class of car and scooter owners; in the 1970s, palatial movie houses accommodate new audiences for India's expanding cinema industry. In the 1980s, family restaurants were opened, and the city's exclusive clubs added family entertainments. In the early 1990s came the flashy pubs, following the fashion in Bangalore. Now, former palaces transformed into marriage halls in the 1980s, bedecked with lights and with already existing *purdah* arrangements, are being supplanted by banquet halls in modern hotels and huge new Telugu-style marriage halls with rooms common to both men and women” (Leonard, 2018; p.408).

Accumulation pathways: macro-economic policies of Andhra Pradesh and Telangana (post-independence)

The post-independent AP has been categorised into different periods indicating different accumulation regimes. Following the Nehruvian model of economy, the state government initiated growth policies with huge public investments in different spheres until the late-1980s. From the 1990s, neoliberal policies have shaped and driven the economy. Based on growth, its distribution and structural transformation of the sectors, the economy of

united AP can be categorised into five different regimes: 1956-1970; 1970-1982; 1982-1995; 1995-2014 (Vakulabharanam and Motiram, 2012) and post-bifurcation (2014 to date). These regimes help us locate the emergence and consolidation of wealth elites in different sub-regions of AP and Telangana.

Period 1960-1970

From 1956 to 1970s, the economy was dominated by agriculture and allied activities. The share of agriculture and allied activities was more than twice the combined share of industry and services, which of course differed across regions. Along with the landlord class, other dominant classes were rich peasants, urban professionals and the incipient capitalist class. The presence of incipient capitalist class was felt, and their origin could be traced to the agro-processing industries in south coastal Andhra and different regions. While the public sector units in cities such as Hyderabad and Visakhapatnam were driving industrial growth, the incipient capitalist class established the agro-processing industries such as tobacco, sugar and rice mills, cotton ginning, jute, textiles, etc., in provincial towns (Vakulabharanam and Motiram, 2012), and most of them were established by Kammas in south coastal Andhra.

Period 1970-1982

Green revolution technologies have benefited the peasantry from Godavari, Krishna and Pennar delta regions, which increased the share of net area sown (Vakulabharanam and Motiram, 2012). The share of industry and service sectors has increased to 18% and 21% from 15% and 19% respectively. In this period, the state government attempted to implement land ceiling reforms, partly to counter the Maoist movement and partly to win over the landless sections, who were dissenting against the green revolution technologies and resultant inequalities. These reforms made the big landlords migrate to urban areas, both towns and cities, with investment in various proportions to set up cinema halls, take up small-scale civil contracts, and establish agro-industries. Rich peasant castes such as Kammas, Reddys and Rajus in south coastal Andhra and Reddys from Nellore and Rayalaseema have benefited from this (Balagopal, 1987; Upadhya, 1988; Vakulabharanam and Motiram, 2012).

Period 1982-1995

This period, like previous periods, was also marked by the dominance of agricultural economy with its share of 51%. The agricultural sector grew consistently because of green revolution technologies, HYV seeds and irrigation facilities. In this period, on average, industry and the service sector together contributed to nearly 50% of the SDP. Unlike other periods, manufacturing (11%) dominated the industry sector and followed by construction (8%). This period was marked by high growth rate in all the sectors with an overall NSDP growth rate of 5% – higher than the previous period.

Period 1995-2014

In this period, agricultural and service sectors registered increased growth, while the industrial sector witnessed decrease in growth in comparison. Significantly, this period was marked by structural transformation where the contribution of service sector (34%) to NSDP overtook the agriculture & allied sector (32%) for the first time, especially post-2000s (See Table 3.3, Appendix 3).

Here, it is important to bring to the fore economic reforms, initiated by the government that gave a big push to the accumulation dynamics and expansion of elites.

Economic reforms in AP

In this period, the state government, led by the then-chief minister Chandra Babu Naidu, pushed neoliberal economic reforms to effect the six sectoral components between 1999 and 2004 with the total outlay of Rs 3300 crores. These components include District Primary Education (20.3%), Primary Health (8.5%), Integrated Child Development (12.4%), Rural Road Upgradation and Maintenance (21.6%), Irrigation Rehabilitation and Maintenance (12.3%) and Public Enterprise Reform (3.2%). Soon, AP became the hotspot for private investments reflecting its rank from 22nd (out of 26 states) in 1995 to 3rd in 1999 (Kirk, 2002). Thus one could see AP in the forefront in pursuing neoliberal economic reforms in the country from the mid-1990s, inviting private capital both national and international, through loans and investments. This altered nature of the State facilitated the rise of business elites and provincial propertied classes in Hyderabad City region.

Entry of private capital in different sectors in AP

The State's facilitation of the entry of private capital in post-1990s led to significant changes in different sectors. For instance, the radical shift happened with the way government brought AP Electricity reforms Act in 1998 by setting up the AP Electricity Regulatory Commission (Shukla and others, 2004). This facilitated private players such as GVK Industries Limited (GVK), Lanco Kondapalli Power Private Limited, GMR, etc., and subsequently many other private players.

Similarly, in the health sector, the state government initiated reforms through Andhra Pradesh First Referral Health System (APFRHS) Project, which opened up space for private players in tertiary as well as diagnostic centres. Since then, hospital chains such as Apollo, CARE, KIMS and Yashoda have sought to widen their catchment areas by creating referral chains to feed patients to the "main super-specialty hospitals for high-tech treatment". To incentivise these hospitals, the state government made land available at reduced prices, and provided tax concessions, import subsidies on medical equipment etc., contributing to the growth of corporate hospitals (Prasad Purendra 2022).

During the late-1990s, the government of AP facilitated high-profile investments such as Microsoft, Infosys and Wipro in the IT sector, in and around Hyderabad, which eventually grew to be the one of the important hubs for the IT sector in India.

In essence, this period marked the active promotion and execution of neoliberal policies, first by Chandrababu Naidu (complying with World Bank structural adjustment programmes) and later by YS Rajasekhara Reddy (neoliberal populism). While the Naidu's regime concentrated on the city-centred capitalist growth and largely the expansion of Kamama entrepreneurship with the support of foreign capital, Rajasekhara Reddy, who ushered in neoliberal populist schemes such as Arogya Sri, Fee-reimbursement and Jalayagnam, patronised the Reddy contractor-class entrepreneurs with the support of public finances. As a result, quite evidently, the industry and

service sectors grew at a higher rate and their contribution to NSDP has increased steeply. However, the wealth started to consolidate only among a few capitalist classes.

Thus, post-green revolution wealth formation followed a sub-regional story. Godavari, Krishna and Pennar delta regions have benefited the Kammas, Reddys, and a few Rajus and Kapus. The important point here is that the diversification of businesses of certain castes followed sub-regional wealth histories. For instance, while Kammas have leveraged on their agrarian surplus and education and started to consolidate their position utilising their caste networks across regions after the emergence of TDP in Godavari and Krishna deltas; however in Pennar delta region, Reddys from Nellore and Rayalaseema have mostly entered cement, mining, real estate, and contracts etc., with their political and caste networks (See Table 1.7, Table 1.8 and Table 1.10 in Appendix 1). Thus, the structural changes brought out by neoliberal policies have altered the composition of wealth elites.

Quite interestingly, the eruption of violence in different sub-regions of Telugu states is linked to the primitive and capitalist accumulation strategies. Vakulabharanam and Motiram (2012) argue:

“In Rayalaseema, it was a residual of the old Palegar-styled factional violence that resurfaced in the 1970s and 1980s, typically between the established gentry and emerging elites. In coastal Andhra, it was the battle for provincial assertion among the rich peasant communities (such as Kammas, Reddies and Kapus), and between the rich peasant communities and the politically more conscious dalits. In Telangana, it pitted the Maoists (working with small peasants, landless workers, tendu (beedi) leaf workers and tribals) against the State and ruling classes. In the city of Hyderabad, it was the assertion of communal violence with new entrants from all regions” (Page 65).

Consequently, Reddys from Rayalaseema brought the factional violence into the structures of accumulation and acquired control over the natural resources, mining and government civil contracts, arrack (liquor) contracts. The liquor business had a pervasive influence on various forms of wealth accumulation and on forming political careers, because it served as few of the primary mechanism for redistributing wealth from the impoverished to the affluent and the government (Balagopal, 1992). He says that “it would be very difficult to find an MLA or any other people's representative in the state who has no connection with the arrack business” (Balagopal, 1992; p. 2458). This is not limited to the liquor contracts. The political patronage and subsequent rise of certain “lumpen” or “mafia class” in united AP, other than agrarian and business elites, had a structural impact on wealth-accumulation processes in the later stages (Haragopal, 2010).

Similarly, in coastal Andhra, provincial elites who had one step in urban and another in rural areas subsequently moved to urban centres, especially Hyderabad, diversifying their investments and business (Balagopal, 1992; Vakulabharanam and Motiram, 2012). While this was the case in Rayalaseema and coastal Andhra, where the violence was built into the capitalist accumulation strategies, Telangana's case seemed different. Here it needs to be noted that the active presence of the Maoist movement before the 2000s in Telangana, made the Velama and Reddy landlords flee the villages to Hyderabad, where they invested in several business sectors.

In brief, the separate Telangana movement had its roots in wealth accumulation and capture of state resources and business opportunities by the Andhra elite (Coastal Andhra and Rayalaseema). Therefore, it is important to examine the growth trajectories and accumulation dynamics in the post-bifurcation.

Post-bifurcation – Telangana and AP (2014 to date)

Service sector growth is predominant during this period for both the states. While the agricultural share is greater than industry in case of AP, the share of industry is reported to be higher than agriculture in case of Telangana.

Hyderabad wealth accumulation

After bifurcation, Telangana state continued with the neoliberal economic policies and privileged the growth of Hyderabad City. Crucial interventions began with the establishment of ease of business measures by consolidating the various development activities – expanding the administrative jurisdiction beyond the Greater Hyderabad Municipal Corporation (GHMC) in terms of outer ring road (ORR) and regional ring road (RRR) and the establishment of a special parastatal administrative body called Industrial Area Local Authority, or IALA. It started a new website for land registrations, called the *Dharani* portal, essentially facilitating the land transfers/sales from peasants to the wealthy elites.

All of these measures indicate a direct involvement of the State in the peri-urban areas of Hyderabad City, where the new urban nodes have quickly become the core of the city – housing the majority of companies, gated communities, commercial complexes and corporations that contributed most towards the city's growth. These peri-urban areas quickly became the hub of the IT industry, which began to grow at an unprecedented rate. The western part of the city became the new urban growth corridor, experiencing development of infrastructure including link roads, flyovers, metro rails, water connections, and so on. These areas include Madhapur, Jubilee Hills, Film Nagar, Kondapur, Nanakhramguda, Narsinghi, Manikonda, Shaikpet, Gachibowli and the Nallagandla part of Cyberabad (See Map 1 & Picture)

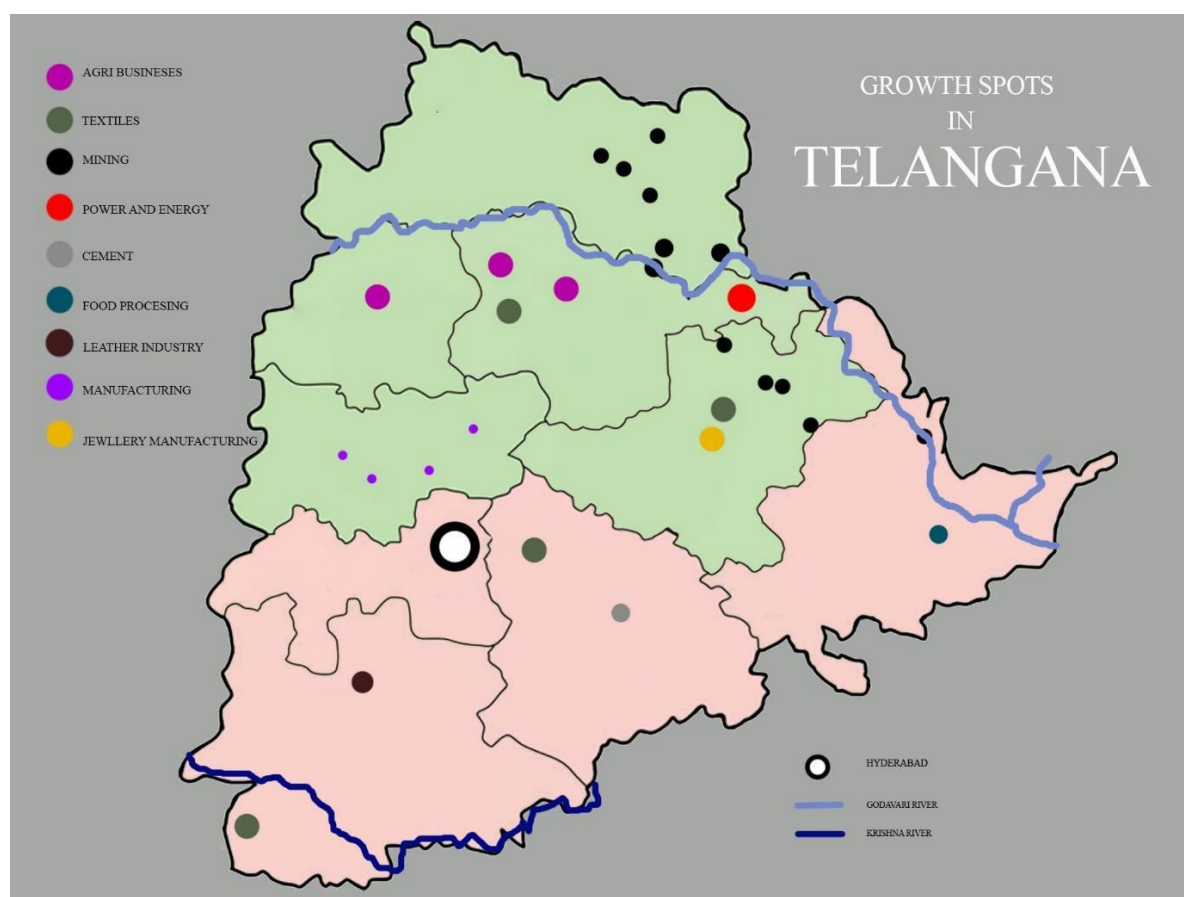


North and South Telangana

North Telangana region is relatively wealthy, and is located on the Godavari and Krishna river basins. One of the major flagship programmes of Telangana government was the Kaleshwaram lift irrigation project (KLIP), which was built with 1.2 lakh crores on the confluence of Pranahita and Godavari rivers in the year 2019. This irrigation project allowed farmers of Telangana to grow commercial crops, generating surplus from agriculture. However, this state-led project is embroiled in several controversies regarding corruption, leakages, political patronage of the contractor class, resulting in accumulation and reinvestment of private wealth in different sectors. For instance, Megha Engineering and Infrastructure Limited (MEIL) carrying out several works for the ambitious KLIP, was supposedly involved in sponsoring the wedding expenses of a top bureaucrat's daughter, indicating quid pro quo (The News Minute, 2022).

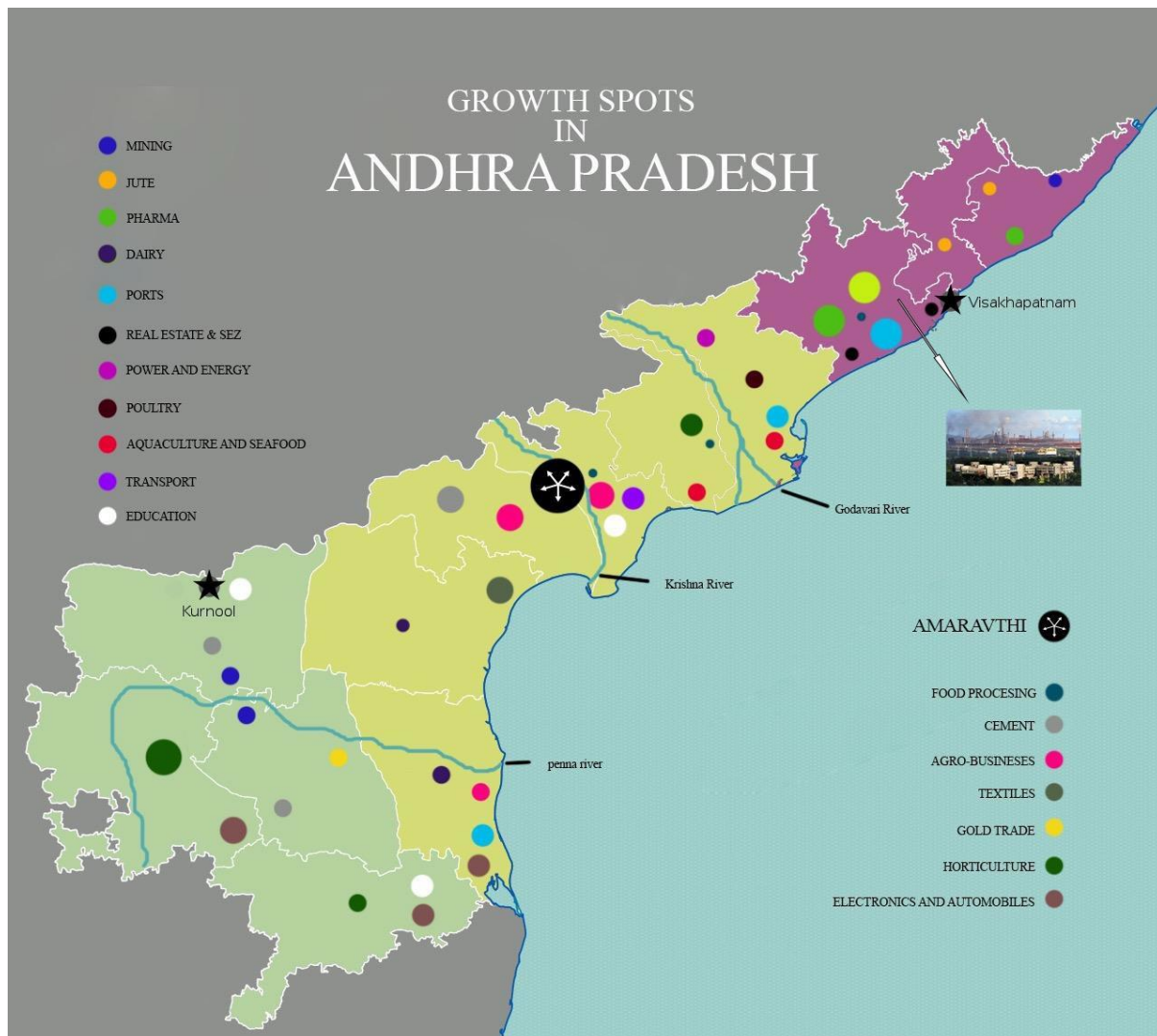
The State's policy of creating new districts, to expand them from ten to thirty, has boosted the real estate and speculative land markets in all the newly created district headquarters. People in and around these small towns are investing in buying plots for housing purposes. South Telangana region, particularly the district in and around Hyderabad, have been banking on speculative land prices, rent-seeking activities and special economic zones (SEZs).

Major growth sectors in Telangana include agribusiness, textiles, mining, power and energy, cement, food processing, leather industry and manufacturing sectors shown in the map below:



AP: Amaravati and three capitals/regions story

Since bifurcation, the new capital city Amaravati has been located in a sprawling area of more than 50,000 acres, comprising land from 29 villages on the banks of the Krishna River between Vijayawada and Guntur. The strategy for financing the capital city seems to be, on one hand, acquire/pool land from farmers, and on the other, attract capitalist investors by promising a long-term lease of huge chunks of this accumulated land (Vakulabharanam and Prasad 2017). With the announcement of Amaravati capital city in 2014, a whole host of real estate marketers caused the land prices in the region to skyrocket. As a result, the land market escalated by at least 30 to 40 times higher, transforming the agrarian landscape into a prime real estate market. This provided new opportunities for accumulation for a range of actors, both local and outsiders. The announcement of three capital cities in 2019 has cast a shadow on the “iconic” capital city Amaravati. Yet, the proposed three capital cities did not deter the investors – the class of businessmen and entrepreneurs involved in both the Amaravati and Visakhapatnam land markets (Prasad Purendra 2021). Major growth sectors in AP include aquaculture and seafood, transport, pharma, dairy, real estate, mining, education and coaching, and the health industry, etc., as shown in the map below:



In brief, this section discusses how state policies and macro-economic policies contributed to wealth accumulation during the Nehruvian period to the neoliberal period in both AP and Telangana, including Hyderabad City.

Major findings from the field

Wealth creation in different sectors

Real estate, software, pharmaceuticals, agribusiness and manufacturing are thriving business sectors contributing to large-scale wealth creation in Hyderabad City region. This is well reflected in our sample survey of 234 primary wealth owners (See Table 1.4, Appendix 1) corroborating secondary data (See Table 3.1, Appendix 3).

Disaggregated data at regional level shows that 80% business sectors are owned by primary wealth owners from south coastal Andhra and Hyderabad City region (See Table 1.8, Appendix 1).

Among the five business sectors mentioned above, four trends are evident:

One, PWOs in manufacturing and agribusiness are **agrarian elites** who mostly diversified from agriculture, especially in the post-green revolution phase, hence a significant proportion can be categorised as family business owners.

Second, PWOs in the real estate and construction sector are a mixed bag, comprising agrarian, **non-agrarian** and **urban elites**. Third, PWOs in pharma and the IT sector are the **new elite** with no substantial business background, who essentially leveraged their professional qualifications but subsequently nurtured caste and political networks to expand and diversify their business.

Fourth, there is an evident distinction between entrepreneurs who have entered other than their domain and those who leveraged their own domain knowledge. For example, entrepreneurs who worked in tech-based companies in USA and returned to India did not set up their domain-based companies; instead, several of them entered and established themselves in different business sectors by leveraging their caste and political networks to gain access to banks, bureaucracy and state. For instance, IT professionals who worked in US, have entered into other domains such as Spa chains, Millet and food processing, Education, Movie production, Real Estate, etc., upon their return to India.

Pharma and the IT sector

Most of the entrepreneurs in the pharma and IT sectors are highly qualified in the field, gained from elite educational institutions and with work experience in multinational companies at top level. Three significant points can be ascertained here:

One, most of the pharma companies have **professionalised** in certain niche products and leveraged their markets extensively. For instance, Divis Laboratories specialises in manufacturing generic API (Active Pharmaceutical Ingredients), custom synthesis or contract manufacturing for clients, and the manufacture of nutraceuticals (Chakraborty, 2019). Now, Divis founder Murali Divi is the richest Telugu person in the Hurun India List. Similarly, most of the pharmaceutical giants such as Aurobindo Pharma, Dr Reddys, Suven Pharma, etc., have

specialised in certain products with the majority of their market share coming from these products with a good degree of global presence.

Second, in order to thrive within the pharma sector, professional competence alone is not sufficient – it also needs support from the State and policies to set up, leverage and expand a business. A few investors actively benefited from the state policies and in some cases, they lobbied the State for appropriate policies. Pharma giants such as Aurobindo started their operations in Pondicherry, a Union Territory, because of tax benefits that the UTs offered, and then later diversified into various regions and states. Political patronage and nexus made the phenomenal growth of Aurobindo and Hetero pharma companies possible in a short time.

Third, most of the pharma companies and their networks can be traced back to either Dr Anji Reddy of Dr Reddy laboratories, a giant Indian multinational company, or IDPL (a public sector pharma Company), or both, indicating the significance of **professional and social networks**.

Similarly, IT sector entrepreneurs have returned from the US and Australia to set up their IT and software firms, while home-grown entrepreneurs have also emerged. This happened in two ways. First, after economic liberalisation during the late-1990s under the Naidu regime, the Y2K movement enabled many entrepreneurs to establish their firms. Second, digital technology enabled start-ups to gain momentum in India post-2010. Most of the PWOs are first-generation entrepreneurs, and have leveraged their competency, skill set, community networks, political affiliations and government policies. In terms of caste composition, many PWOs belong to Kamma or Reddy, while there are a small proportion of Rajus in this sector.

Health sector

In health sector, **doctor entrepreneurs** who qualified from elite institutions in India and abroad established medium and large corporate hospitals in the 1980s. Field data indicates that well-known hospitals such as KIMS, Medicity, Rainbow Hospitals, Global Hospitals and Maxcure Hospitals in the Hyderabad City region have all been established by practising doctors from one particular district (Nellore) and from a dominant caste community, indicating how regional networks operate in certain business sectors. Broadly speaking, three kinds of businesses and entrepreneurs can be categorised in the health sector: hospital, pharmacy and diagnostic chains. In most cases, the political nexus and networks brought these policies, which are modelled on insurance, and redistributed public funds to the handful of private players belonging to the Kamma and Reddy castes.

The promoters of major health sector conglomerates such as Apollo Hospitals, Care Hospitals, MedPlus, Rainbow, KIMS, etc., belonged to either Reddys or Kmmas. One of the entrepreneurs who promoted Medplus group entered into the pharmacy chain, collaborated with pharma companies and reorganised the inventory process. He penetrated the market with a discount model, and later, other pharmacy chains had to follow. Using the same logic, the company also entered into diagnostics. Similarly, the turnover and net worth of Vijaya Diagnostics witnessed huge growth during and after the Covid pandemic, which reflects the larger trend in the world inequality report (Chancel and Piketty, 2021).

Aquaculture

The entrepreneurs in aquaculture are based mostly in south coastal AP. This sector is more or less monopolised by Kamma entrepreneurs. Unlike pharma and the IT business, who rely heavily on their professional competency and skills, this set of entrepreneurs rely on local political and caste networks. As the nature of this business involves managing ports and dealing with local farmers, their community and political networks play a significant role in generating wealth. This sector has been growing consistently for the last two decades, with a few individuals monopolising the trade, processing and fodder production. For instance, one of the PWOs was a civil contractor in Visakhapatnam, who also became a successful entrepreneur in aquaculture, because he was able to leverage local political and caste networks to become super-rich in a short period of time.

Business expansion and diversification

In the Hyderabad City region, the regional capitalist logic of expansion and diversification did not always follow the logic of profit maximisation. There are seemingly two types. Diversification of businesses was sometimes to diversify the risk, and in some cases, to invest the surplus into other portfolios and expand existing business portfolios. This also follows the logic of market dynamics prevailing at the local and global level. Initially, investments are made in terms of buying some stakes in the company and then later completely taking over the company. Acquisitions and mergers are not just the acquisition of another company: this is strategised based upon the targeted markets. These strategies usually work as a result of the specialisation that a particular company achieves in certain products, which helps parent companies to expand further or take over sick companies. For example, companies such as Cyient have risen to prominence with the help of mergers and acquisitions.

Still others enter into joint ventures with reputable global companies (it is quid pro quo in nature; they both benefit from these ventures). The pattern followed in these joint ventures, is that they are mostly between regional businesses and foreign companies. This way, these regional businesses sometimes outcompete the big national players in the field. Cement companies during the 1970s and 1980s and GMR Infra (mostly airport and power segments) are prominent examples in this regard. This kind of business network and ties enabled the easy entry of foreign capital on one hand, and on the other strengthened the regional and sub-regional capital.

Without exception, most of the PWOs from different business sectors in Hyderabad City region invested in real estate and in farm lands in peri-urban areas for speculative purposes and as a way of investments in rent-thick sectors. Small and medium businesses established their ancillary services to reduce the cost/risk and maximise the profits.

Different growth trajectories of PWOs

The growth trajectories follow dissimilar patterns. Wealth accumulation has a regional and caste dimension alongside a temporal dimension. As there is always competition between the residual capitalist class and the emerging capitalist class, understanding their trajectories is key to analysing the accumulation processes in different regimes. While some continue to exist in different regimes, some vanished (fallen wealth). This attrition rate is one important tool to understand the key dynamics in wealth, and how monopoly capitalist development

emerged. Our field data did indicate that some of the wealth elites such as PWO of Satyam Computers, PWOs of Pennar Cements, and Muslim elite from Hyderabad, can be categorised as falling wealth icons.

Our field data also indicated the following trends:

First, some of the PWOs' parents started modestly with small businesses like trading and local business. However, the next generation was able to leverage the market sources and grow themselves bigger (For example, shrimp and poultry businesses). In this, the inherited networks from the previous generations helped them greatly (see 5.5 for more on the networks). Second, some PWOs were able to utilise agricultural surplus effectively to move into growing industry/service sectors. Third a few other PWOs from dominant agrarian castes who had a good educational background and professional competence, entered into business at an appropriate time when global markets or state policies were favourable.

Fourth, some rose to the prominence through political patronage and political nexus (for example, stevedoring businesses in Visakhapatnam). Fifth, with change in political regime from time to time (say from Congress party to TDP to YSRCP), there is corresponding rise and fall of the business and contractor classes. This also indicated how much political patronage played a role in the state's support to certain PWOs belonging to few dominant castes and classes within each region. The common thread running across these cases is the significance of caste, region and their wider networks.

Business organisational dynamics

Investments are primarily done by a promoter group (who are listed as Hindu undivided family) and followed by public shares. The companies seemingly raise capital in three ways:

First, through surplus from earlier businesses or savings by the promoter group, loans from kith and kin, and public sector banks. Second, through joint ventures. Third, through the public issuing of shares. Sometimes, venture capitalist firms also invest in the company. And of course cross-company investments are not rare. For instance, the founders of Cyient and Tanla (both software companies) have stakes in Aparna Constructions (real estate and property development firm).

With the mandatory provision that there be at least one woman director among the board of directors of listed companies with Rs 300 crores or more paid up share capital, most of these listed companies have appointed woman from their family or extended family to the board of directors.

Inherited and interested networks

Our interviews with business elites indicate that the networks are important for any business. Many networks have caste and kinship dimensions in terms of raising capital, and expansion, regulation and control of the businesses. Similarly, the importance of political connections, patronage and nexus was also emphasised. "Networks" are the key tool in accumulation and also for understanding wealth formation and consolidation.

The key networks can be categorised into inherited networks and interested party networks. Inherited networks are those that come about by virtue of their personal identity such as caste, kinship and education (for example, alumni networks), whereas the interested party networks are formed by those interested in the success of a particular business (such as venture capitalists or politicians, etc.). As the Redbus founder indicated, “both networks are important”. He narrated how his alumni networks helped him work on the idea of Redbus, while the interested party networks, such as venture capitalists, helped him with funds and other logistics.

Similarly, a lot of quid pro quo businesses help each other as they are interested in their success. Most of the cement industry entrepreneurs formed a consortium, and their cross-company networks helped them leverage business. The PWO of one of the big cement companies indicated that most of the powerful businesses from Nellore are owned by their relatives. He even indicated that their networks would be invoked as and when required, and that they maintain good relations with all the political parties, including communist parties.

The inter-caste marriage alliance (between the two powerful and dominant communities) helped them to leverage both the caste networks and consolidate their wealth. Similarly, the families of popular film actors belonging to Kapus or Kammas have entered into marriage alliances with big hospital chain PWOs’ family. These marriage alliances (between the castes and among the castes) is a great tool to understand the wealth consolidation based on the caste networks.

On the other hand, a few business elites indicated that the caste networks could also be a liability; however, the evidence from our sample is limited in this regard. On the whole, while the networks are important, each sector has different types of networks. For instance, the kind of networks that pharma, IT and ITES leverage is entirely different from that of real estate, construction and mining, and that of power and manufacturing.

In the 1950s and 60s, two prominent business elites benefited because of their access to state, when the Nagarjuna Sagar Dam construction and related contracts were handed over to two prominent Reddy families. And in the 2000s, Jalayagnam irrigation project contracts were source of wealth accumulation for the dominant castes. Similarly, the current Kaleswaram irrigation project and Polavaram project contracts went to two caste communities: Velamas in Telangana and Reddy contractors in AP. The above narratives indicated that the State has been a consistent source of corruption, which opened paths towards wealth accumulation.

Caste and region intersected across these ethnic distinctions and thus created complex social networks that have shaped and continue to shape capital accumulation and distribution. While capital accumulation took place rapidly in south coastal Andhra, other regions, namely north Andhra, Rayalaseema and Telangana (except Hyderabad City), witnessed slow growth.

Towards conclusion – broad trends

Wealth accumulation is one of the key aspects of a capitalist economy. Indeed, the capitalist economy doesn't have a uniform pattern, and its dynamics are both temporal and spatial. The significant aspect in unearthing the wealth cultures in terms of elite formation and consolidation is to understand the dynamics of regional and sub-regional players who acquire prominence in political and economic spheres (Chari Sharad, 2004). Their dynamics are the result of a continuous struggle for sustenance in the business, risk diversification, profit-making and expansion of their portfolios. Therefore, this paper examined how effectively these dynamics operate in terms of both political patronage and nexus that determine the rise and fall of their wealth. Also, the question of whether the broader capitalist trends play out differently, contingent upon regional dynamics, or the regional dynamics chart their own trajectories in the broader ecosystem of capitalist trends has been looked into.

Historically speaking, two broad trends need to be highlighted here:

One, the hold of merchant communities in south Indian business was much weaker compared to Banias in North India (Harish Damodaran 2008). The absence of a dominant trading community – a “vaishya vacuum” – allowed for entrepreneurship from castes other than *Bania* or trader castes. Therefore, this helped peasant castes from the region to enter into trade – beginning with rice and oil mills, which they subsequently diversified into other sectors including money lending. Second, it is not only ex-Zamindaris and landlord classes (Challapalli Raja, Kapileshwaram Raja) that emerged as wealthy, but other landowning castes and classes, including the educated, professional and entrepreneurs, who made it to the top, with active utilisation of caste, kinship and political networks.

In the post-1990s, Hyderabad City region is witnessing a faster pace of wealth creation in certain business sectors. Three major trends emerge from our study:

First, while wealth accumulation is accounted for in terms of high growth in sectors such as IT, pharmaceuticals and real estate, our field accounts indicate that large-wealth creation occurred through contracts in irrigation projects such as Kaleswaram, Polavaram, and privatisation of seaports and infrastructure projects.

Second, sectors such as pharma, IT, real estate, construction, cinema, food processing, education, infrastructure, automobiles, poultry, and aquaculture continue to be the source of wealth accumulation even today. However, ITES, digital technology-led start-ups, e-commerce and horticulture have been emerging of late as the new wealth-accumulation spots. There is sectoral and sub-sectoral diversification, with a certain degree of rapidity in the past decade or so. Indeed, the business elites from certain dominant castes are still at the helm of both the old and the new sectors. However, while new entrants with professional education and technical competency have entered different niche sectors, the caste composition of them have not significantly changed.

Third, competition among the upper castes to expand and diversify their businesses has become intense after bifurcation of Telangana and AP. For instance, Velama Capital emerged significantly in Telangana, especially in real estate, the health industry and infrastructure projects competing with earlier business elites (who are mostly



from the state of AP). However, Dalit and OBC entrepreneurs are quite marginal in both old and new business sectors and in both the states.

Although the neoliberal economic policies seemingly opened the door for different social groups, especially for the people with professional education, the nature of political power (and the State) has been guiding and nurturing the regional business elite structures. While the early structural transformation of wealthy elites from agro-based industrial economy to service sector was facilitated by agrarian surplus and land, now the structural shift within the service sector is more complex. The regional and sub-regional story of wealth formation indicates that it is not just the broader economic reforms that have brought about this change, it is the regional political class that actively nurtured the business class. The structural transformation is thus the shift from the political patronage of business to the business patronage of the political or political nexus with business.

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Demonizing the others: vendetta coverage of Tablighi Jamaat and Kumbh Mela during the COVID-19 pandemic in India

ANIRUDDHA JENA , RAM AWTAR YADAV AND RAVITEJA RAMBARKI

Media's role is critical in disseminating credible information (UNESCO, 2020). As regards the second wave of the COVID-19 pandemic, Indian media have been under scrutiny (Singh, 2020). The public health system and other state machinery have been ineffective in addressing the health emergency. Based on the World Health Organization's (WHO) COVID-19 dashboard as on June 12, 2021, India stands first in Asia and second globally with total cases of over 29 million (accounting for around 16 percent of the global cases), just behind the USA with over 32 million cases. India is also third in terms of number of fatalities with 0.37 million deaths after USA (0.61 million) and Brazil (0.48 million). Most of India's cases were reported during the second wave, with the highest number of cases recorded at 414,188 on May 4, 2021, the highest ever registered by any country on a single day. Similarly, the 6,148 COVID-19 deaths recorded on June 10 was the highest ever worldwide (Sneha, 2021). Each day, the government reports more than 300,000 new infections, a world record. India is now seeing more new infections than any other country so far,

almost half of all new cases in a global surge (Schmall, 2021).

Government appears to be suppressing critical voices about its handling of the second wave of the COVID-19 pandemic. It expects the media to be mere mouthpieces of the system (Singh, 2020). Many Indian mainstream media outlets are owned and controlled by the corporate houses that often take the side of the state while compromising journalistic values and ethics. Nevertheless, small and alternative media outlets are still trying to be objective and holding the system accountable for its negligence and mismanagement of the COVID-19 crisis (Pavarala & Jena, 2020).

Amid the global pandemic, it is important to analyze how the Indian media covered two religious activities, namely the Tablighi Jamaat of 2020 and Maha Kumbh Mela of 2021. The first is a transnational Islamic missionary movement which aims to reach out to ordinary Muslims and revive their faith, particularly in matters of ritual, dress and personal behavior. The second is the biggest congregation of Hindus that happens every 12 years where they perform a sacred bath in the holy rivers.

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Media coverage of Kumbh Mela and Tablighi Jamaat

When the Tablighi Jamaat commenced in Delhi in March 2020, India's COVID-19 situation was very nascent. The national lockdown was not yet imposed and the Tablighi Jamaat happened after getting the required government permit. While the Tablighi Jamaat was organized between March 1 and 21, temples were closed only from March 16 to 20 (i.e. Siddhivinayak and Mahakaleshwar on March 16; Shirdi Saibaba Mandir and Shani Shingnapur Temple on March 17; Vaishno Devi on March 18; and the Kashi Vishwanath Temple on March 20, a day after Prime Minister Narendra Modi addressed the nation and called for "social distancing" [Zainab, 2020]).

In April 2021, despite the full-blown epidemiological information about the possibility of a second wave of COVID-19, the central and Uttarakhand state governments have not only permitted Kumbh Mela but also welcomed pilgrims through newspaper and TV advertisements. On the day of the second Shahi Snan (royal bath) during the month-long Maha Kumbh Mela in Haridwar on April 12, 2021, India had 161,736 new COVID-19 cases, a steep rise with the second wave picking up in the country (Hindustan Times, 2021). The average infection rate in the country in the preceding week was 143,343, almost one-and-a-half times more than what the country has seen during the peak of the first wave in September 2020. The state of Uttarakhand where the Kumbh Mela was happening recorded its highest single-day spike in COVID-19 cases at 1,333 prior to the second Shahi Snan. However, most of the country's mainstream television news channels appeared to celebrate instead the gathering of hundreds of thousands of people for this royal bath.

In a newscast of one of the most popular Hindi TV news channels of the country, ABP News, a news anchor said, "In the time of COVID-19 pandemic, the pilgrims will take the holy dip of faith as a huge crowd has gathered for the purpose." He went on to say that the

administration made all the necessary security arrangements and enforced restrictions in the light of the pandemic even as the visuals on the TV screen showed thousands of people bathing in the river while flouting COVID-19 protocols (The Wire Staff, 2021). As the news show progressed, the news anchor asked a female reporter covering the religious congregation from Haridwar if she had taken the holy dip of faith on this auspicious occasion. The reporter said that she could not as she was busy covering the "bhavya nazaara" (glorious sights) of the event. The coverage was the same in most of the Hindi TV news channels like Republic Bharat, India TV, and Aaj Tak. A few of them also stressed the state government's precautionary arrangements for the religious congregation, accompanied by footage showing how the pilgrims blatantly defied COVID-19 protocols. According to several media reports, more than three million people had taken the holy bath in the river on April 12 at Haridwar (Hindustan Times, 2021).

The state government and local administration enforced some protocols like making RT-PCR negative test report for pilgrims, wearing masks, and following social distancing. However, thousands of devotees flouted these guidelines, according to an *Indian Express* report on April 13, 2021. The duration of the event was shortened to one month from the usual three-and-a-half months due to the pandemic. Despite all the restrictions and guidelines, a total of 9.1 million pilgrims attended the Kumbh Mela (Rawat, 2021). With two million to three million people gathering on the days of Shahi Snans without masks and social distancing, the festival could be counted as the "biggest super-spreader in the history of this pandemic" (Thapar, 2021). Even as it was difficult to know the impact of the Kumbh Mela due to the absence of contact tracing, the congregation did become a source of spreading the infections (Slater & Masih, 2021).

A report by *DownToEarth* revealed how local authorities found it extremely challenging to implement the COVID-19 related standard operating procedure (SOP) of the central and state governments due to the large number of people at the

venue (Mishra, 2021). Another report in Hindi by the same website showed that after the Kumbh Mela, the number of COVID-19 cases increased 100 times within a span of one-and-a-half months in Haridwar. While the city only had 15 cases on March 13, 2021, the figure increased to 1,501 on April 26, 2021 (Mishra, 2021). Such information was mostly reported in digital news media platforms even as most of the popular television channels underreported the Kumbh Mela's role in spreading the disease.

This was not the case with the Tablighi Jamaat. In March 2020, the Islamic religious congregation organized at Nizamuddin, Delhi saw the participation of around 9,000 missionaries. The same television news channels held them responsible for spreading 30 percent of the total COVID-19 cases in India. A few news channels went on to demonize them to such an extent that they called participants of the congregation "corona bomb" (ABP NEWS, 2020). Another prominent news show called DNA on Zee News television channel called Tablighi Jamaat a "hotspot" of coronavirus and a "betrayal with the nation" (Zee News, 2020). Several television news channels had the same kind of reportage that reflected irresponsible attitude and unethical journalism practice with potential to spread hatred toward Muslims.

After hearing complaints on media coverage of the Tablighi Jamaat, the Bombay High Court and Supreme Court of India expressed displeasure over the central government's failure to curb such instigating content in both print and electronic media (The Wire Staff, 2021). The Bombay High Court in its observation called the media coverage of the foreign nationals attending the congregation as "persecution and propaganda" and government's attempt "to find the scapegoat" during the pandemic (Express News Services, 2020; Mohta, 2020). During the hearings, the courts' observations were hardly covered by most of the print and electronic media organizations. Only a few newspapers like *The Indian Express*, *The Hindu*, and a few web news portals reported them.

Sharma and Anand (2020) identified "fake news" items which surfaced in April 2020 like Tablighi Jamaat members openly defecating and deliberately sneezing and spitting in public places to spread the coronavirus. They also found the media coverage of the Markaz event of Nizamuddin as "demonstrably biased" (p. 651). They concluded that while organizers of the Markaz did show negligence to hold the event during the pandemic, the government's administrative failure was not covered by the news media in the same vein.

Media, religiosity, and pandemic

Given the nature of religious conflict in the Indian subcontinent, media's responsible coverage of religion is important. Unfortunately, there were news media organizations that criticized a particular community and remained silent as regards another one. Specifically, why did big news media organizations degrade the entire Muslim community by using terms like "super spreaders" (e.g. Republic TV), "Madrasa hotspots" (e.g. India Today), "corona warfare", "corona jihad", and "human bomb" (e.g. ABP news)?

In analyzing the media's role in reporting and discussing Tablighi Jamaat and Kumbh Mela, two distinctions must be made. First, many corporate news media outlets that portrayed Muslims as "super spreaders" by highlighting supposedly deviant behavior have deliberately ignored what happened during the Kumbh Mela. Second, those who covered the Kumbh Mela have not resorted to the language used against Muslims. While hypocrisy and double standard come to mind, these terms do not fully explain the purposeful vendetta and designed propaganda that they practice. Since there is a degree of cultural construction for what appears to be mere bias, one must go beyond this simplistic characterization. We need to analyze the socio-historical reasoning for this cognitive behavior.

There is clearly visible interaction between religion and politics, as well as between religion and state. This highlights the role of the state in

religion, or simply secularism. Bhargava (2013) said that governments cannot uphold secularism alone as there is a need for an active judiciary, media, and citizenry. In times of majoritarian upsurge, the demonization of the “other” (in this case the Indian Muslims) usually happens. The media actively carry the process through discourses and become an active part of the state machinery, thereby erasing any pretentious editorial independence. By being entangled in the majoritarian state and its politics, the media control the politico-cultural narrative and influence the public discourse. They do not only have an impact on the judiciary and bureaucracy. They also compromise academic and cultural institutions (Roychowdhury, 2019). The media’s role acquires prominence as they help construct the image of the Muslims, or any community for that matter.

In other words, while the media tap the majoritarian sentiments on one hand, they play an active part in the majoritarian propaganda machinery on the other. The two processes complement each other and have two objectives that help the majoritarian propaganda. First, Hindus are alerted about “the deviant character” of Muslims. Second, the media end up economically marginalizing, socially alienating, and culturally subjugating Muslims wherever possible.

Conclusion

The presence of a majoritarian state and the active marginalization of religious minorities predate the Bharatiya Janata Party’s (BJP) rule and cut across regimes in post-independent India. Deeper analysis of inter-faith relations and associated social ties reveals the face of Indian society. It has always been like this, but Indian society has been able to maintain a balanced liberal attitude with majoritarian tendencies. Studies showed that past attitudes toward religion and caste have not been tested like the current ones (Srivastava, 2020; Khan, 2021). Indian polity has never actively focused on institutionalizing liberalism in the ecosystem (Srivastava, 2020). Indian liberal-secular fabric and majoritarian Hindu state projects rely on Indian Muslims in

quite contrasting terms. This pretends to be building liberal-secular projects while denying active agency of Indian Muslims and actively marginalizing them. This calls for a deeper engagement to understand this problematic scenario more comprehensively.

Media’s role is extremely crucial in times of crisis such as the COVID-19 pandemic. Slanted and biased sources of information put a question mark on the media’s fundamental role in society. The state of Indian media is alarming given the division, polarization, and manipulation (Rajgarhia, 2020). The ethical values and principles of Indian media are compromised with the collaboration of corporate and state interests. Most of the popular news media outlets in the country are politically motivated and biased which prevent them from being objective (Kumar, 2021). When it comes to religion and religiosity in India, news media organizations align with the majoritarian beliefs and sentiments while marginalizing and demonizing the minorities and their beliefs. This was evident in how Indian media reported the Tablighi Jamaat and Kumbh Mela. Media should remain cognizant of the principles of objectivity and disseminate credible information for the greater good of society.

Disclosure statement

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నిజాం కళాశాల, తెలంగాణ సాహిత్య అకాడమి, తెలుగు అసోసియేషన్ ఆఫ్ తెలంగాణ

సంయుక్త అధ్వర్యంలో

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ప్రశంసా పత్రం



ప్రొఫెసర్ / డాక్టర్ / శ్రీ / శ్రీమతి దొంబిరి రవిచంద్ర తెలంగాణ దక్షిణ భారత సాహిత్య ఉద్యమాల

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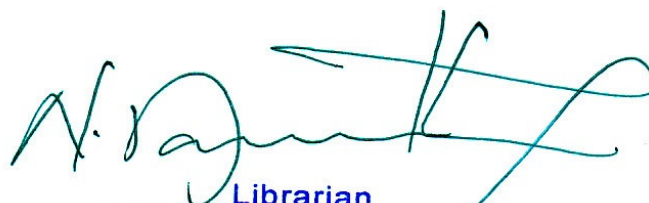
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