By way of conclusion this chapter reviews the findings of the book along four dimensions: first, the project’s contribution to scholarship on the crime-business-politics nexus; second, the meaning of ‘wildness’; third, contributions of micro-economic and anthropological studies to macro-level models of the criminalisation of politics and the politicisation of crime; and last, the thorniest question: of what is to be done.

Part one: the crime–business–politics nexus

This book is an exploration in political economy and field economics, and in anthropology and ethnography, focussing on the day-to-day social realities of the criminal economy. While it has been years in the making, formally since 2012, with most of the 12 contributors spending months in the field, its actual genesis covers a much longer period, since researchers returned to familiar places which they had often studied over many years in the past. The case studies all find local economies that are dominated by forms of capital that ignore state regulative law or selectively manipulate it to their advantage. These formations control party politics, simultaneously depriving the state of resources while plundering it of the resources it receives from others; they control the sectors they invest in, using violence wherever necessary. Accumulation then runs through political parties and individual criminal organisations and families. Bound to these criminal organisations are extensive networks involving both bonded and/or migrant wage labour and small-scale self-employed workers in the sector concerned, as well as the police, officials in revenue administration and other state agencies, and party politicians. A multitude of other activities is also required to co-ordinate these economic
and political transactions: fixers, protectors, middlemen, contractors and subcontractors, clientelist funders and money managers for political parties, lawyers, forgers and vigilantes. And these in turn are embedded in collective institutions, from political parties, chambers of commerce, business associations and trades unions to criminal syndicates and lobbies, illegal cartels, ‘rackets’ and gangs, clans and families.

Studies on the accumulation of billionaire wealth and the politics of apex public-private partnerships often ignore the systemic nature of the criminal economy (Gandhi and Walton 2012; Bernie 2012; Crabtree 2018). To reduce its social relationships to ‘corruption’ or ‘rent seeking’ is to neglect the abundance of behaviours implicated in the system as a whole. Calling them ‘supply chains’ (as this project’s political economists initially did) does not convey their complexity or their manifold activities, objectives and uncertainties. Even the concept of a ‘sector’ fails to convey the close interlinkages between a series of commodities and areas of criminal endeavour. Ruud finds the concept of ‘syndicate’ useful (Chapter 10) while Gayer refers to a ‘network of connivance’ (Chapter 11). Michelutti and Harriss-White call the messy bundle of social relations and variously structured components ‘assemblages’. Portfolio can be extensive in a criminal assemblage, mixing the criminal with the ‘up-front legal’ and sometimes with accumulation from illegal commodities (as happens in these three examples: i) fuel-oil, kerosene, oil adulterants, sand, real estate, hotels and transport in Chapter 6; ii) coal, iron, media, tourism and hotels, liquor, real estate, education and transport in Chapter 1; iii) illegal arms, illegal timber, illegal alcohol, quarries, construction and control over petrol pumps in Chapter 7).

Our case studies of the supply of timber, oil, coal, procurement and real estate show how criminal organisations form a continuum both with the informal economy – activity under the threshold for regulation (or above it and covered by regulation which is not enforced) – and with the formally registered, state-regulated economy. Non-final demand for criminally supplied commodities and services also forms a continuum – ranging from workshop firms not eligible for state-regulated provisions (e.g. coal) to telecom’s corporate oligopolists, building contractors, dam builders and international timber businesses. Mafia houses – criminal families accumulating profit by using violence and politics in business – may be legally registered and may even declare and pay tax on some of their turnover.

Assemblages in which the mafia are the leading but not the sole protagonists are entwined with politics. Sectors such as coal and real estate are organised through a system of interlocking transactions – legal and
illegal, political and economic – all backed by licensed and unlicensed violence and threats, which bind the state and its agencies to the market and its agencies. For this, Michelutti et al. (2018) have invoked the Italian concept of intreccio, signifying that the criminal economy and the actually existing state and politics are not separate worlds, but are fused. Under conditions of intreccio, the state as designed in law is unable to control the regulation or taxation of the market.

While it is widely accepted that qualitative research can generate higher-order generalisations about processes (Becker 2017; Flyvbjerg 2006), our findings do not say anything definitive about the extent of the criminal economy in India, Bangladesh and Pakistan, nor its relation to democratic politics. Yet the authoritative intimacy with reality that had to be developed in all the fieldwork has made it hard not to see the findings as part of wider patterns. Building arguments through analogies and examples, they include (following the order of the preceding chapters): a mafia state; mafia criminality; predatory, violent commodification and a pork-barrel state; a policy no-man’s-land, ethno-accumulation, and a politics of accumulation by corruption; a criminal caucus, business fused with politics in systemic plunder; goonda raj, competitive to monopolistic mafia raj; syndicate raj and mastan raj; internationalised criminal capitalism; a mafia state; and finally party-politicised legality and politicised predation.

Is it unwarranted to see these as general phenomena? Is the criminal economy confined to Gandhi and Walton’s ‘rent-thick’ sectors – which we happen to have researched – outside which the economy is legally compliant? In fact, Gandhi and Walton found that less than half of the Forbes list of Indian billionaires had actually accumulated their wealth in rent-thick sectors (2012, 13). The NCAER’s State Investment Potential Index Report for 2017 found that corruption was still the single biggest problem for ‘entrepreneurs’. Yet while for 56 per cent of Indian business executives corruption was more or less of a problem, 44 per cent of those surveyed in 2017 had ‘no problem with corruption’ (which of course does not mean they were not involved in corrupt practices) (NCAER 2017, 9–10). How useful are the concepts of ‘rent-thick sectors’ or summary indicators like ‘corruption’, when we see here that the criminal economy is so much more complex and dispersed?

Are there ‘clean’ – or much cleaner – sectors that our research design has missed? Not the rapidly growing sector of waste, where the supreme court banned manual scavenging in 1993 and again in 2014. Yet, among the litany of waste-crimes, every year hundreds of ‘scavengers’ continue to be suffocated to death by methane in sewers that municipal authorities...
have demanded they unclog (Harriss-White 2019). Food and agriculture are still the largest single employers and repositories of poverty. In an argument for reconfiguring welfare subsidies, Bhalla (2014) identified fraud and incompetence in the food economy, reporting that half the grain purchased for the public distribution system was ‘misplaced’ between the warehouse and ration shop and that a further 30 per cent was ‘left to rot in government storage facilities’. Meanwhile research on the regulation of land, agricultural markets and real estate confirms a ‘political space’ in which tenancies are regulated by caste relations and not by law; agricultural wages are also stratified by caste, maintained below the legal minimum with Dalits worst paid. Crop sales face illegally collusive agents. Meanwhile regulators are bribed to grant multiple licences for agri-processing and to enable pollution controls and quality standards to be ignored. Agricultural transport is ‘taxed’ using prepaid cards in return for illegal overloading. Every office peon is well versed in extortion. The law is ignored, is at the mercy of conflicts within the local capitalist class, or is flouted without sanction and buttressed by illegal private markets. Prakash (2017) has extrapolated from his field research to conceptualise the state as ‘hybrid’ – where multiple formal and informal institutions are intertwined in collusion, rent-seeking and rent-giving, simultaneous patronage and clientelage, in which control over this sector is distributed outside the formal state (2017, 182–4). So agriculture and food can certainly not be assumed a priori to be ‘clean’.

Is there less crime in welfare? Rajshekhar’s (2015–2017) three-year pan-Indian ‘Ear to the Ground’ project reports widespread inadequacies in redistributive and welfare projects in which crime is one of many processes of democratic failure. Fernandez’s meticulous study (2012) of the technologies of bureaucratic power at play in implementing a welfare policy for poor tribal women shows a system replete with arbitrary manipulation, irregular procedural reinterpretations, retrospective legitimations, unauthorised improvements, abuse and fraud, delays, lack of coordination, underperformance and non-compliant targeting and selection of participants, such that apparently intended beneficiaries become victims and vice versa (Fernandez 2012). To judge from Rajshekhar’s and Fernandez’s research, the field of welfare is consistent with interreccio, not separate from it.

Furthermore, many aspects of the criminal economy also have direct effects on welfare. Chapter 2, on fire, also shows the dangers to the welfare of contracted mineworkers through the blatant disregard for health and safety regulations at work, while the more or less forced resettlement of Scheduled Tribal people at risk from subsidence and surface fire in
ready-made slums without social infrastructure, social entitlements or work is an affront to their welfare. Meanwhile the failure to regulate quality standards, as for fuel (Chapter 6), or the permitting of fuel to be self-regulated in criminally adulterated forms, together with the failure to prevent extortion on tenancies for private childcare (Chapter 8) and the failure to allocate property to entitled SCs (Chapter 9) – all reduce welfare.

So, is the criminal economy confined to certain regions? After all, epicentres of ‘severe’ corruption in India are said by the NCAER to be confined to West Bengal, Tamil Nadu, Rajasthan, Punjab and Assam (NCAER 2017). Three of these states – West Bengal, Tamil Nadu and Punjab – figure in our project, but so do other states: Arunachal, Andhra, Jharkhand, Uttar Pradesh and the metropolitan megacities. And, while the criminal economy is far from being confined to remote places and border areas, it most certainly crosses state borders, exploiting the impunities conferred by state boundaries. It uses SEZs in this way too. Other research on the informalisation of food policy and on labour regulation has shown that state boundaries can mean significant changes in the scope, practices and economic outcomes of government policies (Mooij 1999; Mahmood 2017). Yet significant regionalised differences in a range of economic activities have been shown to have negligible relation to the frontiers of states (Fouillet 2011; Harriss-White et al. 2014; Basile, Harriss-White and Lutringer 2016). States are often arbitrary data-containers, and it is hard to believe that the criminal economies we have studied do not spill over into other places. It is also unlikely that our examples are not replicated elsewhere.

Our conclusions can thus be treated as hypotheses to be refuted. They are as follows: that the criminal economy is now normal. Where we have investigated it, it is pervasive and systemic. Popular fantasies about its tight organisation notwithstanding, it is also fluid, opportunist and fragmented, but it is nonetheless durable; its heights are socially, economically and politically exclusive. While individuals may be scapegoated and even fall, the system itself survives and thrives through shifts among ruling parties after elections (as shown in detail here for coal, sand, timber and public procurements). The criminalised state is not a failed state.

In addition, while macro-political conditions differ in Bangladesh and Pakistan, their criminal economies are similar to Indian cases. They invoke characterisations as Pax Mafiosa and ‘partyarchy’, a consociational mafia-owned democracy (for Bangladesh); and a paradigm of degeneration, ordered disorder, the anarchy of the law, of struggle and
convergence between civil and criminal law, unbridled capitalism and the ‘Wild Wild West’ (for Pakistan).

So, in the process of expanding and refining knowledge, immediate priorities for further research include answering these questions:

1. The extent to which, and conditions under which, criminal economy assemblages are alternatives to the state or are entwined with it;
2. The related question of whether *intreccio* and the mafia raj are to be understood as ‘normal’ capitalism and the ‘normal’ form of the state in South Asia;
3. Relations between the registered, formal economy and what are known to be larger informal and criminal components, and between legal and criminal behaviour inside capitalist firms and state corporates;
4. The extent to which our case studies are peculiar, state-specific, regional or at times perhaps sectoral variations in the forms taken by criminal economies. Are there less criminalised fields of economic life and how do they, and their regulators, engage with the criminal economy?

These questions have implications for field methods. Clipboards/laptops and pre-designed and coded multiple-choice questions will not yield answers to these questions. Ethnographic approaches are more appropriate.

**Part two: the Wild East justified**

While ‘Wild West’ capitalism is a term frequently used pejoratively to refer to Russia – and rule by oligarchs – and even China, connoting unfettered accumulation – how useful did the framework considered in the Introduction, supplied by its two accounts of Wild West anarcho-capitalism and primitive accumulation, prove to be? Both narratives emphasise the establishment of the rule of law, either in the collective law-making of settlers or in the pro-capitalist, property-protective American state after Independence. Our case material by contrast explores the realities of long-established regulative law and its breaking.

In the Wild East, states clearly matter, and these differ in their capacities to regulate and enforce the law – and in the extent of their reach and of their capture. Laws to protect labour are partially or completely
unenforced because most people do not see the labour laws as being broken, since they do not know these laws exist. Our case studies also show that the practice of law can be distorted in ways that are not criminal – for example policies may be retrospectively altered to make ad hoc exemptions to benefit political cronies (as in telecom, Chapter 5; see also Bernie 2012; Thakurta et al. 2017). The case studies also reveal a vast repertoire of pathways to criminal accumulation, including resource seizure (for example land, energy, etc.); labour displacement and eviction; the elimination of competition (between market and state, between sectors, scales, regions and castes); monopoly rents; preferential allocations of resources (such as subsidies, physical infrastructure, learning rents/privileged information); the under-pricing of resources (including labour); tax evasion; capital flight; the sabotage, capture and destruction of policy; the evasion of regulations (especially respecting environment, labour and licences); the formation of markets in physical protection (including the protection of non-criminals); and control over the means of social redistribution. Any attempt to bring order to this list would do injustice to the variety of ways in which they are mixed in the criminal economy.

Wildness in the rule of law

Evidently the rule of law is broken. How does this happen? The appendix summarises laws alleged or established to have been broken in our 11 case studies. Despite the variation in detail, a number of features stand out.

The state: Law-breaking is not confined to criminal organisations with the complicity of the police and politicians. Many state agencies are extensively involved, at different levels, in failing to raise tax and non-tax revenue, diverting state resources to private uses, and failing to regulate the economy through law. These range from central government corporations and vigilance services, such as customs and excise, through state-level corporations and most departments of government responsible for regulating the sectors we studied, down to local panchayat government. Some crimes, such as bribery, fraud and tax evasion, are pervasive; but some are specific (as in the case of the derecognition of eligibility for rehabilitation and resettlement for people threatened by underground fire).

Assemblages: Attempts in the appendix to identify and summarise single types of offender (as in ‘mafia’ or ‘state’) gloss over the clustered but differentiated social relations that characterise a criminal assemblage. Criminal dealings in legal commodities may be interlocked with dealings in illegal commodities (drugs, arms, types of liquor, sports
betting, trafficking), in which case the antagonistic individual and party politicisation appear to be a more prominent part of the assemblage – as do privatised protection and extreme violence.

Legal complexity: In South Asian societies where knowledge of legal processes is likely to be better developed than that of the law itself, each sector we researched is festooned in a legal complex likely to have been publicly debated only by legislators at its inception, if then. Many criminal assemblages cut through and ignore great swathes of legal complexes that lawyers themselves have difficulty mastering.

Corruption: Bribery is widespread and is a precondition for fraud, waiving regulations and sharing illegal profit, purchasing votes and party allegiance from workers, and purchasing silence. Cash is not the only form it takes; exchanges in kind are also common, sometimes codified at publicly known rates/prices. Despite its central role in corruption theory, however, bribery seems less important than other kinds of law-breaking unrelated to bribery, particularly defrauding the state – to which bribery has often been linked (Roy 1996; Bernie 2012).

Existence conditions: Finally, in the appendix we have also noted activity that is not criminal but does form part of the existence conditions of the criminal economy. These are not confined to, but include: violation of customary ‘norms of violation’ (as in access to watercourses and forests, Chapter 4); clashes and power asymmetries between custom and law; preferential prioritising and practice of regulative policy (airwaves for example, Chapter 5); unregulated commodification (as in speculation in MoUs or disputed titles, Chapters 4 and 8); politicised media ownership enabling stage-managed reports, forced silence and blackmail (Chapters 9 and 10; see also Thakurta 2010); threats generating fear that leads in turn to self-censorship and silent complicity; and the deliberate casualisation and disenfranchising of the unskilled labour force, which deprives those workers – who are not necessarily toiling in ignorance – of any alternative to complicity (see the red sanders timber case, Chapter 7).

Why is economic law found here to be so difficult to enforce? Why is punishment so rare? The case studies suggest several reasons:

Resources: Resources (transport, computers, legal resources) may be scarce and personnel inadequately skilled or incompetent.

Complexity: Legal regulation can be technically complex (as the Kolkata real estate and Barisal procurement cases show in Chapters 8 and 10). Complexity intensifies the difficulty of enforcement and the ease of criminal evasion.
Crime-friendly law: Our field material suggests that certain kinds of law are crime-facilitating. By this we mean laws that are either deliberately or through incompetence drafted to leave loopholes and incentives for crime (as is the case of MoUs in Arunachal, the environmental law concerning construction over water bodies and water courses in Chapters 4 and 8, and police investigation procedure in Karachi in Chapter 11). Second, crime-friendly law features punishment for infringement so disproportionate to the ‘crime’ that it incentivises criminal evasion (the Antiquities and Art Treasures Act of 1972 being a famous example; Vaish and Marwahah 2015). Third, any law where the evidence needed for court cases is stipulated in forms and with a degree of detail that is exceedingly difficult to provide also incentivises criminal evasion (as we saw to be the case in compensation valuations in Chapter 4, tenant protection in Chapter 8 and victim compensation in Chapter 11). Manifestly socially unjust law or law unable to prevent injustice is also crime-friendly (see the case of negligent resettlement and rehabilitation provision in the face of the threat from fire; Chapter 2). Finally, any law whose text shifts faster than the arrangements for its enforcement may also facilitate its own breaking (for example the 59 amendments to the Essential Commodities Act).

Complicity: Under conditions where the costs of delivering services efficiently do not threaten criminal bureaucratic accumulation, the latter can co-exist with the former. But state employees – in the bureaucracy, the police and the courts – often benefit privately from failing to uphold or enforce the law, in contexts where their incentive to enforce is overbalanced by their incentive to fail to enforce. The latter incentive takes many forms – in kind (vehicles, even land) as well as cash, sourced from the state as well as provided by criminal organisations, and maintained through greed or fear. Fractions of the state behave as criminal businesses – sometimes alongside compliant public corporations, public service and administration. As shown in earlier research on the sociology of tax law and practice of commercial taxation in Tamil Nadu, cultures of non-compliance mean that, as a Tamil proverb has it, ‘an honest man is he who does not know how to live’ (Jairaj and Harriss-White 2006).

Order without law

Without any regulation at all, as in mining in Jharkhand (Chapters 1 and 2), extractive activity is dangerous to the workforce underground, to people’s homes and lives at the surface, to public infrastructure, and – as
the chapters on fire, sand and timber illustrate so well – to what is left of the natural world including the atmosphere it poisons. In the neoliberal era if the only case for the state involved reducing such dangers, it would be a convincing case.

Substitutes for the law
Much of the criminal economy is ordered through forms of authority grounded in pre-existing customary and collective action. Chapter 4 shows how the current criminal turn in Arunachal Pradesh represents a flouting of both customary norms – even the norms for responses to the violation of custom – and state law. The extensive informal economy is regulated through authoritative practices grounded in culture: patriarchy constrains the assets and occupational choices of (inferior) men as well as women; caste and ethnicity supply a corporatist ideology, structure access and define insiders and outsiders with whom transactions may vary; religions meanwhile supply collective identity and institutions to regulate accumulation and distributive activity. Business associations consolidate socially corporatist economies (Basile and Harriss-White 2010). In the so-called neoliberal era, while law-making institutions and the protection of property and people are being privatised, sites of economic authority multiply. However, the case studies indicate that, wherever they operate, the mafia have paramount regulatory authority.

Intreccio
Illegal markets based on plundering state resources and illegal markets run by local mafias are not without order but are idiosyncratically meshed with legally compliant activity. The informal is meshed with the formal, and interlocked transactions form structures of control involving systems of taxation and tribute interwoven with those of the Revenue Department, policed by privatised and politicised forces.

It is remarkable that in an era of rampant and tightly defined nationalism, the unit of moral accountability in the criminal economy – clan, caste, dynasty, family – is so far removed from the banner of the nation.

Wildness as violence
As Marx wrote, force itself ‘is an economic power’ (1887, Chapter 31). Not all law-breaking is violent, but, in this book, the only case where the use of physical violence was not mentioned was crime in spectrum allocations, at the apex of the national economy. The Bangladesh case
(Chapter 10) tracks a move away from violent predations on the local state and on people to economic crime or soft crime – ‘the criminal life of legal commodities’ – and from the use of weapons to negotiations and deals. In most of this book however economic crime is not reported as being ‘soft’. On the contrary, in every case except spectrum allocation, criminal activity is policed by threats and intimidation; in many cases by extortion, by violent and abusive enforcement (often with private militias, goons, armies, in family vendettas) and by ‘structural violence’ (Galtung 1969) permeating work conditions (with special oppression meted out to trade unionists). Order is enforced through physical assault and injury, mutilation and torture, kidnap, abduction and disappearances. Over half the case studies report murder as a weapon of regulation. While most of this violence reflects the power of patronage of criminals over the state and over economic and political rivals, in certain cases (as in the timber economy) the state’s own task forces kill suspected smugglers in ‘encounters’. The brutal treatment of labour as ‘smugglers’ also leads to questions about the political interests behind the marginalisation, oppression, mass imprisonment and slaughter of tribal labour (Chapter 7).

While the era of American primitive accumulation is said to have pieced together the wage labour force in a ‘discontinuous process’ (Baker 1990), in South Asia, its ‘making’ remains violent and coercive as well as discontinuous. Labour has been co-opted into complicity in crime by money or force and by the absence of alternative livelihoods. Violence takes yet other forms in our research: the seizure of resources and property using armed robbery; the vandalism of pipelines and infrastructure; the trafficking in, and destruction of, endangered species, riverbeds, water-bodies and beaches, geological/mineral resources, soil and slopes; and wanton air pollution. The natural world, victim of the criminal economy, can defend itself only in a Latourian way, when extreme events wreak havoc on society, without regard for virtue or criminality.

**Victims**

Those that lose from criminal economies are not always assetless workers and dependent people. The exchequer is a major loser. Estimates of its losses from the fraudulent 2009 coal auction varied between the official US$30 billion and an earlier (leaked) US$210 billion, and the eventual re-auction raised US$33 billion (Crabtree 2015, citing a former comptroller and auditor general). Foregone resources of this magnitude might have been invested in hard or soft infrastructure in support of public and/or private accumulation, or in implemented policy for
redistribution. The degradation and pollution of the environment also hits the middle and bourgeois classes even if the damage to health they cause is thought to be inversely related to class (PHFI 2017).

At the micro scale too, the losers through real estate swindles are not necessarily poor (Chapters 8 and 9); nor are the scions of mafia dynasties who fall victim to violent vendettas (Chapters 1, 2, 6 and 7). The zealous administrator, punished by re-posting – and occasionally by assassination – for seeking to root out mafia criminality is not poor. Workshop producers and consumers, sometimes unentitled to state provisions, who purchase products on black markets are also not necessarily poor.

In the hierarchies of patronage and clientelage and the fluid arrangements of criminal assemblages, the most numerous victims of the criminal economy are those who make it possible through their labour and those whose livelihoods are destroyed by its environmental impact. It is the victimised workforce that drives criminal growth and accumulation. Evoked in detail in Chapters 2 (fire) and 7 (timber), they are typically lowest-caste and tribal people, petty producers and traders, precarious and unfree wage labour, or migrants bonded to contractors, ignorant of other stages of the system in which they are embedded, ignorant of local languages. They do dangerous work in exacting conditions for poor and delayed pay, suffer poor health and early drop-out, are controlled under intense physical discipline, are victims of threats or violence and are targeted for punishment by the state. Described in detail in Chapters 3 on sand, 4 on water, 6 on fuel, 7 on biomass and 8 and 9 on land, the victims of criminal economic activity are those denied their legitimate access to common property resources, to formerly clean and available water and soil; people whose air, water, soil and biodiversity are compromised and polluted. In the tense relationships between identity, citizenship and welfare entitlements, they are also those most frequently excluded from eligibility for state welfare and most dependent on informal parodies.

Resistance
Practically every case study bore witness to resistance to, or in, criminal economies. It is not that there is little resistance, or that it lacks access to the state, but rather that it is poor resistance, lacking effective countervailing power over states riddled with political-criminal complicity. Resistance to the local mafia is part of the discourse of competing parties ahead of elections. Winners may use moments of political change to prosecute formerly immune criminal politicians or criminals formerly protected by rival parties (Chapters 1, 6, 7 and 10). But this is comparatively
rare, and the minute proportion who are sentenced find ways to secure bail or are reported as freed early (as in Chapter 5). Mafias are resisted by other elements in the criminal assemblage – in black coal these are syndicates and cycle wallahs (Chapter 1), as well as by labour organisers (Chapter 2), civil society organisations, movements of victims (Chapters 8 and 9), social and political activists, students and exceptional journalists and public interest lawyers (Chapters 3, 4 and 5). Expert commissions of enquiry have exposed crimes (Chapter 3). The judiciary has played an important role in identifying economic crimes and ordering the state to proceed against criminals – but it lacks enforcement powers (Chapters 3 and 11). Of course much resistance – and to judge from the case studies, the most effective resistance – comes from criminal organisations and assemblages to challenges not from the institutions listed above but from labour, to the threat posed by reprisals due to political competition, and to hostile competition from rivals.

In the Braudellian terms of our Introduction here, has the notion of wildness helped the ‘interpretation of events’? To sum up our concept of wildness: the process of creating capital reported here is a highly conflictual and wasteful process. The case studies more resemble primitive accumulation than the Wild West’s anarcho-capitalism. Criminal accumulation involves the coexistence and mutual dependence of capitalist accumulation (profit from wage labour invested in expanded reproduction) with primitive accumulation (seizure of resources for productive investment and separation of labour from their means of production) and with common or garden theft for non-productive ends. Our evidence allows for various interpretations of the concept of the primitive: capture of the state, plunder from the state (Harvey’s accumulation by dispossession (ABD)), under-priced/under-invoiced transactions, market transactions with varying degrees of violence, pillage, together with the creation and preservation of coercively controlled, unfree labour under conditions akin to slavery. A further distinctively South Asian characteristic of criminal accumulation is the perpetuation of small-scale activity alongside vast criminal empires.

Evidently more research needs developing on several topics:

1. The balance between the roles of culture, political power and the logic of profit-making in criminal accumulation;
2. The politics and economics of law-breaking within the state apparatus and public corporations, their internal victims and beneficiaries, the roles of vigilance and punishment in public agencies and agencies regulating private markets;
3. Sectoral and regional variations, pursuing the intense specificity of much of this behaviour inside South Asia;
4. The status and roles of compliant behaviour in cultures of non-compliance;
5. Explorations of crime-friendly law;
6. The varied social and political responses to crimes against the environment, property and persons of differing status;
7. The impact of fear and terror on economic behaviour in large and in small businesses;
8. Granular policy studies (after the method of Fernandez 2012) in sectors affecting, and affected by, the criminal economy, e.g. finance, the police and other regulators and vigilance agencies;
9. The politics of complicity.

Part three: macro and micro – contributions from field economics and anthropology

As it goes to press, this book joins other new contributions to a scholarly understanding of the neoliberal economy and its threat to democratic politics. We have space to sample three here.

Kapur and Vaishnav (2018) see the neoliberal democratic threat as a worldwide phenomenon in which India, the world’s largest democracy, is embedded. India’s considerable election costs, many legitimate, must be met either by candidates’ self-financing (Sircar 2018) or by business funding to parties (a telling example being the cement industry) in return for favours. Alternatively, in the case of cash-strapped subaltern parties, symbiotic relations with larger parties in alliances involve cross-party subsidies in return for sacrifices and compromises in the allocation of party candidates (Collins 2018). All three mechanisms constrain the entry and success of candidates. The complex business of political money sometimes flows multi-directionally; elsewhere the three ways of meeting election costs characterise different levels of electoral business politics (Bussell 2018). In the institution of the election commission, the state has acted with integrity but presides over poor quality election legislation which political parties have no interest to reform. In Kapur and Vaishnav’s project, where flows of campaign money from politicians to voters are understood as gifts signalling exchanges rather than outright purchase of votes, where the black economy is argued ‘counterintuitively’ as capable of ‘generating positive consequences’ (growth, employment and social networks) (Bussell 2018, 27), the criminal economy itself is
not characterised as among the driving threats to democracy. Crime is a matter of ‘background’ or quantifiable ‘cases’, and mafias are hardly mentioned. Our book contributes to the ‘more research’ Kapur and Vaishnav call for, with accumulation at its heart.

Second, James Crabtree, a former economic correspondent for the Financial Times in India, has pieced together five years of access to the new billionaire class and the regulative and banking elite serving it, not only chronicling the unprecedented inequality it creates, its ballooning numbers, wealth (rising from US$176 billion in 2011 to US$500 billion by 2018) and its vast and globally conspicuous consumption, but also unearthing its politics (Crabtree 2018). At odds with a ruling party-political discourse extolling equality and anti-fraud, elections are found by Crabtree to be working through faction and patronage, funded by crony capital that is enriched in feedback relations of nepotism, unde-tected political funding and corrupt state agencies. Decentralised to constituent states, the pork barrel as described by Jeyaranjan (Chapter 3) is reinterpreted as ‘entrepreneurial municipal corruption’. Under the BJP, Crabtree sees a rebalancing of relations between politics and business (using digital technology, public auctions, tougher loan conditions, etc.) and no reason why India should not move into a progressive era. Set beside Crabtree’s ‘journey through a gilded age’, our project is almost entirely underneath his navigation system, often in Ruud’s ‘provincial ponds’ (Chapter 10). Only two of our cases involve US dollar-denominated billionaires (in airwaves and in a portfolio built on timber, the latter not appearing among the 140 Indians on the Forbes lists). Our local case studies of the practice of crime may explain how the ruling party could appear in his eyes relatively distanced from the mafia (Crabtree 2015, 2018), how the criminality of the neoliberal economy is not confined to its apex but is systemic and how the move towards a progressive era is strewn with vast obstacles.

Third, Rajshekhar’s project for Scroll.in, ‘Ear to the Ground’ (Rajshekhar 2015–17), involved three years of field research from early 2015 in six states, examining the biggest changes in a ‘nation in flux’ – flushing out the principal conundrum of widespread malfeasance against poor people, amid the Forbes Rich List’s egregious wealth. In 77 reports, this malfeasance ranges from failure to protect people from arsenic contamination in Bihar through opaque party-political meddling and declining profitability in Gujarat’s milk cooperatives; informalising local ruling party political power over the police and revenue administration, thereby marginalising the elected representatives in Punjab; preferential contracts for local ruling party workers, etc. Finding no single explanation
for such behaviour on the part of the state, he invokes poor revenues, fiscal conservativism and defective and withering competences in state bureaucracies, the understaffing of state services, and the overriding need to attract business. He finds ‘drift’ – path dependence and lack of manoeuvrability – and cannot avoid recording the damaging effects of the centralising and extractive tendencies of political parties. He sees the criminal economy, tax evasion and parallel politicised taxation systems as underlying the political and bureaucratic abandonment of the concept of public interest. He also finds no single convincing explanation for fee-ble resistance to this behaviour. In our project, the centrality of crime acts as a complement to the centrality of the state in Rajshekhar’s.

What can be contributed by our cases’ two distinctive features:

1. Adding micro-level evidence on the nuts and bolts of the criminal economy and local democracy;
2. Applying insights from an ethnographic lens to the macro-level scenarios?

The mature clientelist state: criminals and politicians

Jha’s (2013) account, laid out in this book’s Introduction, of the evolution of what he calls the ‘mature clientelist state’ as a congeries of relations between business, politicians, mafiosi and the police has been broadly corroborated here. Our case studies show, however, that the justice system, the central focus of two chapters (Chapter 8 on tenancy and Chapter 11 on the perpetrators of a factory fire), is also bound into this nexus. Its roles are context-specific. For every instance of the courts’ marshalling expert evidence, nailing crime and meting out punishment (Chapters 2, 3, 4, 5, 9 and 11), there is other evidence of the court being avoided entirely (so quasi-legal settlements are made elsewhere or illegal ones are forced) or ignored (Chapters 3 and 9). Irregular investments are made to delay or suspend hearings and to determine judgments and their outcomes (Chapters 8, 9 and 11). Money power may yield to that of organised interests. Party political pressure can force legally unjustified interpretations of procedure and evidence, the non-appearance of witnesses, threats to witnesses in court, etc. (Chapters 3 and 11).

Our material also shows that Jha’s ‘congeries’ involves much more extensive co-option and participation of non-corporate fractions of capital than he had space to describe – or Crabtree chose to investigate. Under the radar of census authorities, significant numbers of part- or full-time livelihoods are engaged in the criminal economy. Criminal assemblages
survive post-election changes in government and maintain profitable relations with politicians out of office as well as with election winners from whom paybacks are demanded. Mafiosi rarely form a 100 per cent criminal organisation and their reach varies. Meanwhile, the police are an important component of a large range of other institutions formally responsible for regulating society, economy and state. The informal economy, which limits the scope of the powers of these regulating agencies without breaking any law, is as necessary to their functioning as the criminal economy is necessary to privatised trajectories of wealth within these vigilance agencies. Immature new states (Jharkhand, Arunachal and Andhra in this project) are far from immune to colonisation by Jha’s ‘congeries’ and bear signs of precocious maturity.

Criminals

Our cases show that criminal capitalists are lured into politics by the possibility of combining these prospects with immunity from prosecution for crime once elected. Professional managers of criminal protection and organisers of labour for criminal organisations have also entered politics themselves directly (see Chapter 1 on coal). Others control politics by funding parties and shaping their pre-election mixes of pork-barrel and private vote-buying activity, and their post-election allocation of preferential policies, subsidies, state resources and other favours (as in Chapter 3 on sand). A criminal business executive may not need to enter politics directly but will profit from being a client of a politician and a patron of bureaucrats. Mafia control over labour and petty enterprises also supplements direct plunder from the state and/or illegal production and distribution as sources of criminal accumulation. Legislators are increasingly wealthy and facing criminal charges. Of the winning candidates in the 2014 All-India elections, 34 per cent had outstanding charges for crimes, 21 per cent for serious crimes (a 50 per cent increase on the previous election). From UPA-1 to UPA-2, the proportion of wealthy crorepati MPs doubled to 48 per cent. By 2014, 82 per cent of MPs were crorepatis with average assets of INR15 crore. For such politicians it is most unlikely that politics is not a business.

Politicisation of crime, criminalisation of politics

In processes of double regulatory capture, independent regulators are captured by the criminalised state while the state bureaucracy, the management of public corporations supplying essential commodities and
infrastructure (whether hard like railways or soft like education) and the hierarchies of the judiciary are objects of capture by politicians seeking to serve their private interests. Flows of criminal tribute inside the state, not only from bribery but also from criminal systems of tax, subject the bureaucracy to intensely politicised pressure. Yet while in corruption theory the category of politician is frequently fused with that of the official, our case studies (of sand, of timber, of rental markets) often show them as having discrete interests, so that threat or coercion will be deployed by politicians to secure the necessary concessions.

Impact on the economy

For Jha, the criminalisation of politics and the politicisation of crime have serious negative economic outcomes. These involve path-dependent inefficiencies due to maximising profit from suboptimal technological choices, dysfunctional delays, the perpetuation of subsidies and the fragmentation of state investments into capturable components, not to mention the spending of plundered resources on private interests and capital flight (so such spending may be abroad). Our case studies supply suggestive evidence of nepotism and cronyism in resource allocation unrelated to merit, efficiency, price or competence (see Chapter 4 on hydro-electricity, Chapter 5 on spectrum, Chapter 10 on procurement). They also document vast and extensive operational inefficiencies in state enterprises (e.g. coal in Chapter 1, in the (intermittent) regulation of sand in Chapter 3 and in the management of land and water use in Chapters 4 and 9), in which technocratic discretion in the efficient running of state enterprises is subordinated to the profits of criminal organisations.¹³ As Rajshekhar stresses, and as our case material testifies by its absence, distributive policy is a very low priority in the arrangements we have studied, except when the distributions flow downwards for political advantage and upwards for protection and profit.

Several distinctive features of the economic impact of the criminal economy stand out. One, we repeat, is the fusion of legal activity with crime. In the telecom case, the neoliberal ideology of ‘markets’ is kidnapped for ransom by big business cronies: wild behaviour is masked by layers of incentivist policy, discretionary support and bailouts.¹⁴ Neoliberalism for the credulous.¹⁵ Does the criminal economy perhaps contribute to growth through its labour intensity? Not necessarily. For all its penumbra of petty scavenging, pilfering, small-scale criminal trade and services, criminal business can and does mobilise heavy machinery, large-scale transport (multiple ‘rakes’ for coal, for instance, or containers
for timber), and makes full use of access to the global banking system. While India’s growth is part-produced by such assemblages, they are invisible in the official record and in macro-scale political economy.

Some implications of *intreccio* for democracy

Scholars of current electoral politics have given it a profusion of critical labels: ‘weak democracy’, ‘immature democracy’, ‘democratic decay’ or ‘decline’, ‘democratic deficit’, ‘erosion’, and so on. Our case studies of *intreccio* provide rich detail of the undemocratic practices flowing from tangled criminal-political transactions. When the electoral cycle is criminalised, entry costs exclude poorer people and small parties and limit opposition to the process of domination of elites and dynasties. Electoral democracy survives alongside the privatisation, decentralisation and multiplication of relations of coercive control and with battles for centralised authority (Chapters 4 and 7). At one end of the scale, commodified relations with voters become normalised, while at another, capital flight compromises the capacity of political elites to counter theft from the state – supposing they are inclined to. In rural regions where revolutionary parties have mobilised support, operating at war with the state, the ‘terrorist’ cadres are routinely incorporated through cesses/levies and protection from attack into criminal economic assemblages, which at the same time assimilate the police and private militias (Chapter 1). All this is in sharp contrast to orthodox political analyses, in which the criminal economy is ignored or marginalised (Chapters 1 to 5). When the criminal economy drives politics, uncertainties result from the contradiction in which the mafia’s penetration of all local parties provides them with stability, which in turn facilitates accumulation, while mafia houses also favour party-political instability because it protects them from prosecution.

The contributions of anthropology and ethnography

Anthropological reporting compensates for the complicity and silence of media (showing how it works; see Chapter 10) and reveals categories of behaviour neglected in official statistics. Our case studies show conclusively that ethnography is not to be parked in a pigeon-hole labelled ‘non-economy’. Given that our ethnographies have covered multiple scales, they are also not to be regarded as excessively small-scaled and irrelevant to political economy. It is not simply a matter of the detail of criminal transactions, contracts and deals; the rich anthropological
chapters also show how the criminal economy requires, and is permeated by, non-market exchanges – the reciprocities involved in the defence of class privileges, clientelist favours and the redistribution of criminal tribute (Chapters 6, 9 and 11). They reveal the criminalisation of politics through dimensions of politics not confined to those of class or of political party. Culture, in particular, is embedded in economic crime, debunking the idea that, despite the compulsions of accumulation, crime has a simple economic logic or organising principle (see also Michelutti et al. 2018). And while the criminal economy is overwhelmingly male, gender nonetheless matters. Women (and children) are visible not simply as particularly oppressed labour, scavengers and oustees (Chapters 2 and 7), trafficked commodities, victims of vendettas and battles over honour (Chapters 6, 9 and 11), but also as political agents: as consumers (Chapter 5), as a major player in the scams and violence over the protection of tenancies (Chapter 8), as key political forces in the dynastic reproduction of mafia families (Chapter 1) and as activist lawyers (Chapter 3). Faction, kinship (real or symbolic) and patronage also structure criminal economies. Over and above the mobilisation of criminal political upper-caste caucuses to oppose and crush the emancipatory aspirations of OBCs, SCs and STs, intermediate/dominant caste rivalries – Thakurs versus Jats (Chapter 6), Kammas against Reddys (Chapter 7), Rajput Singhs among themselves (Chapters 1 and 2) – use the criminal economy for status and not merely for profit. Caste and ethnicity stratify the bureaucracy – ‘vernacular netas’ (Kumar 2015, 5) – and permeates the politics of parties not overtly set up to further specific caste interests.

Jha uses the transaction costs of untraceable fundraising to explain dynastic politics in terms of efficiency. However, our ethnographies find other reasons for the dynastic politics that structure criminal assemblages. Mafia dynasties are units of trust, in which leadership, honour and displays of masculinity are valued. These qualities have other uses in the criminal economy. In Chapter 7 on timber, for example, we see the heroic and honourable status of the masculine, semi-mythical social bandit, which informs popular imagery of the timber smuggler, influencing and justifying police brutality against vulnerable migrant timber labour.

In Bangladesh (Chapter 10) – where the macro-scale political economy is one of confrontational party political competition, and the ‘black’ or ‘shadow’ economy accounts for anywhere between 45 and 80 per cent of GDP – the regulation of violence, the criminalisation of state procurement procedure and of plunder from the state proceeds regardless of the party in power and is structured through neighbourhood, friendship and threat, which override the rules of tendering. Pakistan (Chapter 11) is
ruled by (para)military factionalism in an economy suffused with military investment in natural resource extraction, agri-industry, the built environment, finance and insurance – and illegal commodities. Nevertheless, our case study of a lethal factory fire shows how criminal prosecution was delayed, politicised and diffused through the lobbying of the elite capitalist class – tensely separate from the military but ultimately manipulated by them – and by conflicts rooted not just in aggressive relations between the military and paramilitary ‘security’ forces but also in ethnicity and neighbourhood. Ethnography reveals the social relational content of high growth, not only in India but also in Pakistan and Bangladesh – even if this content also prevents growth from being higher.

Possibilities for developing multi- and inter-disciplinary research into the feedback relations between macro and micro include the following:

1. Economic biographies of crorepati legislators in state and central governments charged with serious crimes (a statistical base already exists, ready for ethnographic enquiry);
2. Power relations between politicians, bureaucrats and the police;
3. The judicial politics of politicised crime, of charges, of prosecution and sentencing and the roles of lawyers in these processes;
4. The political economy of law-breaking by law-abiding firms compared with that of criminal organisations;
5. Crime and efficiency: the relation between, on the one hand, criminal assemblages, crony appointments and the allocation of privileges, transactions bidding, etc., on grounds other than either law or efficiency and, on the other hand, the co-existence of multiple technologies in sectors of the economy, their relative economic efficiency, safety and labour intensities, and the competence of their management;
6. Domestic politics and international relations of tax evasion.

Part four: what is to be done?

What is to be done if the agents of reform are agents in the criminal economy? How to expand inclusive development when the criminal economy is doing the same, busily irrigating the nutrient base of party coffers and political redistribution systems that gamble on buying allegiance – if not directly benefitting holders of high office? Quis custodiet ipsos custodes – who watches the watchmen and regulates the regulators? In setting the context for this final set of reflections there is no lack of suggestions from
others based on a range of approaches to South Asia’s political economies, business-state linkages and more or less expected neoliberal corruption. PricewaterhouseCoopers’ (2016) global economic crime survey examined in the Introduction exemplifies the corporate discursive approach to policy. Laws exist, therefore their enforcement failures need to be addressed. These failures are manifestations of weak institutions, incompetence, unskilled personnel inside businesses, the police and the judiciary. To restore the reputation of business and the legitimacy of states, poor recruitment standards need reform, non-performing assets have to be corrected and capital flight must be prevented. Questions of agency and politics, so central to this book, do not arise. Kapur and Vaishnav (2018) argue for transparent funding, a realistic lifting of caps on election spending by individuals, greater disclosure and more powers for the election commission as *sine qua nons* to increase the accountability of Indian democracy. Elsewhere Vaishnav sees the regulation of political finance and the abolition of black money in politics as urgent supply-side reforms to the political market place (2017, Chapter 8). Crabtree roots his suggestion that a combination of corruption crackdowns and basic improvements in public services will eventually ‘reassert’ good governance in analogies from America in the 1930s. Gandhi and Walton (2012) also see an analogy with the anti-trust movement (the popular movement against the robber barons in early twentieth-century America, backed by some of the executive and judiciary), although they fear that the Indian state lacks the capacity to manage the ‘rising corporate sector’. The political preconditions to this list of measures and mobilisations are not developed. But then there is ‘more privatisation’ (Shah 2018). Given the failure to reach an ‘optimal mix of incentives and sanctions’ and given the levels of plunder and criminal activity inside the state, further privatisation is a proposal grounded in the neoliberal logic of reducing inefficiencies – except that our evidence shows how dangerous it is to privatise the state’s regulative agencies. Other technocratic suggestions involve tighter, un-corrupt audit, exemplary punishment for offences and digitisation, to enable the same data trail for politics as for the economy. Ghosh, Chandrasekhar and Patnaik (2017) see a need for reforms first to the tax administration, second to economic monitoring (for example, for real estate transactions, over- and under-invoicing, movement of funds and defaulters abroad) and third to transparency in party-political funding. Kumar (2015) emphasises reforms to improve the professionalisation of the bureaucracy, the police and courts to strengthen their independence from political domination. In Kumar’s account greater technical competence is another necessary condition to break the nexus of criminality and politics.
These suggestions, flowing from a range of theoretical approaches, all miss an analysis of the forces and institutions that need to be in place first to identify and then to counter opposition to such policies. Political will is the most notorious of several escape hatches. Jha (2013, 22), reasoning through the technical case for a state funding system for financing elections, admits that ‘no single reform of the political system has been proposed more often; and no proposal has been more consistently rejected’. His contribution explains why.

How is the (current) BJP government in India responding to this deluge of advice? The elimination of ‘corruption’ and the ‘black economy’ was a popular theme in the 2014 election. ‘I have come to cleanse politics’, said Narendra Modi (quoted in Vaishnav 2017, 282). Four years into his governing term, Prime Minister Modi used the Independence Day 2018 speech to promise a better quality of life for all citizens. But citizenship is a process (in a state like Assam, citizenship is threatened by the very mechanisms to deliver this promise: evidence of identity, which is required in the form of a crime-friendly inappropriate detail; see Hazarika 2018). Quality of life connotes not a dematerialised state but a development process requiring resources evaded on a grand scale by the criminal economy described here. And the turn to welfare distracts attention from the failure of the BJP’s attempt to crush the criminal economy.

What has failed? While apex accumulation strategies are resilient to changes in government, the final reflection in this epilogue focusses on the BJP’s important intervention in the criminal economy. It shows two things: how many of the dimensions of criminality covered in this book were involved in the state’s own attack on it; and why, despite the trigger of surprise and the weighty lever of state power, the existing political economic structure cannot be expected to reduce crime.

Demonetisation and the criminal economy

On 8 November 2016, a sudden announcement made illegal most of the common paper tender in which 86 per cent of India’s cash currency transactions took place. ‘Notebandi’ was officially declared to be aimed at destroying corruption, counterfeiting, terrorism and black money. On 27 December 2016, the Prime Minister declared that this mission had been accomplished. But on 29 August 2018, when the Reserve Bank had finished counting banknotes, over 99 per cent had been returned. Only an outstanding 11,000 crore was written off, punishing its criminal owners – or those holding it in neighbouring countries (Anand 2018).
Taking the stated objectives of demonetisation in turn, while corruption is the common man’s normal expectation in his encounter with the state, it has long been understood that tax evasion is far more quantitatively significant (Roy 1996; Bernie 2012). In fact, while only 3 per cent pay income tax, tax revenue rose by 12 per cent in the year following demonetisation.

The circulation of counterfeit money has been greatly overrated, however and does not justify the considerable economic disruption involved in demonetisation. Unless counterfeit notes are detected when deposited in a bank, demonetisation cannot eradicate them. The production of forged notes depends on access to (illicit) technology and (imported) paper. The new currency is easier to forge. While the RBI reports a drop of some 30 per cent in the total seizure of counterfeit currency in 2017–18 (Reserve Bank of India 2018), the number of forged INR500 and INR2000 notes detected increased from 837 in 2016–17 to 27,821 in 2017–18 (Scroll.in Editorial 2018).

As for terrorism, two facts speak eloquently about the practical success of the note-ban in combatting terror: first, the fact that money denominated in new INR2000 notes was recovered within six weeks of demonetisation from the corpses of terrorists in Kashmir and other places, and second that a rise in violence attributed to terrorism was documented subsequent to (but not necessarily related to) demonetisation (Tripathi 2017). Hence, the criminal black economy was the most significant declared objective for an unprecedentedly disruptive reform (Ghosh, Chandrasekhar and Patnaik 2017).

Black political funding: Our case studies have confirmed the need for election costs to be met by untraceable funds. Indeed over 75 per cent of funds officially recorded as received by Indian political parties in 2004–11 were from ‘unknown sources’. While the Indian government admits the need to reform political funding, the bill to do this has languished before parliament for two decades thanks to permanent cross-party reluctance to discuss it, let alone make party funding transparent. At this rate, until a government feels secure in its funding India will have to wait for reform. Yet the sudden announcement of demonetisation does not seem to have surprised the ruling party. The media reported unexpected large-scale land purchases outside future Smart Cities in advance of 8 November 2016 by ruling party members, and the use of cooperatives – at least in Gujarat – to receive unusually huge deposits. Parties depositing demonetised currency notes in their accounts were exempt from income tax provided individual donations were below INR 20,000. Reports suggest that deposits of less than INR 2.5 lakh in political party accounts will ‘not necessarily be chased by the Income Tax’ (Livemint Editorial 2016).
Black money: As for the black economy, expert estimates of its size vary massively, from between 17 per cent (PTI 2017) to 52 per cent of GDP (Kar 2010; Sharma 2016). But the proportion of the black economy held in money form is thought to lie between 1 and 6 per cent. On demonetisation, this money was returned to banks using a range of mechanisms. The rest of the black economy is in kind – about half in real estate (not widely expected to have changed after demonetisation), less in gold and jewellery and the rest exported or laundered overseas through well-established hawala and ‘layering channels’ that operate through Nepal, Singapore, Dubai and Mauritius (Kar 2010). From there it may return in whitened forms, and may even be eligible for investment subsidies. Black money also escapes through untaxed donations to temples – and certain colleges and hospitals – that may benevolently return some fraction of the receipts to their donors.

Currency notes are neither black nor white but move in and out of this black cash sub-sector. In the first six weeks after demonetisation, of the INR 500 crore seized by the Income Tax Department, nearly 20 per cent was already denominated in INR 2,000 notes.

Criminal business: On 29 December 2016 the PM was quoted as concluding that demonetisation had had a ‘crippling impact on damaging illegal activities’ (India Today 2016). Yet there has been far less research into the impact of demonetisation on the apex of the criminal economy than on the policy’s monetary and fiscal effects, and what analysis there is mostly takes the form of low-quality evidence and press reports.

Demonetisation seems to have had mixed effects on the criminal economy, and these effects are changing over time. We need to know much more about each mafianised sector. For instance, there are fragments of evidence that the trade in stolen coal from tailings and abandoned mines in Jharkhand and West Bengal, and the hub in Assam dealing in illegal ‘rat-hole’ Meghalayan coal, all initially paused due to the cash shortage and the need to invest time in depositing illegal tender. However, in 2018 they restarted. Others gamed the system: a coal mafioso was seized in West Bengal one month after demonetisation holding INR 33 lakh in the new notes, plus arms and ammunition, in the company of a local BJP leader, while a Tamil Nadu sand baron was arrested in late December after an IT raid. Other crackdowns, however, – as in August 2016, on boats and engines of the Gujarat sand mafia, and in the September destruction of psychoactive plants in Himachal Pradesh – had preceded the 8 November decision, proving that demonetisation was not needed to punish criminal activity – enforcement agencies simply needed
to enforce the law. With respect to illegal commodities, it appears from reports by 10 rescue groups and the testimony of Nobel peace prize winner Kailash Satyarthi that the massive cash-based supply chain through which girls and women are trafficked for prostitution rapidly dried up after demonetisation. Contradictory reports find that cash demand for prostitutes atrophied, that the new bank notes create demand for ‘higher quality’ (young and new) sex workers and that prostitutes quickly turned to work on credit, for digital payment and even temporarily for pay to cover board and lodging. Law Ministry claims of a permanent drop in the flesh trade are denied by prostitutes (Bhattacharya 2017). Meanwhile, local narcotics control bureaus reported drugs seizures as dropping in Himachal Pradesh, Mumbai and on the Bangladesh border. Yet the significant international trade in hard drugs uses hardly any cash and was said to have been unaffected. There is little subsequent evidence to suggest that the objective of destroying the criminal economy was successful.

Demonetisation dealt a far keener blow to incomes, investments and livelihoods in the informal economy (Guerin et al. 2017) than to black wealth or the criminal economy. Cleaning up the criminal economy needs two kinds of political preconditions: first, triggers and second, levers of economic power. In India, the extreme event of demonetisation was one such trigger but it failed. The state is also a lever of power that has largely been co-opted. It is not able to prosecute individual company officials. Its progressive legal decrees are often ignored.

Our book develops an alternative position. Mafia assemblages and intreccio will only be threatened under three kinds of circumstances: first, when sufficient assets have been accumulated to reduce the need for criminal rents; second, when viable state apparatuses and publicly funded political parties are needed by capital to control criminal rents and regulate the economy. The case material shows, however, that there is no guarantee that processes of predatory rent and the undermining of legal-ethical obligations and organisational capacity will yield to those from legitimate profit-seeking capitalism. The third condition is when the workforce can no longer be deceived, captured and bought off. At present trade unions do not have sufficient countervailing power; some are viciously crushed by criminal organisations while others are in thrall to local mafias. Until such a time when these conditions develop, scholars will have to develop and debate South Asia’s mafia raj and openly mainstream its many and serious implications for the economy, politics and policy analysis, in teaching and in public deliberation.
Notes

1. This is to invigorate political economy by borrowing insights from assemblage theory about multiple functionalities and fluidity in the elements/components of a social territory, while not accepting that field’s ahistoricity and abandonment of structure (see Karaman 2008 on LaLanda).
2. See ‘Ear to the Ground’ at Scroll.in: https://scroll.in/topic/24308/ear-to-the-ground.
3. Legal illiteracy is a worldwide phenomenon.
4. The UK visa system has had 5,700 amendments between 2010–18; it is now 375,000 words long and ‘a disgrace’, according to a senior judge (Bozic et al. 2018).
5. At the time of writing flooding in Kerala has devastated the land, due not only to extreme weather (following extreme storms in Northern India earlier in 2018 and extreme floods in Chennai in 2015–16) but to neglect and poor management of the fragile tropical biosphere, including criminal quarrying, illegal deforestation and illegal construction (see Gadgil 2011).
6. Using World Bank modelling, Dev Kar’s estimate for the losses to the Indian economy of capital flight from Independence to 2008, in 2008 prices, was IS$500 billion. While 10 per cent of black income is exported (Kumar 2017) over 70 per cent of assets in India’s criminal economy are held abroad (Kar 2010).
7. See Kumar 2015 (pp. 190 and 199) for case material on the politics of non-prosecution and non-punishment in contemporary Bihar.
9. Communalism is another driver; the multifarious cultural seeds of fascism (Banaji 2013) a third.
10. They can also secure immunity by crossing state borders (see Michelutti in Chapter 6 of this volume).
11. See http://adrindia.org/content/lok-sabha-elections-2014. Of course it is countered that accusations are part of the regular political to and fro and so such crimes are fabricated, but with immunity extending during and often ‘informally’ after the period of office (a minute proportion have been successfully pursued) it is hard to judge this argument.
12. Approximately US$2.1m, in a society where 70 per cent own less than US$70,000 (INR 50 lakh) in wealth. See also Kumar 2015, 44–6.
13. This does not imply the absence of other sources of inefficiency, or that state enterprise cannot be efficient.
15. The relation between the predictions of neoliberal theory that pruning the state would reduce corruption and the apparent rise in corruption under neoliberal reforms was researched in general terms in White and Harriss-White 1996. The resilience of corruption in a neoliberal era has led to critiques of the intentionality of neoliberalism (Joseph 2018).
17. See Chapter 5 of Kumar 2015 for the gang-mediated, state-supported caste war over land between Rajputs and Yadavs in Bihar.
18. The Assam government, compiling a new National Register of Citizens, threatens with statelessness and deportation an estimated 5 million people (of a state population of 32 million) who are unable to supply ‘legacy documentation’ of settled status prior to 1971.
19. From a number of sources, under the NDA from 2014, these include the alleged criminal history of the party high command, cronyism in the allocation of land, natural resources and customs refunds, enabled absconding of individuals with allegedly massive unpaid loans, and fugitive money-launderers.
20. Unless referenced otherwise, this summary is based on evidence and sources in Ghosh, Chandrasekhar and Patnaik 2017; Harriss-White 2017; Kumar 2017.
21. The annual growth rate dropped by between 1.5 and 1.9 per cent. According to CMIE data the labour force fell from 440 million in 2016–17 to 426 million in 2017–18 and 402 million in the first quarter of 2018–19. In the first two years, the participation rate fell from 46 per cent to 44 per cent as a result of demonetisation and General Sales Tax reforms (Vyas 2018).
22. Ghosh, Chandrasekhar and Patnaik (2017) report multiple ID cards and bank accounts, use of accounts belonging to friends, relatives and employees, use of middlemen converting at discount rates of 18–40 per cent, conversion to gold and jewellery, backdated receipts, advance payments for travel and fuel, receipts for agricultural transactions and the payment of taxes!
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