

INTRODUCTION

I have to be honest. I was initially drawn to this subject by its simple romantic appeal, not by some abstract theoretical puzzle, and at first I had no notion of doing any writing about it at all. Research on other topics, mainly connected with Jainism and western India's trading communities, had led me to the city of Jaipur in 1990 and to a street and area of the city known as Johari Bazar. This is the city's main jewelry and gemstone zone, and there in the course of my Jainism research I met lots of people in the gemstone business. During that year, my first in Jaipur, and for years thereafter I had a continuous view out of the corner of my eye of the business and its goings on, for even though it was not the subject of my formal research, it was impossible to ignore. Here were little heaps of emeralds, rubies, diamonds—exquisite stones of every sort. They were being treated as if they were perfectly ordinary things, but they certainly didn't seem ordinary to me. And there was plenty of money around, too, sometimes bundles of large-denomination bills coming and going in shopping bags. *This* is definitely interesting, I thought. But what most attracted my attention, at least at first, was not the money but the sheer wondrousness of the stones themselves. When properly finished, they are objects of great beauty. And they are not just physical objects. They bear and compress value, often very great value, and not just monetary value. There is a vast lore about them—about their properties, physical and metaphysical, their origins, and even their individual careers. The stories of gems, especially the great ones, are intertwined with the histories of families, cities, and even nations.

But as I say, I observed all this indirectly while I attended to more immediate problems. My chance to learn more about the gem-

stone business didn't come until 2005. Other projects were finished, and at long last I had the chance to start the research on which this book is based. I began with a four-month stay in Jaipur late that year, and I was able to continue my inquiries during additional visits in August of 2007 and the spring months of 2009. As one might expect, the romance of gemstones receded somewhat. This business isn't "just" business, as I hope this book will show. Maybe no business is. Still, it has its nuts and bolts, and these had to be learned before I could say anything sensible about the gemstone trade. And I have to admit that this side of the project was also fascinating, albeit in a different way. There is something a little bit magical about the transformation from rough stone—looking for all the world like dirty, colored gravel—into finished gemstones. And while I can't honestly say that there's much magic in the give and take of the commerce that is the industry's lifeblood, to understand it properly is a serious intellectual challenge and a worthy goal.

Although I had imagined my gemstone work standing apart from my other projects, in the end it turned out that the work I had done previously on Jain communities and the trading castes of Rajasthan was indispensable background. For one thing, my earlier work among Jains was a crucial source of initial contacts and an entrée to social networks in the gemstone business, and I'm not sure I could have done the work at all without this initial boost. But more important yet, both caste and religion emerged as central to my gemstone research. To study a business of this sort is necessarily to study its social and cultural contexts; indeed, this is one of the main points this book makes. And to achieve even a rudimentary understanding of Jaipur's gemstone industry requires that one know something of where and how caste and religion fit in the city's and region's social structure.

THE SETTING

Jaipur is the capital city of the Indian state of Rajasthan and the state's largest urban center. According to the 2011 census, its population is roughly 3 million. This figure is almost certainly missing large numbers of migrant workers from such places as Bihar. Because much of the old walled city is colored by a pink wash, Jaipur bears the sobriquet "the pink city," but for reasons that this book will make plain, Jaipur will always be the *emerald* city to me.



Figure 1.1. Jaipur: Facing southeast from Nahargarh Fort

The city was founded in 1727 by Maharaja Sawai Jai Singh II (1688–1743) who shifted the capital of his kingdom there from nearby Amber in 1733. It was a planned city, with broad major streets laid out in a rectilinear pattern with the palace complex at its center, the whole within walls. This walled city—the “real” Jaipur—is nowadays merely the core of a much larger city. In looking around the walled city today, especially in the early morning before the start of the day’s business, one can see that it was once a comfortable city, spacious and airy. But while something of its original comforts are still within the range of living memory, it is desperately overcrowded today, as is much of the rest of the city. Problems of extreme traffic congestion, noise, air pollution, and a host of other urban ills have driven many of its former denizens out of their families’ dwellings in the walled city to residential colonies in the city’s newer outskirts.

But despite its many current problems, Jaipur is a very beautiful city of great historical and cultural interest. Because of this, it is a major tourist attraction, and few foreigners visit northern India without at least stopping briefly in Jaipur. Nowadays it is also a destination for Indians on holiday, especially from nearby Delhi. On weekends, the city’s restaurants and hotels are crowded with out-of-towners,

and downtown parking areas are dense with cars bearing Delhi and Haryana license plates.

Tourism in Jaipur and Rajasthan rests on the foundation of a highly romanticized image of the Rajputs (*rājapūts*), who were the old martial aristocracy of the region in which Jaipur is situated. This region was known as Rajputana in the days of British rule. It consisted of a number of kingdoms ruled by indigenous princes under British supervision (with the exception of Ajmer/Merwar, which was under direct British rule), and Jaipur was one of the most prominent of these kingdoms. After India's independence in 1947, these rulers ceded sovereignty to the new Indian republic, and their kingdoms were consolidated into the Indian state of Rajasthan in 1949, with Jaipur as its capital. We shall have more to say about the Rajputs later in this book, but for now it can be noted that they are associated with a romantic historical narrative that highlights their valor in war and their aristocratic ways, and the imagery of Rajasthan as the home of kings and warriors has served the state well from the standpoint of tourism.

But although tourism is an essential part of Jaipur's economic mix, the city is preeminently an important governmental, educational, financial, and industrial center. Among its mix of industries, Jaipur is especially famous for traditional handicrafts, a major part of its appeal as a tourist destination. These include handmade footwear, pottery, handloom fabrics, printed cloth, and—above all—jewelry. Jewelry and gemstones, moreover, are not just handicraft products; they are also the foundation of a major industry in Jaipur, for which the city is justly famous.

No visitor to Jaipur can fail to see that jewelry and the city's life are deeply intertwined. Purveyors of jewelry abound at every level, from the posh shops on MI Road, Jaipur's Fifth Avenue, to pavement hawkers. But what the visitor sees—mostly the retail jewelry business—is actually but a fragment of a much larger reality: a flourishing gemstone industry centered on the cutting and polishing of precious (diamonds, emeralds, rubies, and sapphires) and semiprecious (all others) gemstones.¹ This industry employs tens of thousands of predominantly Muslim artisans. Jaipur is not the only gemstone center in India. Mumbai and Surat are major diamond-cutting centers, and these days they have become more famous in this regard than Jaipur.² Jaipur, by contrast, is known primarily for the cutting and polishing of colored stones. Its production is aimed at export markets for the most part, and nowadays Jaipur is undoubtedly the source of many of the stones that end up in shopping mall jewelry shops and TV shopping networks in the United States and other countries. The Indian market



Figure 1.2. Upscale: The high end of the business on M.I. Road

has also expanded considerably in recent years owing to the dramatic growth of the Indian middle class. Jaipur manufactures a huge range of stones these days, precious and semiprecious. Historically, however, the industry was centered one stone in particular, the emerald, and emeralds will figure very prominently in the story this book has to tell.

Although the gemstone cutting industry has partially moved out of the walled city in recent decades, and while many elite jewelers

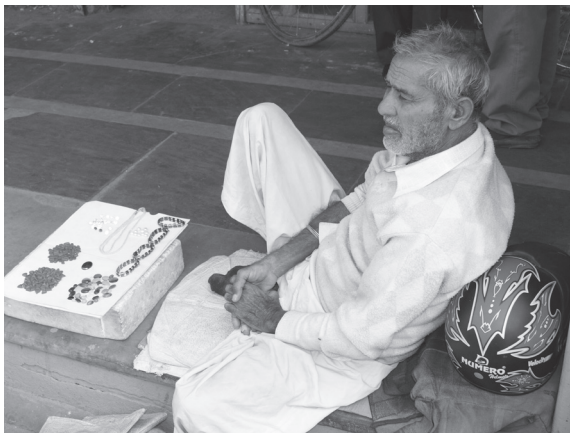
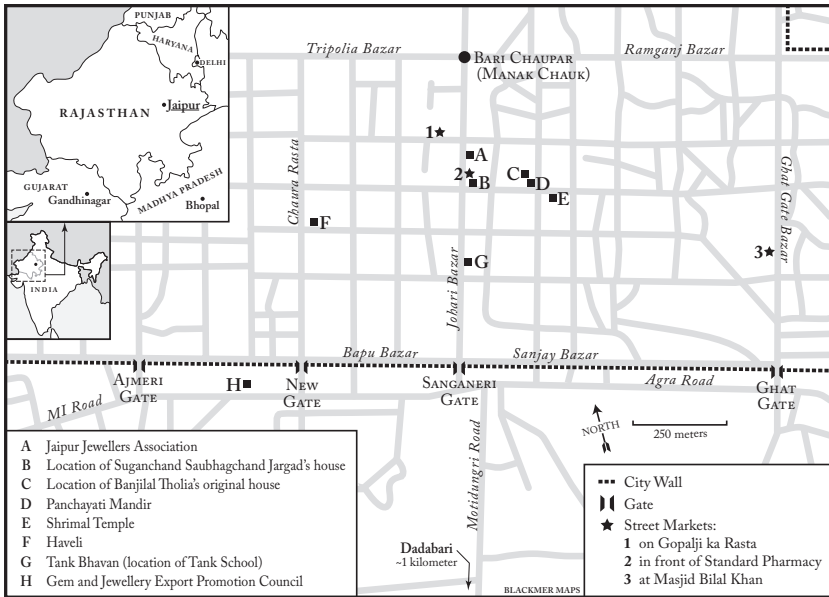


Figure 1.3. Downscale: Pavement hawker, Johari Bazar

have moved out as well, the geographic, financial, and social heart of the jewelry and gemstone industry remains an area of the city called Johari Bazar, which means “Jewelers’ Market.” Johari Bazar is actually the name of a wide street with a central divider in Jaipur’s walled city, but it also refers more loosely to the jewelry manufacturing and selling area to either side of this street. The street runs north and south between Bari Chaupar (also known as Manak Chauk) and Sanganeri Gate; the area extends (very roughly) two or three parallel side streets to the east and west. During the day and early evening the street itself is a veritable river of vehicles, and getting across it on foot can be a serious challenge. It is lined by shop fronts with identifying signs mostly written in Hindi script rather than Roman characters. These businesses are varied, but many are retail jewelry shops that sell their wares both to local customers and to the hordes of tourists who frequent this area because of its reputation as a place to buy jewelry. The most visible manifestation of the actual gemstone cutting business on this main street is a large, daily gathering of men spilling out into the street in the vicinity of Standard Pharmacy. This is one of three street markets, generally seen as the bottom of the business, where brokers and artisans buy and sell gemstones and finished jewelry (see map 1.1).

Retail aside, the actual geographic heart of the gemstone and jewelry industry is to be found in the maze of side streets and back lanes in the interior of the city beyond the main street. A first-time visitor to this interior area is likely to be astonished at the apparent chaos of activity, but it is not chaos to those who work and live there. Even the widest of these streets seems narrow, for they were designed in an era in which the city was much less crowded and in which vehicular traffic was far lighter than today. Nowadays, foot traffic is extremely dense during the business day, especially along the wider of these streets, and pedestrians must constantly duck and dodge noisy scooters and motorcycles as they weave through the crowds. From time to time a larger vehicle tries to make its way through the area, adding to the turmoil by creating a slow-moving bottleneck. The busier streets are lined with shops—many jewelry shops among them—and pavement vendors of vegetables and fruits somehow manage to conduct their business in the midst of all the coming and going. Their presence reminds us that this section of the city is a residential as well as a business zone, and therefore every kind of commodity necessary for urban life is on sale here.

This is where we find the gemstone-cutting factories. As one moves along these streets and lanes, one can see dimly lit, often very



Map 1.1. Johari Bazar and environs

cramped shop fronts that have been converted to small factories for gemstones or jewelry, sometimes with just two or three artisans. But most of the manufacturing activity takes place invisibly behind featureless walls in a warren of courtyards, balconies, corridors, and rooms in residential properties or other buildings. The old pattern was for manufacturing and trading to be done at the residence of the business's owner or owners. The classical urban house (known as *haveli* [*havelī*]) lent itself well to this kind of activity. These structures were built around an open courtyard, which provided natural lighting, once essential for gemstone manufacturing. Nowadays these properties are still being used as offices and factories, but they are frequently unoccupied by the families that built and own them. From the outside, most of these structures are quite unprepossessing and an uninformed visitor would be surprised to learn of the vast quantity of wealth that passes through (and is created within) such modest premises. We'll have a closer look at what actually happens in these factories in a later chapter.



Figure 1.4. Johari Bazar Road

BUSINESS CULTURE

This book is intended to be a study of the economic, social, and cultural workings of an indigenous Indian industry.³ Its major focus is the elite level of this industry, the owners, traders, and brokers—not the artisans who actually cut and polish the stones. In some respects, it is an anthropological study of the sort usually called “ethnographic,” but it differs from the usual sort of ethnographic monograph in a fundamental way. Ethnographic studies conventionally deal with the way of life of a particular place or social group—a village, a caste community, a factory work floor, an office. This book does have a main venue (Jaipur and Johari Bazar), and members of a particular religious community (the Shvetambar [*śvetāmbar*] Jains of Jaipur) do indeed play a starring role in chapters to come. Nonetheless, this study’s subject is not primarily what goes on at a particular place or within a particular community; rather, our focus is a complex of related activities that together comprise a particular *business* (the gemstone cutting and trading business) that is, as one might say, the organizing superstructure of Jaipur’s jewelry industry as a whole. The activities in question are the organization and oversight of production, trading, brokerage, and a whole range of other related activities. Those in the

business bring raw materials to Jaipur (gemstone rough, which is mostly imported from abroad), organize its manufacture into finished gemstones, and buy and sell and ultimately export the product, most of which ends up in foreign countries.

Describing this business is a challenging task, not only because of the complexity of the activities in question but also because any analysis of the business must take into account the many different social groups that participate in it, even at the elite level, and who do so in a variety of different ways. An overall accounting of the groups involved in the wider industry and a description of their complementary functional niches within the industry's overall structure will be the task of the next chapter.

And yet the business cannot be considered to be merely the sum of its social parts, for it has a reality of its own, partially independent of the groups that mutually engage in it. In fact, we'll see that the social composition of the business has changed dramatically in recent decades, and yet the business goes on. But more, the activities that embody this business can be said to support, transmit, shape, and be shaped by what I'll call a "business culture." By this I mean a common body of beliefs and values, shared by a given business's practitioners, that creates an environment of mutual understanding in which "complementarity of expectation" (a useful expression from Talcott Parsons) is possible. When people know what to expect of each other, interactions, transactions, and even mutual trust become possible.⁴ As we'll see, trust is a big issue in Jaipur's gemstone world. To some extent the culture of Jaipur's gemstone business is drawn from the cultures and subcultures of the groups, mostly the region's traditional trading castes, that engage in it. But equally important is a body of common understandings of business practice and ethics that is not quite reducible to the trading-caste subcultures of the management elite. Some of these understandings are universal to business itself, some are South Asian, and some are purely local and rooted in parochial usages of Jaipur's business world. Much of this book will deal with the culture of the Jaipur gemstone business as defined in this manner.

PRESENT TENSE, PAST TENSE

The research on which this book is based took place in a great variety of settings. I interviewed people in private homes, offices, factories, showrooms (posh and non-posh) and on streets and street corners. I

spent a considerable amount of time just sitting in offices and observing the flux and flow of brokers, which is the circulatory system of the business. I was taught the rudiments of emerald manufacturing while sitting with a friend in his small factory, and I visited many other factories ranging from the smallest of one-man operations to completely modernized factories in an industrial park on Jaipur's outskirts.

While my research obviously was focused on business matters, it had to encompass more than business as such. As will become clear in later chapters, Jaipur's gemstone business is a large slice of life in which social relationships and religious belief mingle with business practice. This intermingling of spheres was once fundamental to the way the business was organized, and although less of a factor today, it remains an important part of the overall pattern. This being so, my research also involved interviewing informants on subjects that have no direct or obvious connection with gemstones, such as caste, kinship, and family. My inquiries also took me to numerous ceremonies and other religious events that were critical to an adequate understanding of the religious factor in the lifeway of Jaipur jewelers.

But varied as my research was, it did have a single overall slant, and this had to do with the relationship between my subject and the passage of time. As readers will soon see, this study places a great deal of emphasis on history, and much of it could be described as "historical ethnography." Social scientists, perhaps especially anthropologists, have sometimes attempted to abstract their data from historical context and to analyze social life as a synchronic system. This approach, more prevalent in the past than today, is seriously problematic. No social or cultural process can be fully understood outside of the stream of history, and this is certainly true of Jaipur's gemstone business. Its reality has been one of ceaseless change. It did not even exist until the late nineteenth century and would never have come into existence were it not for British imperial rule in India (although the old Jaipur State was not a part of British India). The later evolution of the business was determined in large measure by the subsequent history of British rule and its ultimate termination when India became independent in 1947. The business has continued to evolve as a result of massive social and economic changes in independent India, and also in response to global factors such as the fluctuating availability of raw materials and the capriciousness of international jewelry markets.

For these reasons, no understanding of Jaipur's contemporary gemstone business is possible unless the reality of historical change is taken into account, and my research necessarily reflected this fact. Much of the interviewing I did was in pursuit of what is usually called "oral history." Because the basic unit of this industry is the

family firm, the history in question was necessarily the history of families and the businesses they created and managed. And because such history rarely leaves direct traces in writing, my methodology had to be oral. With the help of my research assistant, who played an indispensable role in setting up formal interviews, I collected such material from a total of twenty-seven families in 2005, and I was able to add eight more to the list in the summer of 2007. My interviewees represented a broad range of niches in the business: manufacturers, importers of rough, traders, exporters, and brokers. They also represented a social mix. Most belonged to the industry's old elite, but many belonged to other groups and communities, including the Muslim community.

Although I present few actual narrative histories of the families I investigated, the fruits of my oral historical research are ubiquitous in this book. My account of the twists and turns of the history of the industry is largely based on my knowledge of the histories of the individual families. Moreover, oral-historical interviewing turned out to be an excellent oblique route into the general workings of the business and industry. Not only did I get a good sense of how families got into the business and how they see their position on the industry's landscape, but I also learned a great deal about how family firms actually operate.

I have to say, however, that the oral-historical approach was not without its difficulties. While some of my material could be cross checked against written sources (such as Jain and Jain 1935), and some was supported by documentary evidence retained within the families in question (such as old genealogical charts), a great deal of the information I collected was unverifiable. And to a significant extent, I have to admit, the material my informants gave me was shaped in ways that tended to highlight (and sometimes misrepresent) the achievements and cover up the blemishes of the families in question. But these problems were not insurmountable. In the end, my growing familiarity with the way these families are typically organized and the conventional routes they followed into the city and into the gemstone business gave me a framework in which I could make what I think were good judgments about how best to utilize my informants' accounts.

CHALLENGES

Leaving aside the narrower issue of the verifiability of oral family histories, I found my gemstone research to be seriously challenging in a number of other ways. To begin with, I do not have a business

background and I had to learn business basics pretty much from the ground up. Not only did I learn a lot about how businesses are run, but I emerged from the process with a new respect for those who run them, especially those who do so with passion and commitment, which definitely describes many of my informants. As I have seen, and as I hope my readers will also come to see, the life of trade can be an arduous test of a practitioner's intellectual resources and reserves of character.

Another difficulty had to do with my informants' disinclination to discuss certain issues. Most of my prior research in India had to do with religion and society, with the accent on religion. This is an area in which it was extremely easy to do research from the standpoint of informant acceptance. Almost invariably I had found my respondents to need little convincing of the fundamental legitimacy of my studying religious traditions and writing about the results. I must frankly say that this was not always the case in my gemstone work. As one of my informants put it to me early in my project, the gemstone business is insular and, to use his words, "somewhat secretive." This turned out to be only partly true, and certainly not true of everybody I dealt with, but it was true enough. A number of individuals were happy enough to tell me about their family histories but presented a blank wall on details about their business affairs. I cannot quarrel with this. As an academic researcher, and a foreigner at that, I had no inherent right to such information, nor did anyone have an obligation to supply it. That said, many were very happy to help push my work along, and I know that some felt that I was doing the business a valuable service by recording material that would otherwise never be recorded. And if any reassurance is needed, I can flatly say that nobody's business secrets are divulged in these pages.

Yet another difficulty was in a class by itself—truly quite unlike anything I'd ever encountered in my previous work. For reasons that will be become obvious later, it's quite impossible to learn anything of value about Jaipur's gemstone industry—or, I strongly suspect, any industry in India—without discovering the many ways in which, to put the matter delicately, certain business practices circumvent inconvenient laws. And no account of such a business can possibly make much sense without including reference to such practices. The sad truth is, it is hard indeed to see how, under most circumstances, a profitable business can be run in India without skirting the law in one way or another. For my part, I believe that nothing I have ever written has broken a confidence, or compromised, or even embarrassed, any informant in any way, and I don't intend to depart from

this way of managing my research and writing now. For this reason, I've attempted to handle these legal issues in the abstract, discussing them not in relation specifically to Jaipur jewelers, but in the context of a discussion of problems inherent in the situations of those who do business in India.

ISSUES AND THEMES

While this book is an ethnography of a business (with a historical slant), it doesn't fit into the small but flourishing subfield of anthropology sometimes called "business anthropology." This is a field in which the insights and methodologies of anthropology are applied to the study of modern business enterprises, and much of the writing in the field seems to be concerned with such issues as consumer preferences, the impact of culture on marketing variables, and worker behavior.⁵ To some extent—and this is not meant as a criticism—this field is an anthropology "in" business rather than an anthropology "of" business. The aim of this book, however, is classically descriptive and analytical, and in no way does it try to instruct Jaipur jewelers about how they might conduct business more effectively.

Somewhat closer to the approach of this book is the anthropological subfield known as "organizational anthropology." In fact, the line between this and business anthropology is a somewhat hazy one, and this field is also frequently deployed in a consultative mode. In parallel with its sister and better known subdiscipline of organizational sociology, it deals with complex but structurally bounded entities such as corporations, schools, business, offices, government bureaucracies, and so on. This is the field to which the useful concept of "corporate culture" belongs. The present book, however, doesn't quite fit under this rubric either. Although it does deal with a business culture, this is not the same thing as a corporate culture. Jaipur's gemstone industry is not a corporate entity, nor is it an organization of any kind. Rather, from the social-structural standpoint it is better seen as the activities and mutual interactions of a densely interconnected network of individuals, families, and family firms that has no clear boundaries or formal internal structure, and that ramifies outward into a far wider economic and social universe. Although it can be analytically separated from its cultural and social contexts for certain purposes, it cannot be adequately understood except in relation to those contexts. If organizational anthropology puts analytical weight on organizations as such, this book is all about contexts.

A major theme in the book is innovation and change. When Jaipur's gemstone industry was born it utilized preexisting craft and business skills and drew its workforce and business elite from preexisting occupationally specialized communities that could find familiar roles in the new industry. In that sense it was traditional. The total mix, however, was new, and it was almost certainly the creation of a single individual businessman. Significantly, he was a social outsider to the jewelry elite of his day, and in this book we'll also see other examples of outsiders playing notably creative roles in the later evolution of the business. In Jaipur's gemstone business, innovation and outsiderhood seem to have an affinity. But the data also suggest that insiders to the existing order often play key roles in the institutionalization of change once change is initiated.

Another major theme is integration and differentiation. During its crucial formative years, Jaipur's gemstone business was thoroughly entangled with the social and cultural life of a single community, that of Shvetambar Jains. This was true to the extent that the life of the business and the life of this community were in some ways indistinguishable. However, the business's social landscape has greatly changed in recent decades, as has its relationship with its social and cultural context. New groups have joined the ownership class, and the old Shvetambar communitarianism of the business is diminishing in importance. Arguably, a process of differentiation is taking place in which the business is becoming a more socially autonomous domain than before, and seeing this process unfold gives us a glimpse of what is probably a common pathway to business "modernity." But at least as interesting is the fact that the transition has not been total. To this day, the family firm remains the basic organizational form in this business, despite a more general trend in the direction of the weakening significance of ascriptive social identities. This suggests that, under certain circumstances, the family firm possesses distinct adaptive advantages, and that these advantages can be retained even in modernizing or modern industrial settings.

RELIGION

I want to be clear. This book is about the gemstone industry, not about religion. The issue of religion, however, is inescapable. To begin with, the business has been dominated by adherents of a particular religious tradition, the Shvetambar branch of Jainism, for most of its history. This being so, any sort of ethnography of this business will have to give some account of the role of Shvetambar Jainism in

the life of this community. And there is more: Jainism is commonly assumed to have some kind of deep resonance with the lifeways of business, an understandable assumption given the fact that Jains are predominantly (though not entirely) traders and moneylenders. But what is the basis of this affinity, if indeed it truly exists? Jaipur's gemstone business presents us with an ideal opportunity to explore such issues in a particular case. As we shall see, the history of this business suggests that the alleged special relationship between Jainism and business is more complex and more problematic than is commonly assumed.

Pursuing such questions inevitably leads us to the doorstep of the great social theorist Max Weber. Weber famously argued in *The Protestant Ethic and the Spirit of Capitalism* that one of the factors (and not the only one) underlying the rise of rational capitalism in the West was an ascetic form of Protestantism. The "ethic" of ascetic Protestantism generated the "spirit" of rational capitalism by bringing ascetic discipline out of the monastery and into the lives of men and women in the world, and by focusing anxiety about salvation in such a way that its alleviation could only come from success in worldly endeavors, especially economic endeavors. In *The Religion of India* (1958), he suggested that although the preconditions for industrial capitalism were present in India, its development was inhibited by religious traditions that did not foster a capitalist spirit but instead encouraged the "traditionalism" that Weber saw as its cultural opposite. Jainism, however, was "somewhat similar" (200) to ascetic Protestantism in its restrictions on attachment to wealth and possessions and its emphasis on honesty in trade. Subsequently, others have taken up this idea and promoted the theory (not, I believe, actually Weber's, as will be seen) that Jainism can be seen as an Indic version of Calvinism.

To what extent is this view actually borne out by the role Jainism has played in Jaipur's gemstone business? Is the "Weberian" approach a useful way of addressing the question of Jainism's relationship to business? We'll return to these questions in this book's final chapter, in which I'll argue that Weber is a rather poor guide to understanding the relationship between Jainism and the life of trade in Jaipur. Much more relevant than religion to an understanding of the Jains' actual behavior in business is the generic culture of northern India's trading castes. This is a complex of values and recipes for the conduct of business and life that is shared by several prominent castes in the region, some of which are Jain, some Hindu, and some mixed.

Does this mean that religion is irrelevant to an understanding of Jaipur's gemstone industry? Far from it; but the relationship between business and religion—Shvetambar Jainism in particular—requires us

to understand the relationship between religion and life that emphasizes religion's ritual and social dimensions rather than beliefs as such. The materials presented in this book show that Shvetambar Jainism was a key ingredient in the social identity and coherence of the community that was the business's social medium during its formative years. This was a community that made possible an extraordinary degree of mutual trust between marketplace actors, thus creating a social environment ideally suited for the industry's growth. If, therefore, we wish to seek guidance from classical social theory in understanding the relationship between Jains and gemstones in Jaipur, it is to Emile Durkheim—who insisted that religion is above all a social phenomenon—rather than Max Weber that we must turn. But before we arrive at this very distant destination, there is much to learn.

PLAN OF THE BOOK

The next chapter is an introduction to the industry's basic organization. The industry is an example of what might be called "industrial multiculturalism" because its many occupational specialties are the domains of separate groups, socially and culturally distinct from each other. This presents a picture very different from what one typically sees in fully developed capitalist economies. The chapter presents a survey of the industry's principal participating groups with special emphasis on the ownership class.

Having gained an idea of the industry's overall organization, we turn in chapter 3 to a sketch of its history from its beginnings to the early post-war period. The chapter's main focus is the mutually entangled histories of the industry itself and the community that organized and capitalized it. As will be seen, the industry's foundation stone was the emerald, and so I call this group the "emerald elite." They are the main concern of this book as a whole. Although Shvetambar Jains dominated the business from the start, this chapter shows that their taking up the business had more to do with trading-caste culture and their initial positioning in the jewelry business than with religion. We also see that those individuals who were the instigators of crucial innovations in the industry's evolution were outsiders to the established jewelry and gemstone elites of their day, but that the old elite could and did reap most of the fruits of innovation because they were in the best position to do so.

With the *dramatis personae* and historical background in place, chapter 4 explains the basics of how business is carried out in this

industry. The chapter describes how gems are cut, how deals are made, what brokers do, and how disputes are settled. It also explores the issue of “black money.” The chapter concludes with a comparison between Jaipur’s gemstone industry and the famed diamond industry of New York City. As will be seen, there are remarkable similarities between these two industries, despite the dramatically different contexts, but there are also significant differences.

The heart of the book is arguably chapter 5, which analyzes the elite level of Jaipur’s gemstone industry from a cultural and social point of view. The chapter’s main theme is the deep connections that unite the business and social lives of the emerald elite and the ways in which such ties have historically supported trust in business relationships. It begins with an account of how young men of this class were, until recently, typically inculcated with the values and outlook—the culture—of the gemstone profession in Jaipur. It next examines the community life of the emerald elite. At the core of the business was and remains the family firm, and emerald-elite families were drawn together by a tightly interwoven fabric of business, social, and religious ties. The chapter concludes by returning to the comparison with New York’s diamond industry, emphasizing the role of religion and community ties in fostering business trust in both systems.

The basic congruency between Jaipur’s gemstone business, as a business, and the community from which it emerged was broken in the twentieth century’s late decades, and chapter 6 traces this development. The chapter tells the story of how interlopers managed to break into the Jains’ domination of the business, starting in the 1960s. It also describes a concomitant eclipse of the emerald as the industry’s central stone and the ascendancy of semiprecious stones, the manufacture of which was once disdained by the emerald elite. Particularly significant has been the rise of tanzanite. A consequence of these shifts in the social landscape and culture of the industry has been a diminution of the formerly high level of mutual trust in some dimensions of the business.

The final chapter recapitulates the book’s main arguments and then addresses three issues. The first is the question of the extent to which the transformations described in chapter 6 can be seen as an evolutionary change in the direction of greater efficiency. I suggest that that this would be difficult to maintain in light of the fact that the true core of the old system, the family firm, remains intact, despite changes at the business’s top. The changes at the ownership level can be explained historically, and the family-firm form of organization turns out to be a highly efficient way of organizing an industry

under Indian conditions (and also in New York's diamond industry, for similar reasons). The second issue is that of innovation. The chapter picks up a theme from chapter 3, arguing that Jaipur's gemstone industry clearly shows the advantages of social outsiderhood from the standpoint of innovation. A smoothly functioning communitarian business can be something of an intellectual straitjacket, and a marginal position in such communities creates both the necessity for creativity and a mindset capable of thinking in new ways. Finally, the chapter examines the alleged special relationship between Jainism and the conduct of business—a stereotype widely prevalent in India and also promoted by some scholarship on India. I suggest that there is little evidence that the actual teachings of Jainism have much to do with why or how Jains flourished in the jewelry and gemstone business in Jaipur, and that Jainism's importance to the business has been more social than doctrinal.