CHAPTER VI

TRADE PRACTICE

TRADE PRACTICE:

Weekly market is the main channel of distribution of local products and goods brought from outside the area. The weekly markets serve the villages falling in the radius of 16 Kms. In the weekly markets the farm, non-farm and manufactured goods brought from outside the tribal areas are sold and purchased. The transactions in the weekly markets are predominantly in cash, though barter system also exists in case of local products. All imported goods brought from outside the local area are sold generally for cash. In case of local commodities too, payment in cash is a general rule. The main unifying feature of these markets is, that they are attended by common group of professional traders mainly coming from urban places. Every weekly market exhibits almost common agriculture products, handicrafts and goods brought from urban areas.

The periodicity of the 'haats' is a function of various modes of transportation available to the traders and visitors. The movement of the traders to the 'haats' is in a hexagonal direction which covers the minimum distance between the two points and forms a primary economic net-work1. Theoretically the figure below shows the economic net-works. Each

point of the hexagon forms the primary economic centre, or

PEC = Primary Economic Centre (Weekly Market)

weekly market or 'haat'. In such a net-work, six villages form the hexagonal economic net-work in which traders move from one point to another for the whole six days and on the seventh day they go for a holiday. Generally, the traders come back to their home after attending each market. In case the following market place is nearer to the place they have attended, they halt there and proceed next day. Most of the traders ply either by bullock carts or by bicycle.

There are two kinds of movements observed between the weekly markets - Fig. (i) shows movement in a clockwise direction from one market to another and Fig. (ii) shows the movement to each haat from the centre of the hexagon.

Keeping aside the visitors who come to the market just for recreation, it is observed that generally two categories of persons - one of the buyers and the other of the sellers, come to the market with their commodities. The villagers who come to the market to buy the commodities for their daily needs, viz. salt, chillies, oil, kerosene, etc. bring some farm or non-farm commodity for sale to meet their expenditure.
The buyers of the markets studied, who are engaged in the trade of farm and non-farm commodities may be classified into three categories. Firstly, the commercial buyers (merchants) who directly or through intermediaries, purchase the local produce viz. farm products, forest products, oil seeds, vegetables and the like for their own business.

Secondly, the intermediaries, like big agents (traders) and small agents (petty traders) who purchase local products for their "Mahajans" (merchants) or large scale dealing businessmen who are also financiers of these intermediaries. These traders are linked together and make a network of procuring local products.

The third type of the buyers includes peddlers or hawkers who purchase imported urban commodities such as salt, oil, spices, jaggery (gur) and tobacco, etc. in the weekly markets to be sold in the villages later on.

On the other hand, the sellers are of five types -

(i) The sellers of the imported or urban goods such as spices, salt, oil, tobacco, cloth, utensils, etc.

(ii) Agriculturists who are the sellers of local products namely food grains, oil seeds, vegetables and fruits.

(iii) Local artisans who sell their folk articles and potteries etc.

(iv) Local merchants who sell meat etc. and

(v) Confectioners who sell local sweets.
Basically the traders belong to the two distinct regions - rural and urban. In these weekly markets the traders form a network of procuring local products as shown below in the flow-diagram:

The above diagram describes that the primary producer is the basic factor of the trade in the weekly markets. The primary producer is the farmer who sells his surplus produce in the weekly market to meet his requirements from time to time. The trade is practised in two ways. On one hand, the farm produce and kitchen garden commodities are purchased by the commercial merchants who have general shops in the same village or its nearby urban or semi-urban place. Among the commodities purchased by these merchants, the vegetables,
minor millets, rice and pulses, etc. are important. These commodities are procured and sold in the urban/semi-urban markets at least on 25% higher price than the procurement price. Thus, the commodities are purchased by the commercial merchants for public distribution.

On the other hand, the agents of big traders purchase farm and non-farm products from the primary producers. The small agents generally belong to the same village and they work for the big agents of the large scale traders (mahajans). The small agents are supplied with petty cash by the big agents. They purchase the products and sell it to the big agents, at 10% profit. The big agents too purchase from the farmers and sell it at 25% profit to the large scale traders, who in turn, distribute it to the urban or export centres.

Sometimes the small agents, who have their own capital, trade directly with the large scale traders (mahajans) without any interference of the big agents of the Mahajans. In this way, the net work for procuring the local products is formed in the weekly markets in Bastar district.

Locally produced cash crops and unfinished forest products are brought for sale in the weekly market and are purchased by the different levels of traders and these commodities ultimately pass from the traders to the big merchants through a chain of intermediaries. In this way, the business goes on from 'haat' to terminal market centre.
OPERATION OF TRADERS:

Usually sellers are involved in the transaction of goods between forenoon and afternoon, generally from 10.00 a.m. to 4.00 p.m. Besides this selling and buying business, market is a place of social gathering where kith and kins meet and enquire about the mutual welfare. The seller is generally a villager who comes to the market with his produce. At the same time, a villager is also a buyer as he buys his needful articles from the merchants. So much so, the seller of local produce does not find adequate time to go round the traders and make a profitable bargain. Therefore, the village seller has to offer his produce to the value fixed by the trader. Thus, it is purely a buyer's market where the sellers (villagers with their local produce) have no choice. Generally, the primary producers carry their commodities to the weekly market place, on shoulder using a shoulder balance which is very common in this region, or in a basket. The role of village women is of no less importance in carrying the local produce to the weekly markets for sale. In this way, the primary producers act as sellers in the first instance and after realising money from the sale of their goods, they move to another shop as consumers to purchase their necessaries, thus act as buyers.

PETTY TRADERS (SMALL AGENTS):

The petty purchasers of cash crops and forest produce may be defined as small agents of big merchants. The total group of petty traders can be categorised on the
basis of the scale of enterprise. One category of the petty traders generally receives cash in advance from the big traders for entering into the economic transaction of profit making by procuring local products in the tribal markets. Another group of petty traders invest their own liquid money for the same purpose. This group of traders have their own capital rising up to Rs. 1000.00. This was informed by the petty traders in an interview. They take a great deal of initiative to invest their capital. Some of the traders have their permanent stalls in the weekly market place.

TRADERS (BIG AGENTS):

The big agents also indirectly purchase commodities in their respective stalls through the traders, besides giving the cash advance to the small agents. These big agents have their permanent stalls in the 'haat'. The traders or big agents purchase commodities for their own 'Mahajans' or big merchants of large scale trading. The operation for procuring the local products starts at 9.00 a.m. and closes around 3.00 p.m. because the primary producers have to buy essential commodities after realising the money from the sale of their articles. The big agents purchase the local produce from the villagers direct and also from the small agents or petty traders. The big agents invest amount between 3 to 5 thousands according to the rush of the incoming products. The big agents sell their procured produce to the large scale traders or Mahajans.
The primary producers are villagers engaged in farm and non-farm occupation. They bring the local produce viz. farm products, forest products, fowls, folk art, etc. to the market for sale. The farm products include paddy, rice, minor millets and kitchen garden commodities, and forest products consist of mainly mahua flower, mahua seeds, tamarind and the like. They sell their produce to the petty traders, stalled at the outskirts of the market area and in the market place. The transaction is done generally in cash but in 4 markets (16.66%), mahua is sold for salt at the ratio of 1 : 2.

Although there are many difficulties in carrying things, e.g. distance to be travelled and weight of the commodities to be carried, the tribal market is comprehensive one in which many articles are available. The market caters practically all requirements and needs of the tribals, apparent or concealed. In the strict theoretical sense, in 'heats' a tribal is merely a buyer. His main aim is to procure certain necessities viz. salt, agriculture implements, tobacco, kerosene, clothes and the like which are not locally available. For buying these products, he has to part with a certain portion of his produce. Distance, bulk of commodities carried to the market, and mode of transport sets strict limits on the goods brought to the market. Generally these consist of farm products, minor millets, forest produce and vegetables etc. which have both bulk and weight. As the distance is long, the tribals bring only small quantities

which, they estimate, can fetch sufficient price to buy the goods they require immediately. A large number of tribals bring the same type of commodities to the market. The tribals have no idea of prevailing prices due to the illiteracy and ignorance about the market operations.

In the markets under study, a long row of villagers, both men and women, was observed sitting or squatting in front of some product which they had brought to sell. The markets are entirely in the open air, though some of the more entreprising merchants have erected private stalls with thatched roofs, which offer them protection from sun and rain. The village sellers simply sit in the sun or under an umbrella meant for protection. Products which they offer for sale generally consist fruits and vegetables including melons, bananas, mangoes, papayas, tomatoes, pumpkins, dried tamarind, green turmeric, fresh coriander, etc. Rice or paddy, pulses and millets are also sold by the individuals. Poultry is offered for sale sporadically. The price fixation is done in the most traditional way by heaping the articles or keeping them in a bunch and giving them a particular price.

The whole scene is one of the greatest amenity to the villagers. The constant coming and going of villagers, the cries of the vendors to attract passers-by, the clatter of the bargaining, the dust, the smells of spices and sweet-stuff, the glitter of metal wares, the bright mixture of coloured clothes; all these make a picture which presents a peaceful break in the monotony of the week.
All the sectors of the village community do not equally gain from the markets. These markets are the markets of the sellers of the imported urban goods brought from outside, and of buying traders who purchase the local products. They enjoy upper hand in market transactions. As the number of the shopkeepers is always small, any one who is able to reach the market place and display some articles for sale, enjoys a semi-monopolistic position. Therefore, certain shopkeepers have fixed their places in the market area where they receive heavy rush and attractive business.

Absence of competition among the shopkeepers and buying traders of local produce leave the tribals on the mercy of the occupational traders and buyers. Moreover, the essential commodities which the tribal purchases for his bare needs increase the inelasticity of his demand.

The aboriginals' illiteracy, ignorance and the urgency of requirements give full scope to the vendor's greed and profiteering activities. There are hardly any middle men between the transactions of buyers and sellers. Thus, the weekly markets, on the one hand break the monotony of the tribal life and also give a scope for the exploitation of the tribals on the other hand.

**EXCHANGE MECHANISM IN HAATS:**

There are two kinds of trade practices obviously observed in the backward regions - the horizontal trade and vertical trade. The horizontal trade is synonymous with the village and inter-village trade, which includes the movement
of finished goods and locally grown foodstuffs from rural to urban area, within the same region. Vertical trade, on the other hand, is synonymous with the extra-regional trade which includes the movement of finished goods and locally grown foodstuffs from rural to urban areas of distant regions.

Farmers-sellers and buyers, itinerant traders and local traders all of whom participate primarily in the horizontal system play a vital role in the market operations. A general case would involve small traders who operate in the markets near their home base.

**BARTER SYSTEM:**

The medium of exchange is usually cash. Some bartering is carried on in the markets. It has been noted during the study that the traditional way of purchasing salt is to barter tamarind and mahua flowers (used to prepare liquor) for it. This is done by the Gonds, Marias, Murias and other semi-tribals. Most of the villagers refuse to accept paper currency or paisa. The Table 6.1 shows the nature and ratio of articles under practice of barter.

<table>
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<tr>
<th>Table 6.1: Barter Practice in the Weekly Markets (Ratio of Barter with Salt)</th>
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The above table reveals that Mahua flower is bartered with salt in the ratio of 2:1 i.e. 2 kilograms of mahua flower is exchanged for 1 kilogram of salt in the weekly markets held at Kutru, Chhote Dongar and Barsoor. But in the weekly market of Darbhā, the traders gave 1.5 kilograms, salt for 2 kilograms of mahua flower. The fluctuation in prices of the commodities also tends to keep in vogue the attitude of barter system. The tribals fail to come at par with the currency and monetary system of exchange due to the lack of proper education and ignorance about the modern know-how.

**MONEY TRANSACTION:**

There is a fair specialisation in the trade even in these markets. There is practically no shop which alone can provide all or most of the commodities required by the purchasers. A grain shop exclusively deals in purchase and sale of grains only and does not have edibles or cloth of vegetables to supply. It is one of the factors responsible for the elimination of the barter system. A person bringing grain could not exchange it for vegetables or cloths, he has to go to a grain shop first to sell his produce to get the cash and then to other to buy his necessities. It has been observed that most of transactions are in cash. The barter system, which was in vogue till recently can be traced only in interior villages where the requirements of two consumers could be mutually adjusted. It has now a very limited scope because of the diversified demand and specialised production
which ultimately mean elimination of the local crafts due to the dumping of the urban and mill-made goods in the weekly markets and the introduction of cash economy. In these markets, cash transactions are quite frequent.

**TRADITIONAL WEIGHTS AND MEASURES:**

Majority of the tribals are ignorant about the modern weights and measures and they are still practicing the traditional weights and measures. Generally they use small baskets as a measure for the forest produce. When they come to the market, they fix the price of the commodity according to the size of the basket. For the sale of rice, minor millets, oil seeds and other coarse farm products, the tribals use the iron measures locally known as 'Paili', 'Soli' and 'Fao'. The conversion table of the traditional measures to the metric system is shown in Table 6.2 below.

**Table 6.2:**

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<th>S.No.</th>
<th>Traditional measures</th>
<th>Metric measures</th>
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<tr>
<td>1.</td>
<td>Paili</td>
<td>1.400 kgs</td>
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<tr>
<td>2.</td>
<td>Soli</td>
<td>0.400 kgs</td>
</tr>
<tr>
<td>3.</td>
<td>Fao</td>
<td>0.200 kgs</td>
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<tr>
<td>4.</td>
<td>Haath</td>
<td>18 inches</td>
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<tr>
<td>5.</td>
<td>Kori</td>
<td>20 units</td>
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The above measures are also used for the measurement of liquids viz. milk, butter milk, oils and the like. It is observed in the weekly markets that the vegetables are also sold by the tribals in traditional way. They generally determine the price of the vegetables per piece or according to heap. Traders dealing in forest produce and other minor millets, oil seeds, etc. also use the traditional measures and try to cheat the tribals.

The paili and soli are equivalent to 1.400 kgs and 0.400 kgs respectively in the metric system. The traders who use traditional measures paili and soli, pay the price of 1 kg and 0.250 kg only to the villagers. Thus, the villagers lose the price of 0.400 kgs and 0.150 kgs of their commodities per paili and soli respectively.

The Government has banned the use of these weights and measures, but even then these are frequently used in the markets.

**BEHAVIOUR OF NON-TRIBAL TRADERS:**

The movements of goods through the hierarchical system of the periodic markets is accomplished in large part by the itinerant traders. Stine has given an explanation on the basis of his findings on the Korean marketing system and trade practice, why traders must sell in more than one market. This explanation is based on the fact that in an area of primary subsistence production, the maximum range

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of a commodity around one market may be smaller than the minimum range required in order to make the trader viable. However, in all markets, there are substantial number of traders who regularly visit from two to six markets. The linking of the markets together in a system is accomplished through the movements of these traders with their goods.

The weekly markets are attended by small and big traders. They visit the markets of their nearby area on the scheduled day. The general picture of itinerant traders resulting from observation and personal interviews, indicates that the majority of the traders are strangers to this tribal area and they are operating on a small scale. Nearly 70% of the traders belong to Uttar Pradesh and Bihar. These traders are engaged in procuring the farm and non-farm products from the villagers. They purchase food stuff and forest produce. Other traders deal with the selling business of imported goods. It is observed that the petty traders who purchase minor millets and forest produce during the season, sit for business at the strategic points viz. near check posts, junction of footpaths, etc. on all sides and the roads linking to the markets. They shout and pull the tribal villagers and force them to sell their produce to them. Some of the tribals yield to the traders to get relieved themselves of the heavy load and sell their produce to them.

The traders take the advantage of ignorance of the tribals about the modern weights and measures and the knowledge of the prevailing price. They compel the aboriginal
sellers to sell their produce to them. The first bid of price which a trader makes is lower, and when the seller haggle to accept the bid, the trader makes another bid with a slight increase in the price than the first one. Ultimately the tribal feels to dispose off his load to the same trader instead of making a round over the market and find better value for his produce. The selling traders sell their products at high rates to get a big margin of profit.

CREDIT TRANSACTIONS:

Credit is very much limited in the weekly markets. There are various reasons for this, main being the unknown credit worthiness of the (would be) debtor, irregularity of creditor's visit to the market, no correct estimate about the financial position of the debtor, limited resources of the creditor and difficulties in recovery. Cloth and ornament shops generally allow credit to the tribals. Moreover, these are the commodities which cost fairly high amounts and are indivisible. The tribals have to resort to credit in respect of these commodities. In ornament, most of the transactions appear to be either on credit or on exchange basis, i.e. selling the old to purchase new ones. Generally in each market the goldsmith have their 5 to 10 credit clients, most of them being women customers. Although the figures of credit are not disclosed either by the creditor or debtor for reasons best known to them, the credit in them can be estimated fairly high.
EXPLOITATION:

As a buyer also, the position of the tribals is weak. They have no idea of the prevailing prices of the goods. The merchants are well aware of the fact that the tribals have no other alternative than to buy from them. The tribal also realises that he has little choice. It makes little difference whether he has to buy at once or come again to the same traders. Since in most of the cases his requirements are of pressing nature, he buys the commodities at the price imposed by the traders. Recently, because of demonstration effect or urbanisation, certain fancy goods like readymade clothes, shoes, flashlights, cosmetics, umbrellas, etc. have also made their appearance in the tribal markets. It has been observed that the tribal has no knowledge of quality difference in these articles. They are attracted more by their size and colour. Thus the traders charge high prices for the commodities required by the tribals.

Under the circumstances prevailing in the 'haats', the trader manipulates the forces of demand and supply to operate against the tribal at the time of selling to the tribal and purchasing from the tribal. The process of exploitation does not end here only. The ignorance of the tribals about the weights and measures is also used against him. At the time of purchase from the tribal bigger weights are used and at the time of selling, smaller weights and measures are used. The simple, trustworthy tribals are thus, the victims of many malpractices adopted by the traders.
The tribals are not even free to sell their goods in their best interest. The same traders often carry on different types of trades simultaneously viz. general commodities, cloth, cosmetics, etc. and purchase all types of farm and non-farm products. The tribals are bound to them in one capacity or the other, as a debtor, or as a forest or construction labourer. The economic complex has, therefore, developed in such a way that a particular money-lender-cum-trader-cum-contractor serves a group of tribal families from one generation to another\textsuperscript{5}.