

MANY LIVES OF GOLD IN INDIA

**ANINDITA CHAKRABARTI
PROFESSOR OF SOCIOLOGY
DEPARTMENT OF HUMANITIES AND SOCIAL
SCIENCES
IIT KANPUR
FELLOW, IGPC, IIMA**

WHY NO ONE STUDIES GOLD IN INDIA?

Scholar	Affiliation
Barbara Harriss-White	University of Oxford
Anindita Chakrabarti	IIT Kanpur
Sruti Kanungo	IIT (ISM) DHANBAD
Bazil Shaikh	Former Central banker and independent scholar
Sreekumar Gopalakrishnan	Former central banker and freelance writer
Madhuparna Nayak	IIT Kanpur
K. C. Mujeebu Rahman	IIT Kanpur
Nithya Joseph	Princeton University/French Institute Pondicherry
Isabelle Guérin	IRD, French Institute of Pondicherry
G. Venkatasubramanian	French Institute of Pondicherry
Elena Reboul	Ined

COMMODITY, COMMUNITIES, ECONOMIC CIRCUITS

- The uniqueness of gold consumption
- Its value as collateral and as a hedge against inflation and its capacity to be converted into money at times of financial instability and emergencies have led the Indian state to increase its holdings of gold in official domestic and foreign exchange reserves
- The Indian household and the Indian state think alike
- In the attempt to contain imports and transform gold into a productive asset, the state has issued a **series of regulations** over time – each of which has had significant impacts on the domestic gold economy - impacts not always in sync with official policy objectives

“I, for one, do not regard the demand for gold ornaments socially justifiable. I regard it as the moral duty of every patriotic citizen to refrain from buying gold in any form particularly in the present emergency. Even in normal times, it is not necessary to use gold for personal adornment. It is my earnest hope that every teacher in the country, every social worker and every leader of public opinion would make it his or her business to explain to the young and the old, the rich and the poor what the attachment to gold and gold ornaments means in terms of the strains it puts on the resources we need for defence and development. Let all young boys and girls growing up in the country be made to realise that they help build a safe and prosperous India by insisting that no gold be bought at the time of their marriages”

Moraji Desai, the then finance minister 1963



GOLD CONTROL ACT (GCA) 1968

From 1963 onwards there were a number of stringent rules brought to the gold industry

- Failed to understand family and gender relations, financial strategies and risk-averting tactics of households
- Finally repealed in 1990 but the damage was done
- The gold industry went underground and an underworld emerged around that
- In human history, there would not be too many similar examples

Decimated the communities associated with it



CRAFTING AND TRADING GOLD JEWELLERY

- The industry has diverse internal structures: artisans specializing in specific tasks and working on different types of contracts. Entry of different non-artisanal castes into the profession (Kanungo and Chakrabarti, 2021)
- The artisan migration trail from West Bengal
- Training and better infrastructure for the MSME operators. The existing clusters can be improved, better facilities can be given

GOLD TRADE AND FAMILY BUSINESS



- Subarnabaniks of Bengal, hugely impacted by the GCA. Ballal Sen
- The recent entry of organized, large-scale retailers: 8 out of 10 top jewellers are new to gold
- Nevertheless, 80% of India's retail market is still composed of local independent stores and family-run businesses
- It will be very important to study how would they survive. Shift to other verticals?
- The future of family business as family as an institutions is changing fast

- Especially a number of legal changes in family and inheritance

FUTURE GOLD CONSUMPTION



Marriages might be no longer as stable, but weddings are becoming more lavish

Dowry: banned and ever-present

Gold pawning in household economics

How gold jewellery plays a critical role in the lives of capital and labour in India's MSME sector

Over two-thirds of India's gold is kept in rural areas



- WHAT IS HAPPENING IN THE DIASPORA?

Little India in Singapore...





NEW INDIA, NEW GOLD

- India Rising: A major conference in Harvard among diasporic young Indians
- Gold as an object of conscious consumption?
- socially and environmentally conscious: branding and advertisement





THANK YOU!