

The Bazaar-Mosque Relationship in Punjab

Umair Javed

Copyrights AAWAZ Programme @2015

AAWAZ Programme is funded by the UKAid through the Department for International Development (DFID), AAWAZ was conceived initially as a five-year programme, from 2012 to 2017. Development Alternatives Inc. (DAI) is the Management Organization (MO) for implementing the AAWAZ programme, while Pakistan's prime civil society organizations: Aurat Foundation (AF), South-Asia Partnership Pakistan (SAP-PK), Strengthening Participatory Organisation (SPO) and Sungi Development Foundation (SF) form the implementation consortium responsible for directly working with communities.

All publications by AAWAZ are copyrighted, however, can be cited with reference.

Executive Summary

Over the past three decades, Pakistan has witnessed two major trends in its political economy. The first has been the rise of the services sector as the principal driving force of economic growth in the country, largely on the back of a rapidly expanding retail/wholesale trade component. The second has been a rise in religious fundamentalism, Islamist militancy, and the entrenchment of exclusivist religio-political organisations in the political landscape.

This study shows – by utilising a historical account and drawing on new research in two field locations – that the two trends, while occupying distinct analytical spaces in the existing literature on Pakistan’s political economy, are actually connected through patterns of social and political relationships found in urban centres, especially in the province of Punjab. Collective action and associational trends within the ‘bazaar’ sector are closely linked to the consolidation of mosque and madrasa-based religious organisations, which, in turn, create social norms of exclusion and violence.

The bazaar sector’s position as the single-largest in the economy, providing employment to nearly 60% of the urban labour force, and contributing 17% to GDP, has resulted in traders, merchants, and associated businessmen occupying important societal roles in towns and cities. Political parties recruit them for political offices, state-officials cultivate rent-seeking relationships with them, while religious social organisations utilise their support for fundraising and patronage purposes.

Historically, the bazaar-mosque relationship became politically crucial around the movement against Zulfikar Ali Bhutto’s populist government between 1975 and 1977. Since then, with the political demobilisation of other actors (principally, the urban working class), the bazaar has capitalized on internal and external networks to consolidate its position as an influential interest group and a dominant social class.

During the same period, catalyzed by the state’s militant-supporting security policy, religious organisations have made use of a demobilised urban landscape to forge close social and ideological ties with the retail/wholesale sector, thus increasing its ability to engage in sectarian discourse and violence.

In fieldsite 1, Nankana Sahib, bazaar traders and religious actors have forged mutually beneficial relationships that have shaped an urban hierarchy wherein minority sects and communities are kept marginalised. This has happened through exchanges of social, economic, and political capital, and is made possible by a weak

political party structure, and non-autonomous local administrative apparatus, beholden to socially dominant, ideologically motivated actors. Thus, exclusivist discourse is strong, and everyday acts of discrimination are frequent.

In fieldsite 2, Lahore, Islamist organisations of the Deobandi denomination have used inter-generational cultural transitions to forge their links with the bazaar class. Protests against government regulation and mass mobilisation on religious causes, along with charitable acts and philanthropy provide sites for the consolidation of this relationship. However, episodes of militancy in and around important commercial sites and the existence of an autonomous political elite have allowed the state to step in and shape the bazaar's social capital to prevent the emergence of sectarian conflict over the past five years. While exclusivist discourse is still present, and charities known to be linked with militant organisations operate in certain enclaves, the threat of outright violence has diminished.

Given the history of bazaar-mosque relations, and the observations across two contrasting locations, it may be concluded that while ideational and social ties between the business community and religious actors are almost organic to how urban Pakistan has evolved, reduction in incidents of violence and discrimination rest on the ability of the state to exercise autonomy from localised hierarchies. This is only possible where there are multiple sources of political and social power.

Finally, there is an urgent need to conduct a systemic, cross-province analysis of the bazaar-mosque relationship. This will lead to a more robust understanding of how different political and social actors are linked, and will allow us to analyse the evolution of religious discrimination across various contexts.

The Bazaar-Mosque Relationship in Punjab¹

Introduction

A fundamental change in Pakistan's political economy over the past three decades has been the proliferation of the services sector in general and within it, the growth of the retail/wholesale component. Organisationally, the sector consists mostly of small-scale, cash-based enterprises, many of which operate in what is colloquially referred to as the 'informal' economy. In the backdrop of this flourishing 'bazaar' sector, traders and merchants have emerged as important political-economic actors, exercising a great deal of influence on government and society.

On the political front, all major political parties recruit businessmen as legislature candidates for urban constituencies, and many are politically embedded with different parties as local vote-mobilisers, patrons, and intermediaries in their places of business and residence. Some of the sociological work on traders and the mercantilist class in Pakistan points to their religious and conservative acculturation, and their role in mobilising for extreme right-wing religious causes.²

Study Objectives

Given the pervasive presence of business associations, and the importance of local traders and merchants in community and political affairs, further research is required to assess their importance in the conflict landscape of Pakistan. This study seeks to examine the role of bazaar associations in fomenting and/or mitigating extremism and exclusivist religious ideology, with a particular focus on sectarian conflict.

Research Aspects

The study will broadly focus on the following research aspects:

1. Political Economy analysis of bazaar associations;

¹ This paper was presented at the 18th SDPI Sustainable Development Conference in Islamabad, December 8-10, 2015.

² A, Qadeer, *Pakistan: Social and Cultural Transformation* (London: Routledge, 2006), 161.

2. The associational landscape of the business community in terms of their links with mosques, madrasas, and *Imam Bargahs*, with political parties, local/district governments, and peace/*amn* committees in their areas;
3. Structures of bazaar associations in terms of ethnic or religio-sectarian groupings;
4. The existing role played by trader and merchant leaders and market associations in perpetuating or mitigating inter-community conflict.

Methodology

This study uses a historical-institutional framework to analyse the relationship between a change in Pakistan's political economy – the rise of the bazaar – and cultural shifts taking place in the country – rising extremism and violence. Broadly, the focus of this paper will be on the largest and politically most important province of Punjab, which has seen the greatest concentration of urbanisation, as well as the greatest expansion in the number of active religious outfits.³

Complementing this historical-institutional account is a synchronic analysis of bazaar associations in two cases – Nankana City in Nankana Sahib district, and Shah Alam market, Lahore. The cases were selected on the basis of providing a contrast between a small yet rapidly growing town, and an established provincial metropolis.

Interviews were conducted on two field visits to Nankana City with a range of actors, including religious activists, traders, bazaar association heads, and members of the local district administration. Interviews with the same actors in Lahore were carried out over a one-month period. Interview data were then complemented with a detailed analysis of newspaper accounts and pre-existing research (however scarce) on this issue.

For the analysis, the researcher also drew on his experience of ten months of fieldwork with trader organisations in the bazaars of Lahore for a separate project.

Context: Urban Reality

As a result of socio-economic changes since partition, Pakistan currently stands as the most urbanised country in South Asia, with an estimated 40% of its population (about 73 million individuals) residing in urban centres. Urban areas have grown at an average rate of 3% per year since 1947 and the urban share of the

³ S. Malik and S. Yamin, "Mapping Conflict Trends in Pakistan," *United States Institute of Peace*, (Washington DC, 2014), 3.

population is expected to rise to 50% by 2030. In other words, urban areas will host a total of 116 million people in another 16 years.

Over half of Pakistan's urban population lives in large cities of more than 1 million people each. In total, 15 cities with a population of over 500,000 each account for 63% of the total urban population, while the remaining 27% resides in smaller towns and cities across the country. Within the extant urban population, 90% resides in the 8 largest cities, 5 of which are in the province of Punjab. This shows the extent of concentration of the urban population. Collectively, these 8 cities in Pakistan account for 57% of the total urban population, and 23% of total population.⁴

Apart from the metropolitan centre of Karachi, urbanisation and urban growth in smaller cities and towns has been a hallmark feature of socio-economic development in Punjab. Using GIS-based techniques, researchers have shown that nearly 90% of all rural settlements in Punjab are no further than 1.5 hours away from a town of at least 100,000 individuals.⁵ Beyond outdated urban-rural categories employed by the census administration, this shows that experience of urban lifestyles and economic conditions are now supremely widespread in a country that has historically been characterised as agrarian.

Drivers of Urbanisation

Increase in Pakistan's urban population, over and above the natural population growth rate, has been driven by a number of economic and non-economic factors. Chief amongst these has been internal economic migration – particularly salient in Karachi and the large cities of Punjab – as well as migration as a result of conflict-driven resettlement from Khyber Pakhtunkhwa and Balochistan to other parts of the country.

While the early decades after partition witnessed an influx of rural-to-urban economic migrations towards a nascent manufacturing sector, the previous three decades have seen the services sector take the lead in driving economic growth, and consequently, urbanisation.

In 2015, the services sector now accounts for 54% of total GDP – up from 47% in 1980, and employs approximately 35% of the population – up from 27% in 1980. By way of comparison, employment in the manufacturing sector has remained stagnant around the 18% mark in the same time period. Thus, in terms of

⁴ "Pakistan Urban Sector Review," *World Bank* (Islamabad, 2014).

⁵ S. A. Zaidi, *Issues in Pakistan's Economy* (Karachi: Oxford University Press, 2015), 353.

labour absorption – a key characteristic in urban growth – the services sector has taken the lead from the manufacturing sector over these past three decades.⁶

The services sector as a whole is divided between different kinds of sub-sectors, with large internal variations in terms of employment absorption and value-addition. Focus over the past two decades has remained fixated on tertiary and producer services such as banking, telecommunications, insurance, and real estate, which have all grown at the rate of 7-8%. However, these advanced services, while contributing in the way of value-addition, are comparatively small in terms of contribution towards total urban employment. On that front, distributive services – such as transport and storage, but primarily wholesale and retail trade – outstrip any other sub-sector.

The retail-wholesale sector currently contributes 17.5% to total GDP, and employs approximately 60% of the urban labour force. While overall economic growth has remained stagnant around the 3-4% mark, the retail-wholesale sector has grown by nearly 6% in real terms over the past 8 years. The estimated value of the sector is approximately USD 42 billion, with annual sales (consumption) reaching USD 102 billion through 1.6 million establishments, largely on the back of a growing urban middle-income segment.⁷

Organisationally, the sector consists mostly of small-scale, cash-based enterprises, many of which operate in what is colloquially referred to as the ‘informal’ or undocumented economy. Despite the emergence of big-box retailers and wholesalers (such as Metro and Hyperstar), the sector continues to be dominated by such diffused, small-scale actors operating single-firm enterprises, largely free from governmental regulation.

Collectively, the sector is designated as having a ‘bazaar’ based mode of economic organisation, which it shares with petty/small-scale manufacturing, transportation, and storage. This implies that legal documentation is limited, capital contribution and financing is mostly personal equity based, labour is either family-based or employed through verbal and informal contracts, and supply-chains, sales, and distributive networks operate through personalised connections.⁸

Given these figures, it is not misplaced to suggest that Pakistan’s urban reality – both in big metropolitan centers, as well in the numerous secondary and tertiary cities and towns – is one centred on an entrenched, and continuously burgeoning bazaar economy.

⁶ Ibid.

⁷ “Economic Survey of Pakistan,” *Government of Pakistan* (Islamabad: Ministry of Finance, 2014).

⁸ Clifford Geertz, “The Bazaar Economy: Information and Search in Peasant Marketing,” *American Economic Review* Vol. 68, No. 2 (1978).

The Bazaar in Pakistan's Political Economy

Given the importance of the bazaar to Pakistan's, and especially Punjab's, economy, it is little surprise that bazaar actors, such as traders, merchants, and other variants of business owners, have emerged as important political-economic actors. Thus, they exercise a great deal of influence on government action both at the level of policy design (on issues of trade and taxation), and municipal administration (on zoning, land-use, and public infrastructure development).

On the political front, all major political parties recruit businessmen as legislature candidates for urban constituencies, and many are politically embedded with different parties as local vote-mobilisers, patrons, and intermediaries in their places of business and residence. By way of an example of this phenomenon, the percentage of legislators elected from urban constituencies in Punjab listing business as their primary occupation has increased from 12% in 1970 to nearly 40% by 2013.⁹

There are multiple reasons for this consolidation of power and its political relevance. Structural reasons include the economic importance and sheer scale of their sector as a whole, which has already been detailed in the previous section. Another reason has been the simultaneous decline in the political power of organised labour (normally considered the other major voice in urban politics) since the 1970s. Given the prevalence of informal wage contracts, and an abundance of unskilled workers migrating into Pakistani towns and cities, the basis for labour solidarity and organised action is limited. As a result, labour unions outside the public sector are mostly weak in formal manufacturing, and non-existent in the bazaar economy. Currently, an estimated 2% of all wage labour in Pakistan is unionised, and the total membership of active unions and union federations does not exceed 400,000. The corresponding figure back in 1970, often perceived as the high point of the urban labour movement, was 1.2 million.¹⁰

Thirdly, repeated socio-political engineering such as ad-hoc bans, non-party based polls, and induced factionalism - carried out by various praetorian regimes - have left Pakistan's political parties weakly institutionalised. As a result, barring the MQM, there is little to no conception of parties helping fulltime political workers rise through the ranks to hold local office. Parties prefer to outsource the cost of elections to aspirants, thus setting up a de facto barrier to entry based on income and economic clout. This barrier overwhelmingly

⁹ Author's compilation using publicly available data on the provincial assembly website, along with interviews with politicians and journalists.

¹⁰ C. Candland, *Labour and Democratization in South Asia* (London: Routledge, 2007), 97.

favours urban elite actors who are predominantly from the business community, and systemically creates disincentives for middle and low-income actors, preventing them from participating in local politics.

However, structural reasons, while explaining the economic dominance of particular actors and the weakness of others, cannot fully explain why a particular political and social hierarchy emerges across the urban landscape. To complete the picture, one must pay specific attention to the organisational aspects of bazaar actors, and their resulting social embeddedness that allows them to take advantage of a favourable arena.

Collective Action and Associational Tendencies in the Bazaar

Writing about politics in Punjab during the 1990s, Andrew Wilder alluded to the dominance of bazaar actors in the following words:

Traders are now on the rise. Every alley, every bazaar is now organized in the shape of some association or the other. These traders have 'shutter power'. If a 2000 worker factory is closed by workers in a rural area, it has no effect. But say the shopkeepers of Anarkali close their shutters for two hours, it will have a much bigger effect in the city....workers have been leaving the PPP for the PML because shopkeepers, businessmen and others of the same ilk are able to provide employment and access to the sarkaar (state).¹¹

Wilder's research taps into an important yet understudied theme in Pakistan's domestic politics: the organisational 'shutter' power and collective action of the retail-wholesale sector. This was first put forth by Stanley Kochanek in the 1980s in his work on business organisations in Pakistan, wherein he suggested that the upper-tiers (large manufacturers) of the capitalist elite had direct access to political decision-makers, so the lower-tiers (small manufacturers and bazaar-based businessmen) tended to organise amongst themselves to match the former's policy and administrative influence. This was done not only through the established Chambers of Commerce but also through other localised associations.¹²

Since these tangential observations were made many years ago, associational trends within the bazaar economy have grown exponentially. Marketplaces, as mentioned by Wilder, are organised on an individual basis, with proprietors forming the constituent membership of a market association. In some instances, these associations are registered as non-profit 'societies' or 'trusts' under the Societies Act, and are thus legally obliged to hold internal elections and provide details of regular activities. However, most associations are informal, created

¹¹ A. Wilder, *The Pakistani Voter: Electoral Politics and Voter Behaviour in Punjab* (Karachi: Oxford University Press, 1999), 138.

¹² S. Kochanek, *Interest Groups and Development: Business and Politics in Pakistan* (Delhi: Oxford University Press, 1984), 204.

by dominant individuals within each marketplace to institutionalise their influence over other business owners, and to expand their sphere of influence with government officials. Elections to elect office-bearers are rare, and factionalism is rife within each market place, often perpetuated by divergent political or ethnic affiliations.

At higher tiers, individual marketplace associations and businesses network with apex organisations based at the district, provincial, and all-Pakistan level. Apart from the Chambers of Commerce, which are located in every major city and are regulated by the Trade Organisations Act, there are apex associations that represent retailers/wholesalers of particular goods – such as the Pakistan Auto Spare Parts Importers and Dealers Association (PASPIDA) – or generic bodies representing retail/wholesale businessmen regardless of goods sold – such as the All Pakistan Anjuman-i-Tajran, the Qaumi Tajir Ittehad, and the All Pakistan Association of Small Traders and Cottage Industries. Currently, there is no exhaustive list of apex associations working in retail and wholesale, but estimates gathered from the Ministry of Commerce place the total number of such organisations at close to 200.¹³ The number for bazaar associations – both formal and informal – runs well into the thousands.

Despite many internal organisational issues, activities of most bazaar associations manage to traverse several different domains, and help consolidate political and social capital for bazaar actors.

1. Club Goods: Association leaders provide access to supply-chain networks, wage-controlled labour, and in some instances, temporary financing to individual members. This is often coupled with the basic, yet important task of informal dispute resolution for commercial and personal disputes that arise between bazaar businessmen or with other actors.

2. Collective Action: Bazaar associations become most active on issues concerning governmental regulation on issues of taxation, land-use, and municipal services. In instances where the government introduces a new tax that directly impacts the retail-wholesale sector (such as GST on retail, VAT, or the recent withholding tax), individual marketplaces lobby alongside apex organisations. Successful instances of such lobbying over the last decade and a half include the 6 month long movement against GST on retail in 1998-99, the movement against General Musharraf's 'Documentation of the Economy' ordinance, the movement against a reformed general sales tax/VAT in 2010-11, the protest movement against

¹³ The list of all registered national level trade organisations, representing manufacturing and trading interests, is publicly available on the Ministry of Commerce's website under the DG Trade Organisation division

consumptions audits of self-assessed income tax returns, and most recently, the movement against SRO-608 (extension of the sales tax net).¹⁴

Local businessmen also collude with political representatives and the tax bureaucracy to gain concessions in the domain of property taxation, subsequently often paying far less than their actual obligation. In the same vein, bazaar leaders lobby local bureaucrats for favorable provision of municipal services (such as sanitation schemes, parking plazas, or the allocation of a police patrol for security), and pay bribes to municipal administrators to maintain encroachment privileges.

3. Cultural Engagement, Philanthropy, and Charity: The third area of activity for bazaar associations is funding and management of religious institutions, and the undertaking of philanthropic and charitable activities in areas surrounding their places of residence and places of work. Typical initiatives include construction and funding of mosques, major shrines, and madrasas, provision of meals and rations during Ramazan, running relief trucks during times of natural calamities, sponsoring weddings for low-income households, and occasionally financing a dispensary or a small school. All these activities are channeled through local NGOs – which in turn are often affiliated with religious organisations or denominations – and through mosque committees, which are staffed by influential bazaar traders and managed by local clerics.

Activities like collective action and provision of club goods help create internal solidarity and political cohesiveness within the bazaar community. Similarly, constant engagement with political and bureaucratic actors for purposes of safeguarding their economic interests bestows them with political capital that is used in a wide variety of circumstances. Finally, well-publicised charitable engagements help bazaar actors achieve social prominence and allow them to engage in what the sociologist Elisabeth Clemens calls ‘obligation hoarding’.¹⁵ This converts bazaar traders, already an important economic actor, into an important social and civic actor as well. Given the inaccessible nature of the state, and poor quality of government service delivery, low-income households, such as the ones where the bazaar economy draws most of its labour, become heavily reliant on local urban patrons and strongmen for their day-to-day problem solving needs.

¹⁴ Ikram-ul-Haq, “Bazaar’s brazen tax defiance,” *Business Recorder*, May 24, 2013.

¹⁵ E. Clemens, “From city club to nation state: business networks in American political development,” in Hanagan, M. and Tilly, C. ed. *Contention and Trust in Cities and States* (Netherlands: Springer, 2011), 183.

This trend of bazaar actors taking on a dominant socio-political role is neither new nor unique to Pakistan, and has actually been recorded in many other parts of the world. In Iran, the bazaar has long played a major role in political and social life in Tehran, with some observers according it central importance in the success of the 1979 revolution.¹⁶ In Turkey, the conservative ruling party, the AKP, built its foundations on local merchant organisations and business clubs in Anatolia, which were previously partial to Islamist parties.¹⁷ In India, the BJP has long counted the upper-caste business community across much of North and Western India as its core electorate, utilising *vyapari sanghs* as conduits of patronage for its party machinery.¹⁸

Sociology of the Bazaar: Caste

To understand the socially embedded nature of the bazaar in Punjab, it is also important to focus on the ethnic/caste and religious characteristics of actors that populate and control marketplaces. To date, the only sociological analysis of this demographic remains Anita Weiss's work on the rise of a post-Bhutto bourgeoisie in Punjab. Her assertion is that small-scale manufacturing and trading is dominated by individuals belonging to a discrete set of castes, many of whom were previously associated with artisan work in the village economy.¹⁹

Fieldwork and interviews in Punjab appear to confirm this particular viewpoint. Kashmiris, Lohars, and Sheikhs – 'urban' Muslim castes – have historically dominated the retail-wholesale sector, and continue to do so in towns and cities across North and Central Punjab. Arains and Kambohs dominate agro-trading, and castes conventionally categorised as land owning or agrarian (Jatts and Rajputs) are more recent entrants into the contemporary bazaar economy.

While many bazaar associations cut-across ethnic affiliation, some witness factionalism based on the caste identity of constituent members. This reproduction of caste identity in the urban environment happens due to two reasons. Firstly, caste groupings help businessmen reach out and retain new clients, tap into business opportunities, and create a social safety net. Secondly, the personalised nature of state-society interaction means caste becomes a salient identifier across different occupations (politicians, bureaucrats, businessmen) and is thus an important source of social capital.

¹⁶ Arang Keshavarzian, *Bazaar and State in Iran: The Politics of the Tehran Marketplace* (Cambridge: Cambridge University Press, 2006).

¹⁷ C. Tugal, *Passive Revolution: The Islamist Movement in Turkey* (Stanford: Stanford University Press, 2009).

¹⁸ C. Jaffrelot, *Hindu Nationalism: A Reader* (Princeton: Princeton University Press, 2007).

¹⁹ Anita Weiss, *Culture, Class, and Development in Pakistan: The Emergence of an Industrial Bourgeoisie in Punjab* (Lahore: Vanguard, 1991), 63.

Sociology of the Bazaar: Religion

In terms of sectarian affiliation, bazaar actors are overwhelmingly Sunni, and increasingly Deobandi or Salafi. Based on interviews conducted in Lahore, there appears a consensus that the previous generation of bazaar-based businessmen was more partial towards Barelvi practices, while the contemporary generation is far more scriptural and orthodox in its orientation. There is also a great deal of influence exercised by the predominantly Deobandi *Tableeghi Jamaat* amongst the business community in Punjab. However, in the absence of any data, there is no way of confirming whether these observational trends hold up to scientific scrutiny.

When asked about such cultural shifts amongst the bazaar, one interviewee correlated orthodoxy with awareness and improved access to information:

Our parents' generation inherited many cultural practices from our grandparents, and kept up with them without too much questioning. However, the situation is slowly changing. Younger businessmen use new technologies and are in touch with scholars, and are able to access, read, and understand scripture and tafseer. Religious organisations – like the Tableeghis – also make more of an effort to target the business community to raise funding.²⁰

A common theme that emerges when Pakistan's political economy is placed alongside countries such as Iran, Turkey, and India is that the bazaar appears to be sociologically embedded with religiously conservative political actors. To date, there has been no systematic study of the relationship between the bazaar and religious actors in Pakistan, although the same topic has garnered some attention in Iran.

In the latter's case, according to Arang Keshavarzian, the upper-echelons of the bazaar and the clergy share a bond due to a common class and ethnic background, as well as a great deal of inter-marriages between the two. Beyond the familial connection, there is also a functional link between the two. Religious leaders utilised the bazaar's economic power to shape outcomes during the 1979 revolution, while bazaaris relied on religious leaders and practices such as the Hajj to provide social and moral legitimacy for their businesses. Similarly, the occupational background of the Holy Prophet (PBUH) as a trader in Mecca, and the benefit of following his practice, is also invoked to explain the relationship between religious actors and the business community in Muslim countries.²¹

²⁰ Interview LHR08.

²¹ Keshavarzian, *Bazaar and State in Iran*, 139.

In Pakistan, as in any Muslim society, the mosque and the bazaar also share a geographic affinity, as both are the most frequented public spaces in any neighbourhood. Most mosques remain geographically attached to commercial spaces, and thus prove to be a congregating point for bazaar businessmen, their customers, and local religious figures. Historically, in Egypt and Turkey, mosques provided the only avenue for conservative groups to attract new members, and businessmen were more than happy to use the space offered by the mosque to further both their spiritual and their commercial interests.²² While this has not been documented in detail in Pakistan, observational accounts suggest that such patterns may be prevalent here as well.

Historical Account of Bazaar and Islamist Politics

While the history of the bazaar sector's involvement with religious political groups starts as early as the anti-Ahmadiyya riots of 1951, the relationship became particularly important during the Bhutto period in the 1970s. The trigger point was the announcement of the third wave of nationalisation, which sought to bring rice-husking, cooking oil production, and trading in rice, ghee, sugar, and yarn under the direct control of the government.

Previous episodes of nationalisation, which had focused on government control of large-scale manufacturing and banking, had in fact had been supported by many bazaar leaders for its 'egalitarian' impulse. However, nationalising trading in basic commodities, which at the time formed the primary source of income for the retail-wholesale sector, proved to be a step too far for many, and created a significant – and ultimately unbridgeable – rift between the government and the bazaar associations.

As the opposition movement against Bhutto – led by conservative religious parties under the banner of the Pakistan National Alliance (PNA) – gathered steam after 1976, bazaar associations threw their support behind it, in the hope of securing protection against the government's economic agenda. This initially functional relationship became entrenched as the ideological agenda of the movement – the imposition of a Nizam-e-Mustafa (Prophet's order) – dovetailed with the conservative leanings of bazaar traders and merchants. It also helped that the 5th item on the PNA's manifesto, released in February 1977, was "immediate de-nationalization of all sectors except defence production."²³

²² S. Ismail, *Life in Cairo's New Urban Quarters* (St. Paul: University of Minnesota Press, 2006).

²³ For a more detailed account see: M. Ahmed, *Islamic Revivalism in Pakistan* (Unpublished PhD Dissertation, University of Chicago, 1981).

From March to June 1977, pro-Nizam-e-Mustafa processions had become a daily routine in towns and cities, in which bazaar merchants were the most enthusiastic participants. In Renala Khurd (Punjab) for example, Chaudhry Mohammad Riaz, President of Local Trader's Association, Sheikh Abdul Rahman, President of Cloth Merchants Association, and Raja Mumtaz Ahmad Khan, President of the Grain Commission Agents Association, were the main forces behind the Nizam-e-Mustafa movement and provided much of the funding for it. In Shahdadpur (Punjab), a prominent businessman, Haji Ghulam Dastgir Qureshi who had made quite a fortune in the wholesale trade during the 1960s but lost much of his business because of the issuing of licenses to PPP workers, joined the Jamiat Ulama-i-Pakistan (JUP) of Maulana Noorani in 1976 and became an active participant in the anti-Bhutto movement in April-June 1977. In Chishtian (Punjab), the President of the United Traders' Organisation (*Muttahida Anjuman Tajaran*), Mr. Mohammad Sharif Nadim, who was also a member of the Jamiat Ulama-i-Islam (JUI), emerged as one of the most important leaders of the local PNA unit and led numerous anti-Bhutto demonstrations during April-June, 1977. In Faisalabad, the office-bearers and members of the Cotton Powerloom Small Units Owner's Association (CPSUOA) played an important role in the agitation.

Similarly, *Anjuman Tajaran-e-Punjab* (Punjab Trader's Association), an organisation of small businessmen and storeowners, which remains functional to this day, also took an active part in the movement. Its chairman, Abdul Rahman Ghazi, toured many cities and towns of Punjab and mobilised *imams*, *khateeb*s, and the PNA's local units in support of the agitation. Officials and members of the Poultry Manufacturing Association of Gujrat, The Small Industries Estate Association, Gujrat, Traders' Guild, Mianwali, Silk Cloth Manufacturer's Association, Multan, Grain Merchants Association, Jehlum, Hides and Skins Merchants Association, Gujarkhan, Flour Mills Owner's Association, Faisalabad, and *Anjuman Tajaran Masalajat* (Association of Spice Merchants), Faisalabad, all played very important role in strengthening the popular base of the anti-Bhutto and pro-Nizam-e-Mustafa agitation.²⁴

After General Zia-ul-Haq's coup, his regime's policies further built the relationship between the bazaar and religious forces in Punjab. For starters, Zia's Islamisation agenda, and dominant geo-strategic concerns in Afghanistan strengthened religious parties, especially hardliners with a militant bend. They, in turn, relied on businessmen for organisational funding. Many organisations – such as the Sipah-e-Sahaba (SSP) – utilised this supportive environment to mobilise along sectarian lines, which laid the seeds for subsequent Shia-Sunni conflict.

Secondly, by instituting non-party based local government polls, and co-opting Punjab's business community in the advisory Majlis-e-Shoora, it allowed many bazaar leaders to consolidate their social and political

²⁴ Ibid.

positions in urban centers. Their electoral success was partially predicated on the support they could gather from religious organisations, and by reactivating the networks formed during the anti-Bhutto movement.

The decades following Zia-ul-Haq's regime have more or less seen a continuation of these trends in Punjab. With a weakened state, a proxy-militant led foreign policy in Afghanistan and Kashmir, a growing population, and a lack of political-ideological alternatives, the social space for religious actors has grown manifold. This expansion has resulted in the entrenchment of exclusivist, sectarian-charged discourse, which has taken a violent turn since the 1990s. In Jhang, for example, the Deobandi-supremacist SSP, now known as the ASWJ, attempted to monopolise the city's politics on the back of support gathered through mosques and madrasas from the predominantly Sunni mercantilist class.²⁵ This was done to limit the role played by Shia landlords and influential Syed families in the city. Similar trends have been observed in cities like Bahawalpur, Rahimyar Khan, DG Khan, and Muzzaffargarh as well.²⁶

Bazaar Associations and Religious Extremism

As documented by Safiya Aftab and Arif Taj, the past decade has been a particularly effective one for religious organisations, especially of the extremist variety.²⁷ Attacks against religious minorities, civilian populations, sectarian strife, and aggressive public posturing on religious and political issues have become far more commonplace in this time period.

In terms of numbers, Pakistan has seen upwards of 40,000 citizens and law enforcement personnel killed in attacks by a wide variety of militant actors, who profess commitment to some variant of Islamic fundamentalism. Within this spread of violence, sectarian attacks – i.e. those carried out by Sunni or Wahhabi militants against Shias and Ahmadis, and attacks against minority communities, such as Hindus and Christians, have grown exponentially.

Since 2007, some 2,300 deaths have taken place in sectarian attacks in the four provinces of Pakistan, with much of the violence concentrated in Balochistan and Sindh. However, Punjab, although comparatively peaceful when compared to other parts of the country, has seen nearly 500 lives lost in sectarian and interfaith violence in the same time period. The period between 2008 and 2013 has been particularly violent, with nearly 62 different

²⁵ Jaffrelot, *Hindu Nationalism*, 97.

²⁶ There has been repeated stress placed on the importance of South Punjab in the rise of religious militancy. Bahawalpur district serves as the home for Kashmir oriented-jihadist organisation Jaish-e-Mohammad, while Rahimyar Khan is host to several seminaries that have hosted Al-Qaeda operatives. See for example: "Militancy in South Punjab," *Daily Dawn*, August 5, 2010.

²⁷ Safiya Aftab and Arif Taj, "Migration of Minorities in Pakistan: A Case Study Analysis," *AAWAZ Programme* (Islamabad, 2015).

incidents of interfaith and sectarian conflict in different parts of the province.²⁸ The only comparable time in Punjab's history was a full two decades ago during the mid-90s, when the Lashkar-e-Jhangvi, the Sipah-e-Sahaba and other ancillary militant organisations were first formed.²⁹

While simple violence and incident data show Punjab as the least affected out of all regions, in per capita terms, they fails to capture the entire gamut of fundamentalism, growing intolerance, and religious mobilisation. Many militant organisations, including those operating inside and outside of Pakistan, are headquartered in Punjab, led by Punjabi clerics and religious figures, and actively recruit foot soldiers from seminaries located in towns and villages across the province.

The widespread nature of violent sectarian views, multiple bases of recruitment, and the everyday followers cultivated by such organisations in different cities show that religious actors are neither confined to any geographic location nor are they operating autonomously. They are, in fact, very much embedded within the societal context in which they operate, and they draw on and participate in the political economy dynamics of those particular locales.

It is in this localised, embedded environment that the link between the bazaar and exclusivist religious actors becomes more apparent. This phenomenon has been well documented in the case of one particular district – Jhang – but has not been laid out in any detail for other parts of Punjab.

Previous sections have already historicised the relationship between organised bazaar associations and religious groups and parties, starting from the PNA movement in 1976-77 continuing all the way to the present scenario, marked by charity organisations and mosque donations. The following section will analyse case studies from two localities – Shah Alam Commercial Market in Lahore and Main Bazaar, Nankana City – to understand the relationship between religious actors and bazaar associations and traders, and the role this has on extremism.

Case Study 1: Nankana Sahib City

Nankana Sahib city is the district headquarters of Nankana Sahib district, which was upgraded to its current administrative status on July 1, 2005. It consists of four urban settlement: Nankana City, with a population

²⁸ Malik and Yamin, "Mapping Conflict Trends," p. 23.

²⁹ A. R. Rafiq, "Shia-Sunni Conflict in Pakistan," *Middle East Institute* (Washington DC, 2014).

of approximately 84,000 residents, Shahkot with 48,000 residents, Sangla Hill with 61,000 residents, and Warburton with 30,000 residents.³⁰

All urban settlements in Nankana district are built around an agro-produce grain market, with the largest ‘ghala mandi’ located in Nankana City. However, expansion in the basic consumer goods retail-wholesale sector, and the establishment of agro-processing industry has led to a diversification in Nankana’s domestic economy. The services sector, as seen in other parts of the province, has taken a lead in driving economic and population growth, with the total population of Nankana City increasing by 29% between 1998 and 2013.³¹ The location of Sikh holy sites inside and on the outskirts of the city has also led to the development of a complementary hospitality economy catering to visiting pilgrims from India.

Nankana’s bazaar economy is organised in several different goods-based associations, with an apex organisation operating at the city level. There are four primary trader associations currently active in Nankana: the Ghala Mandi Merchants Association (Arhti association), the Auto-Workshop Owners Association, the Cloth Merchants Association, and the Railway Bazaar Traders Association. At the apex level, there is a district Markazi Anjuman-i-Tajran Nankana City, loosely affiliated with the countrywide All Pakistan Anjuman-i-Tajran.

There are a number of religious organisations with an active presence in the city, chief amongst which is the Khatam-e-Nabuwat Tanzeem. Their local chapter was established back in 1982, and has since been functioning fairly regularly, with three neighborhood offices and a central office located on main Railway Road. In the last calendar year, they have held three separate Khatam-e-Nabuwat conferences, under the patronage of the Markazi Anjuman-i-Tajran and the Cloth Merchants Association, and in close collaboration with the district administration. The current general secretary of the Tanzeem in Nankana City is also an office-bearer of the local press club, and runs a small stationery and general store.

Other religious groups active in the city include the ASWJ, which as recently as April this year held a district conference under the leadership of its president Muavia Azam. Based on information gathered during interviews, it is estimated that it currently controls four mosques and two madrasas in the city.³²

Despite being a relatively small city, Nankana is no stranger to communal and religious violence targeting Shias, Ahmadis, and to a lesser extent, the indigenous Sikh population. The first recorded targeted campaign was in

³⁰ “Punjab Development Statistics 2013,” *Bureau of Statistics* (Government of Punjab, 2013).

³¹ *Ibid.*

³² Interview NKS03

the second week of April 1989, when 20 homes belonging to the Ahmadiyya community in Chak 589 GB (now located inside the city's limits) were burnt, causing injuries, and considerable damage to material property. The premise of the attack was a rumour about an individual burning a copy of the Quran, which quickly spread due to public announcements in local mosques controlled by the Khatam-e-Nabuwat Tanzeem (KNT). On the day of the attack, local market associations also declared a general strike to protest against the alleged desecration.³³

Ten days prior to the arson attack, the district KNT chapter had held a public meeting that was attended by the sub-district police officer and the assistant commissioner. Three local bazaar associations played an active part in sponsoring it.

More recently, episodes of outright violence remain infrequent, although everyday discrimination against Shias and Ahmadi continues. In November 2012, the head *imam* of the *Markazi Imam Bargah*, along with two other Shias, were shot dead by SSP/ASWJ activists, while earlier in the same year, a Sikh youth was murdered by an individual suspected to have links with a militant organisation.³⁴

Based on fieldwork carried out in the city, it is apparent that local religious organisations are very effusive about stamping their presence. At a distance of 200 meters from the main Gurdwara, a new mosque has been constructed, with a 60 feet tall minaret that from afar covers the Gurdwara from view. The KNT controls the mosque, while Malik Mushtaq, an office-bearer of the local Cloth Merchants Association, sponsored the minaret's construction. He had earlier given the sum of Rs. 300,000 for the three KNT conferences held in the city last year.³⁵

When asked about the location of the mosque, the minaret, and the KNT's activities, he replied by saying:

There is a perception about Nankana that it is a Sikh city. Even when you enter the district there is a sign with Gurumukhi on it. This mosque is constructed by the citizens of Nankana to show that we are proud of being Muslim. It is for our identity, and everyone is proud of it. The local MPA also participated in its inauguration.

On the question of insecurity for the Sikh population, he remained circumspect:

Sikhs are our Punjabi brothers, and those visiting from India are our guests. They have nothing to worry about in this city, but they should know that this is a Muslim country, and so we have to be clear about that too.

³³ "Inquiries into the Disturbances of Nankana Sahib," *HRCP* (Lahore, 1989).

³⁴ "Communal Tensions: Nankana tense after Sikh youth murdered," *Express Tribune*, August 5, 2012.

³⁵ Interview NKS01

Malik Mushtaq's affiliation with the KNT began nearly a decade ago, on the insistence of a relative who had been part of the organisation from earlier. He was a moderately successful cloth merchant at the time, with a business that, according to other businessmen, was on the way up. The appeal of becoming a patron for a religious organisation holds both an ideational component – he genuinely believes that Islam is in danger from 'heretic' sects – as well as an instrumental one.

Over the past five years, Malik Mushtaq's name has appeared on a number of plaques and banners affiliated with religious and charitable events carried out by such organisations. This growing prominence has not gone unnoticed; the district administration, especially the police, engages with him on matters pertaining to public safety and policing around both Muharram and the Sikh pilgrimage. The current local city police station SHO frequently visits his commercial establishment, or calls him in for lunch or chai. This access, which he says has increased regardless of a change in the administrative personnel, makes others consider him a natural contender to represent their particular trading community – the cloth merchants. He says his nomination (not election) as the principle office-bearer of the cloth merchants association is proof of the trust the rest of the business community has in him, and the personal resources – material and social – which he commands.

The direct economic gains resulting from this upward social mobility, and increased social capital, are difficult to tease out individually, but it is no secret that his cloth business is doing quite well. The sums donated in the last year, as narrated by him and others around him, are not insignificant, even after adjusting for exaggeration and inflation.³⁶ Whether he would have been as wealthy had this increased access and prominence not occurred is hard to say, but what is certain is that the organisational consolidation of religious groups, such as the KNT, has been leveraged for increasing social capital in the political-economic domain.

Located at a short distance from the main KNT mosque, and quite close to the Nankana City police station are several shops and restaurants that prominently display anti-Ahmadi signage. When one of the proprietors was asked about their purpose, he replied that this was a safeguard against the 'global Ahmaddiya conspiracy', which aims to convert all Muslims in Pakistan. The need of the hour, according to the businessman, was vigilance and collective action against them.³⁷

Despite its proximity to the police station, and its overt violent language – suggesting all Ahmadis are *wajib-ul-qatal* – the police remain indifferent to it. When the SHO was asked about the pervasive presence of such violent signage, he shrugged it off, saying: "It's their shop. The trader *sahiban* have decided to do this, so we can't intervene

³⁶ On average, respondents said the KNT gets between Rs. 40-45,000 per week from various merchants in the main bazaar.

³⁷ Interview NKS05

and tell them to not do it. Our job is to make sure there is no violence. Other than that there's not much we can do."³⁸

To prevent outbreaks of sectarian or interfaith violence, the district administration has set up a district peace committee, comprising members of civil society organisations, bazaar associations, and religious leaders. The committee is activated around the time of Muharram and the annual Sikh pilgrimage, but remains mostly inert the rest of the year.³⁹ The head of the city's main *Imam Bargah*, and a member of the DPC, maintains that the administration is less bothered about everyday acts of discrimination, and is fixated on preventing outbreak of violence. In his perspective, the district bureaucracy neither has the capacity nor the will to effectively police hate-speech and propaganda, given how closely it is tied to influential members of the main bazaar.⁴⁰

A prayer leader affiliated with the KNT maintained that bazaar leaders are generous with their donations because of their belief: "If someone is a good Muslim, and wants to donate towards a holy cause, we cannot ask why they want to do it. It's their choice, and they're doing the right thing."⁴¹

On further questioning, however, the transactional element of the relationship also came to view:

Every time we hold an event, or raise funding for the mosque, the name of our sponsors and supporters is given primacy of place on placards and banners. This is a way of telling people who these generous and honorable citizens are. In return, those who donate gain sawab as well as the respect of others, especially in the district administration.

The transactional element of the bazaar-mosque relationship is hard to separate from the personal ideological moorings of individual businessmen. What is relatively clear, from observations in the city and from interviews, is that social, political, and economic capital is closely tied together and is operationalised through such interactions. Given increased economic competition within the bazaar, maintaining a status distinction as a community elder requires individuals to engage in philanthropy and public displays of religiosity.

In the process of attaining such status gains, however, ideological, political, and economic hierarchies are merged, thus marginalising those who do not ascribe to the dominant worldview. This is what has happened in Nankana City where a section of the city's political and economic elite is closely affiliated with a particular religious

³⁸ Interview NKS06

³⁹ Interview NKS02

⁴⁰ Interview NKS04

⁴¹ Interview NKS07

outlook and its organisational apparatus, thus leaving material and spiritual discrimination a natural by-product. Fortifying the problem is a generally weak and inefficient law and order and governance apparatus that cannot function autonomous from the societal hierarches mentioned above.

Case Study 2: Shah Alam Market, Lahore

Shah Alam Market, established in its modern shape in Lahore's inner city in 1954, is Punjab's largest commercial retail-wholesale space, with approximately 25,000 different establishments employing close to 100,000 individuals.⁴² The market itself is divided into 17 sub-markets, each dealing in the retail or wholesale of different kinds of goods ranging from consumer electronics to clothing wear and garments, clocks, crockery, jewelry, and paper.

Each sub-market, plaza, or collection of vendors is governed by its own association, while the entire market itself is governed by the Shah Alam Market Board, consisting of representatives from all constituent associations. The board's responsibilities include maintenance of public spaces, operating parking stands in coordination with the local government, providing some dispute resolution services, and liaising with apex associations on matters pertaining to taxation and government regulation of the retail-wholesale sector. The board also has an unstated and de facto seat on the executive committee of the Lahore Chamber of Commerce.

Given its location, Shah Alam market is closely associated with two major religious institutions – Lahore's second largest Muharram procession originating from Nisar Haveli in nearby Mochi gate, and the shrine of Ali Hajveri (popularly known as Data Darbar).

The shrine's management committee has long had representation from the traders of Shah Alam market. The board's longest serving head, former MPA and major trader activist Haji Maqsood Butt was commonly known through the honorific title 'Khadim-e-Data Darbar' granted for his generous donations for the shrine's upkeep.⁴³

Interviews with residents and businessmen inside the market reveal an interesting and fairly syncretic past. The Muharram procession was, historically speaking, partly sponsored and supported by non-Shia traders

⁴² Interview LHR01

⁴³ For more on Haji Maqsood Butt's role in trader politics see "Haji Maqsood Butt dies," *Daily Dawn*, November 8, 2010.

who held Barelvi dispositions. Participation was also not just limited to Shia mourners, and many non-Shia residents of the old city used to take part as the procession passed through their neighborhoods.⁴⁴

Older businessmen provide several explanations for this. For starters, procession rituals and mourning carry a great deal of importance in how Barelvi Islam is practiced in the sub-continent. The proximity of the shrine, and its importance in the inner city thus led to the emergence of a shared culture during Muharram. Secondly, prominent Shia families of Mochi gate, while not actively involved in the bazaar economy, nonetheless exercised a great deal of influence in the neighbouring areas. As local philanthropists and patrons, they were able to retain their position at the top of the inner city socio-economic hierarchy, thus ensuring the sanctity of their religious practices.

In the past two decades, the inner city has experienced residential decay. Many older, wealthier residents have moved out to suburban locations, and old properties have been converted into warehouses, or lodging for labourers working in the shops and petty manufacturing units of the area. The Qizilbash family, the historical Shia patrons of Muharram rituals, no longer have a permanent presence in the neighborhood. This has led to a consolidation of power amongst middle-class bazaar traders, many of whom maintain active political ties in their areas of business.⁴⁵

The other sociological change, alluded to earlier in the report as well, is the growth in Deobandi and Salafi values amongst the second generation of Shah Alam's business community. This change is directly correlated with the proliferation of Deobandi and Salafi evangelical organisations and their active role in running mosques in the inner city. One important consequence of this cultural shift has been an increase in antagonism over the procession route and other rituals during Muharram.

For the past few years, Deobandi groups have attempted to mark the first day of Muharram as the day of martyrdom of the second Caliph, Umar Farooq (RA), in a direct affront to the Shia community. In the past, these groups have also relied on bazaar traders for donations to put up banners and posters in honor of the Prophet's companion – another sore point between the two communities – along the processional route.

The relationship between Shah Alam's trading community and religious organisations (such as the Khatam-e-Nabuwat Tanzeem, the Tableeghi Jamaat, and various Islamist groups like the Jamaat-ud-Dawa) has grown more

⁴⁴ Paul Rollier, "Shias in Pakistan," *Live Encounters*, January 2014. Available at: <http://liveencounters.net/january-2014/february/dr-paul-rollier-shias-in-pakistan-view-from-lahore/>

⁴⁵ Ibid.

apparent on instances of protest and demonstrations. Shah Alam traders were amongst the first to call a shutter-down strike over both the Danish cartoons and the blasphemous Youtube videos.⁴⁶

When asked about the motivations behind this, one trader responded fairly indignantly: “It’s written on our hearts, the respect for our Prophet (SAW). We need no instructions and we need no one to tell us how to respond. One day of closing our businesses is merely a small sacrifice.”⁴⁷

The issue of blasphemy is one that unites practitioners of different Sunni sects like no other issue. Despite increasing Deobandi influence, blasphemy related protests gain remarkable response rates in what is a very large and fairly diverse marketplace. The responses, however, do not go unrewarded.

Between July and October, traders in all seventeen constituent markets of Shah Alam have carried out four highly successful shutter-down strikes over the government’s imposition of a withholding tax on banking transactions. Coordinating a strike of this nature in an enormous space is a difficult task but is made easier by close coordination between the Shah Alam Board and the managers of mosques and madrasas in the neighborhood. Two days prior to each strike, public announcements were made using the mosque’s loudspeaker system, madrasa students were used as labour to put up banners and flexes announcing the strike throughout the market, while each prayer time concluded with a brief meeting on the strike preparations led by the *khateeb* and the traders action committee.

The mosque-bazaar relationship comes to the fore on instances like the withholding tax protest, or protests against blasphemy, yet it is built and cemented in everyday interactions. While prayer attendance in specific mosques sponsored by religious organisations is one major source of interaction, two other pillars include dispute resolution and charity donations.

Based on fieldwork observations and interviews, some of the dominant Islamic actors in inner-city Lahore’s charity space include the Falah-i-Insaniyat Foundation (FIF) – the charity arm of the Jamaat-ud-Dawa (JuD) and Lashkar-e-Taiba, the Al-Khidmat Foundation – affiliated with the Jamaat-i-Islami, the Daawat-e-Islami – a Bareilvi religio-political organisation also involved in charitable works, and other smaller trusts established by local mosque networks.

The FIF in particular has emerged as a leader in charity collections in Shah Alam despite being declared a proscribed organisation in the US and despite its parent organisation, the JuD, being ‘monitored’ by the Pakistani

⁴⁶ A. Blom, “The anti-Danish Cartoon Protests,” *South Asian Multidisciplinary Journal* Vol. 2, No. 1 (2008).

⁴⁷ Interview LHR03

state. It operates a mosque close to the market, an ambulance depot at a short distance from the inner-city, and has a regional office near Chauburji, which serves as a focal point for various activities.

When asked about its popularity, traders who donated or kept charity boxes in their shops offered several explanations. The first is that the FIF's work is very apparent, and the money 'appears' to be spent for charitable causes. The mosque's managing committee provides details of where donations were distributed, and for what purpose. The second is that the organisation often approaches big businessmen directly and through reliable intermediaries known to both parties. This induces familiarity and increases trustworthiness along with a cascading demonstration effect flowing towards smaller businessmen in the marketplace.⁴⁸

Other than established charities, a number of localised charities also carry out fundraising operations in commercial centers. These are mostly affiliated with neighborhood mosques and accompanying madrasas, and work in coordination with traders to provide ration and free meals for the needy during certain months in the Islamic calendar. All mosques have a sectarian affiliation or bend, and thus draw their financial support from businessmen affiliated with that particular sect. During Ramazan this year, for example, nearly every mosque in the inner-city initiated a plan to offer free Iftar for labourers and workers. The announcements were made using banners in all neighbourhoods, and the name of sponsors was displayed prominently on each.⁴⁹

An interview with SP CRO (Investigations Office, Lahore) reveals that this form of diffused financing may not be responsible for terrorism or militancy directly, but is definitely linked with the growth of intolerance and sectarian mistrust. Given how difficult it is to police discourse in smaller mosques, and monitor informal funding channels, the state is relatively powerless on this particular aspect of bazaar-mosque relations.⁵⁰

Another dimension in this relationship pertains to alternate forms of dispute resolution existing in the marketplace. A recent trend, according to local traders, is for the local *khateeb* or *imam* of the mosque to act as guarantor in any informal dispute resolution agreement, provided both parties ascribe to his theological disposition. In a recent case involving the sale and distribution of a commercial property in Shah Alam within extended family members, the *khateeb* of the market's main mosque was asked to act as witness, and take religious oaths from both parties, to honour the transaction. This points to recognition of the social role played by religious actors in legitimising decisions taken by the bazaar association. An amicable resolution, helped in part by religious actors, also helps the latter in shoring up its organisational hold as a representative body of bazaar traders.

⁴⁸ Interviews LHR04, LHR06

⁴⁹ Interview LHR07

⁵⁰ Interview LHR02

While such trends point to a gradual growth in the power of exclusivist religious discourse and its responsible organisations, like in Nankana City, some interesting counter-trends have been witnessed in the last five years, which may offer some contrast. In 2010, the Data Darbar shrine became the target of a deadly twin-suicide bombing attack, which killed fifty individuals (including three businessmen from the adjacent Circular Road market). In response, and as a sign of protest against the government's failure to protect citizens, all inner city markets – including Shah Alam – remained closed. The ruling party in government has since then become especially vigilant in these areas. Under pressure from various bazaar leaders, CCTV cameras have been made functional, while religious groups operating in the area are closely monitored.

A former DSP City division recalls that the provincial government diverted extra resources towards the investigation and monitoring of mosques in the aftermath of these attacks. In 2011, the government actively sought the support of traders to ensure that funding of dubious religious charities, such as the Al-Amin trust, was clamped down, and in that process, many charity boxes were confiscated or discarded. According to the police, and as mentioned earlier as well, while this may not have a direct impact on the actual exercise of violence – given how funding channels for attacks may be distinct – it does have an impact on reducing the funding available for hate speech and exclusivist propaganda.⁵¹

While some traders may have been reluctant due to personal ideological persuasions, most were quick to recognise the authority of the administration and the political leadership on these issues. Subsequently, the government also organised joint sessions with *Imam Bargah* heads and bazaar associations to ensure that no untoward incidents take place during Muharram. These planning meetings have continued since then and take place before the start of Muharram every year.

The relative constraints under which organised religious actors operate in Shah Alam can be explained by the particular configuration of social and political power that has emerged in the past few years. For starters, the provincial government and its political leadership are directly invested in the safety of the capital city. This means that decision-makers at the top take an active interest in ensuring the bureaucracy remains autonomous and does an effective job in policing hate-speech, and maintaining law and order. Secondly, the economic elite – in this case the bazaar associations – operates alongside, and under the patronage of a popular political elite that does not directly liaise with exclusivist ideologues. Some bazaar traders and politicians may be sympathetic to such ideologies, and while there is a strong, burgeoning relationship between religious actors and the bazaar in Lahore, it does not supersede the autonomous power of the state apparatus, unlike in Nankana City.

⁵¹ Interview LHR05

Key Findings and Conclusion

A comparative analysis of the two case studies, along with a historical-institutional account laid out in the previous sections produce some key findings on the relationship between bazaar associations, religious groups, and the growth of extremism.

Firstly, the mosque-bazaar relationship operates at both a functional or instrumental level, as well as at an ideational level. It is functional in the sense that bazaar traders utilise social capital gained from public religiosity and charity to increase their status profiles in urban settings, while religious leaders gain power and prestige through donations and by associating with economic elites. However, it is also ideational as the two inhabit and share a similar worldview on many issues. This is both a function of proselytising efforts by religious groups, but also because of the context – a conservative, Muslim society with no ideological alternatives – in which the two operate.

Secondly, the ability of the local state apparatus – law enforcement and municipal administration – to retain autonomy and capacity over and above social hierarchies is crucial in ensuring constraints on the spread of exclusivist ideologies and curtailing violence. In Lahore, the district administration, empowered by a political elite that is independently popular, has created a *détente* in a potentially turbulent situation. In cities like Nankana and Jhang, however, where political parties are weak and the political elite is beholden to both economic and ideological actors, similar constraints are less likely to emerge.

Thirdly, bazaar associations by their sheer presence, effectiveness, and political embeddedness hold a reservoir of social capital. Regardless, this social capital does not automatically translate into a positive force in society. Depending on the context, and the nature of political and ideological competition, bazaar associations may become catalysts in perpetuating extremism in urban settings. However, in other instances, especially where the state and political decision-makers are able to mediate effectively, bazaar associations may help in building inter-community trust or tolerance. This potential role of the private sector has also been documented in other conflict-ridden countries.⁵²

Finally, there is urgent need to carry out a more systematic, large-scale study of how exclusivist religious organisations operate on a day-to-day basis in secondary and tertiary towns and cities. This would require collecting data on the demographic and sociological characteristics of religious leaders, as well as on the political-

⁵² For more on the role that private sector organisations have played in reducing violence in conflict-ridden environments see: “The Role of the Private Sector in Fragile and Conflict-affected States,” *World Bank Background Working Paper* (WDR 2011).

economic relationships in commercial settings. Early indications based on Nankana City's analysis show that where urban growth has taken place without any corresponding institutionalisation of moderate political parties, religious organisations have stepped in and monopolised civil society. There needs to be further analysis on this front, so that a normative agenda for reform may be drafted.

Appendix 1: List of Interviewees

Nankana Sahib City

NKS01	Malik Mushtaq	Bazaar Trader; Chairman Cloth Merchants Association
NKS02	Mohammad Ashfaq	Railway Road Bazaar Traders Association, Member, District Peace Committee
NKS03	Rai Akram	Member, Nakana Sahib District Press Club
NKS04	Syed Ibn-e-Ali	Markazi Imambargah, Nankana City
NKS05	Shahzad Dogar	SHO, Thana Nankana City
NKS06	Haji Javed Akram	Punjab Hotel, Railway Road, Nakana City
NKS07	Dilawar Bhatti	Trader, Member Khatam-e- Nabuwat Tanzeem, District Nankana

Lahore

LHR01	Khwaja Amir	Chairman, Shah Alam Market Board
LHR02	Umar Riaz	SP CRO, DIG Investigations Office, Lahore Police
LHR03	Mian Iftikhar	Paper Merchant, Urdu Bazaar

LHR04	Khurram Lodhi	Lodhi Electronics, Electrical Market, Shah Alam Bazaar
LHR05	Atif Hayat	Ex-DSP – City, Lahore Police
LHR06	Mukarram Butt	Ashraf Plastic, Shah Alam Bazaar
LHR07	Hafiz Usman Saleem	Khateeb, Masjid-e-Farooqia, Circular Road, Lahore
LHR08	Ashraf Bhatti	Ali Baba Garments and Fancy Dulha House, New Anarkali, Lahore; President, All Pakistan Anjuman-i-Tajran (Bhatti Group)



House 4A, Street 42
F-7/1, Islamabad
92-51-2652891-4
info@AAWAZ.org.pk
www.AAWAZ.org.pk