CULTURAL STABILITY AND ECONOMIC STAGNATION

India
c.1500 BC–AD 1980

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CLARENDON PRESS • OXFORD
1988
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Hindu India

By c. 1500 BC the Indus civilization had disintegrated. Various tribes, less similar in their ethnic origins than in the common origin of their languages in the Aryan (Indo-European) speech group, started migrating from the north-western passes into what is now Punjab. These were the 'Aryan-speaking peoples' whose evolution has determined the social and cultural milieu of the subcontinent to our day. It is not our purpose to trace the progress of these pastoral peoples across the breadth and length of India over the succeeding centuries and their gradual evolution from semi-nomadic cattle-breeding pastoralists into settled agriculturists who also gradually re-established another urban civilization (initially) in the Indo-Gangetic plains. In this process they also evolved a social system—the caste system—which has provided the basic social framework for the daily lives of the majority of the peoples of the subcontinent, who are now called Hindus, and which has survived innumerable foreign invasions, internal turmoil, colonization, and probably economic vicissitudes—so much so that, after over 2,000 years, it is still of vital importance in understanding the society and politics of India. We therefore turn to a brief outline of the historical evolution of this social system, as well as an outline of its major features, in the rest of this chapter, before turning in the next to an examination of its probable rationale, continuing relevance, and possible economic effects.

1. FROM TRIBE TO CASTE

It is now believed on the basis of archaeological evidence that the Indus valley civilization had completely disintegrated by the time the Aryan tribes entered north-west India around 1500 BC. They were a people of wasteful stockbreeders, organized in tribes rather than kingdoms. Their culture bears a generic likeness to that of Brocca, the earlier Iceni, and the old Irish people, and was somewhat less advanced than that in the Indus. The Aryans had harnessed the horse to the chariot and knew the uses of iron. Their success in overcoming the original inhabitants of India was based on their unequalled mobility due to the movable supply of cattle, the horse-chariot for war and ox cart for heavy transport.

They entered the plains of the Punjab in search of pasture for their herds, and only gradually settled in small village communities in forest clearings in the western Gangetic plain, where they combined with the remnants of the pre-Aryan settlements and took up the agriculture which was the chief occupation of the previous Indus valley civilization. But unlike the Harappans (the people of the Indus valley civilization), they were innocent of any urban or city civilization, which only gradually evolved over the succeeding centuries with the spread of their village communities across the Indo-Gangetic plain. From c. 800-600 BC, the so-called 'later Vedic period', the Aryans spread over modern-day Punjab, Haryana, Uttar Pradesh, and the adjoining areas of Rajasthan. This expansion was based on clearing this vegetation in the region and later through burning the forests they reached to eastern Uttar Pradesh and northern Bihar by about 600 BC. They also began to use the iron axe for clearing the forests at about this time, and gradually introduced the iron ploughshare for the deep ploughing which became an essential feature of their agricultural practices.

There seem to have been two distinct stages in the eastward movement of the Aryans beyond the western Gangetic plain (including Haryana and western Uttar Pradesh). The earlier spread was along two routes encircling the Gangetic valley—north along the Himalayan foothills and south along the base of the Vindhyas. The former was more important. This first eastward spread along the foothills of the Ganges plain was in search of mineral deposits that the Aryans coveted for their weapons and the iron tools on which their new-found agricultural settlements were increasingly dependent. They could not at this stage advance through the central Gangetic plain, which was marshy and covered with dense tropical forest. By contrast, the thinner forest of the foothills could be burnt down. There was thus a chain of Aryan settlements established along the Himalayan foothills in southern Nepal which swung southwards (near the Camparan district of Bihar) to reach the oecs which lay beyond the hills of Raigir, the one early Aryan settlement south of the great river. The availability of the oecs enabled iron-age implements to be forged and to be used with fire to clear the Gangetic riparian jungle. Initially wheat and barley were the main crops in the west, but rice was also cultivated. By about 700 BC, the Vedics texts speak of 'ploughs drawn by twelve oxen teams; such ploughs are in use to this day, indispensable for driving deep furrows and turning over heavy soil which otherwise will not yield well or retain its fertility. The strong plough could be made of wood trimmed down by bronze tools, but the ploughshare in east Punjab, particularly strong on strong soil near the watershed, had to be of iron. . . . The metal was brought in to significant quantities from the east from about 800 BC. India's finest deposits of iron and copper ores lie at the eastern end of the Gangetic basin in southeast Bihar. With the introduction of iron ploughsharers, and the clearing of the jungles of eastern Uttar Pradesh and Bihar (using iron-ore implements), rice and sugar cultivation based on deep ploughing began. A significant development in cultivation was the beginning of transplantation of paddy. . . . Paddy now became a winter crop, and wet paddy production enormously added to the yield making it double or more. This middle Gangetic plain was a new ecological region for the Aryan settlers.
intensive wet rice cultivation became their major agricultural activity, particularly on the wide flood-plains of northern Bihar and eastern Uttar Pradesh. During this spread of the Aryans across the Gangetic plain there was a gradual increase in social stratification and the emergence of states from tribes—a process which is not central to our purpose. The tribes, from the outset, were much given to internecine warfare, the chief cause of which was cattle-stealing or land disputes. Faced, however, with the darker, stub-nosed, indigenous non-Aryan peoples of north-western India, whom they referred to as 'Dasas' (a term later to be synonymous with 'slave'), they tended to unite against a common enemy of whom they were both fearful and contemptuous. As the Aryans spread through the western Gangetic plain the indigenous peoples were either absorbed or pushed to the edges of the Aryan settlements that were established. The subsequent treatment of the Dasas as beyond the social pale was, perhaps, the first step towards the establishment of castes, as described by the term 'varna' (which was the division between the fairer, twice-born (dvija) Aryans, and the darker, non-Aryan Dasas).

The Aryans themselves were divided into three broad social classes (not castes) when they first came to India—the three well-known ones, viz., the Brahmans (priests), Kshatriyas (warriors and aristocracy), and Vaisyas (common people). With the incorporation of the conquered Dasas and the progeny of Aryan-Dasa alliances into Aryan society, these three classes, together with a fourth comprising the Shudras, gave birth to the four class varnas (or, as it is mistakenly called, the caste system). The first three castes were probably a theoretical framework evolved by the Brahmanas, into which they systematically arranged various professions. Combinations and permutations within the latter were inevitable and were explained as originating in the intermixing of castes. The fourth caste, however, appears to have been based both on race as well as occupation.

Over long periods, the caste status of an occupation could change. Thus, with the transition from nomadic pastoralism to an agrarian economy, the extension of Aryan settlements with the clearing of the forests on the Indo-Gangetic plain, and the gradual growth of urban centres, trading, and money-lending came to be the main occupation of the Vaisyas. The Shudras became cultivators but were still separated from the Aryans by being denied 'twice-born' status and participation in Aryan Vedic rituals. There was thus a natural separation between the agriculturalists, those who cleared and colonised the land, and the traders, those who established the economic links between the settlements, the latter coming from the class of wealthy landowners who could afford economic speculation.

Agricultural development came to be largely dependent on the Shudras, most of whom in the earlier phase of Aryan expansion were landless and hence of very low status. However, by about the second half of the sixth century BC a social category even lower than the Sudras appeared—the untouchables—who were considered to be outcasts, and beyond the pale of Aryan society. They may well have been an aboriginal tribe, gradually edged away to the fringes of areas of Aryan control, where they lived by hunting and food-gathering. They are all described as having their own language, distinct from Aryan speech. Their occupations, such as Rush-weaving and hunting, came to be looked upon as extremely low.

Whilst the four varnas provided the broad theoretical framework for the evolving Hindu society, in practice the social system consists of numerous hierarchically ranked occupation- and often region-specific subcastes (jatis). The interweaving of these hierarchically arranged subcastes is the real fabric of the Indian caste system, rather than the varnas.

The gradual evolution of the caste system was accompanied by an important change in the polity of the Aryans. The nomadic Aryan tribes were organized into patriarchal groups. Their chief was a mere tribal leader without any pretensions to kingship. With the gradual establishment of Aryan agrarian settlements, however, the need for common protection became greater and 'the most capable protector was elected chief'. But monarchial tendencies were still kept at bay by the importance of two tribal assemblies (called the 'Sahha' and the 'Samiti'). The idea of the divinity of kings emerged gradually. The military leaders—the Aryan chiefs—sought this status with the assistance of special sacrifices performed by the Brahmin priests. The Brahmin came to be looked upon as intermediaries between men and gods. The increasing revenue that could be extracted from the newly prosperous agriculture provided the means to found powerful ruling monarchs in the Indo-Gangetic plain. The result was a series of kingdoms, where kingship increasingly became hereditary. In this process, the republican tribal assemblies, the Sahha and Samiti, became attenuated. But not all Aryan communities in the period of the consolidation of Aryan domination over the plains became monarchial; a large number of republican communities prevailed until about the fourth century AD.

More importantly for our purposes, the geographical distribution of these Aryan monarchies and republics is of some importance, as are the differences in their social structures. The monarchies covered the Indo-Gangetic plain. The republics were to be found in the Himalayan foothills and in Punjab around the northern periphery of the kingdoms. The republics (except for those in the Punjab) occupied less fertile, hilly areas, and are likely to have pre-dated the monarchies. If, as noted above, the wooded low-lying hills were more easily cleared than the marshy jungles of the plain. Later, with the establishment of the Gaṅgācchar monarchies, more independently minded Aryan settlers in the plains might have rebelled against the growing centralization of the monarchies, and established communities in the hills more in keeping with their ancient tribal traditions, as in the early settlements in the Punjab.

The exact sequence of the establishment of the republics and monarchies is not...
important for our purposes. However, their geographical distribution provides an important clue to the likely differences in the agrarian systems in these two different types of Aryan community.

The settled Gangetic agrarian communities, which by and large were mon-archies, would have required a more labour-intensive type of economic organization than those of the republican foothills. The reason for this is that both the clearing of the foothills and the subsequent system of agriculture practiced thereon was probably based on bush fallow which would require less labour per acre than the form of cultivation on the plains. On the Indo-Gangetic plain, the clearing of the forests and marshes and the introduction of more intensive cultivation (e.g., in wet rice), with shorter periods of fallow in agricultural operations, would have required greater inputs of labour than in the foothills. There is thus likely to have been a markedly different pattern and intensity of agricultural labour demand in the two geographical regions covered by the republics and the monarchies.

Moreover, whereas the older Aryan tribal loyalties and their institutional expression in the republican Sahasas and Samitis withered in the Gangetic monarchies—being replaced by the caste system—there survived in the republican foothills. The natural geographical barriers on the foothills would also have limited the size of the republics, and helped in the survival of their special political form which required frequent meetings of tribal councils. But contrast, there was a natural tendency for kingdoms in the Indo-Gangetic plain to expand over a larger geographical area, as there were few geographical barriers impeding the progress of imperial arms once the forests on the plain had been cleared. This tendency towards the growth of geographically large polities would have made it difficult to maintain republican forms, with their frequent meetings of popular tribal councils, on the Gangetic plain.

The important point for our purpose here is that there was probably a significant correlation between the social, economic (agrarian), and ecological vari-ables of the two types of Aryan polity. On the one hand, there are the republics in the foothills following a less intensive form of agriculture and with an older tribal social structure. On the other, the feuding but powerful monarchies of the Indo-Gangetic plain, with their more intensive agriculture and with a recently evolved caste system providing the framework for maintaining social order.

The leaders of the two most important anti-caste religious movements in India—Buddhism and Jainism—were from the republics, thus further high-lighting the differing extents of the influence of the emerging Vedic orthodoxy—as embodied in the caste system—in the republics and monarchies. These sects offered the strongest ideological challenge to caste. The resulting con-flict between tribe and caste, which was reflected in that between the Aryan republics and monarchies, was not finally settled until the fourth century AD when Samudra Gupta destroyed the Lichchhavi republics in the west. This marked the final triumph of caste over tribe.

But until then the republics provided a haven for anti-caste thought and spawned numerous anti-caste sects, the most important of which were Buddhist and Jainist. It took a long time for the caste system to win its fight against this spiritual response of the republican tradition to Brahmanism. We need to fill in some details of this story.

2. CASTE VERSUS SECT

With the settling of the Gangetic plain, its rivers became arteries of trade. Towns expanded and provided a congenial environment for a growing number of arti-sans who came to be organized into guilds. The artisans who were concentrated in particular parts of the town, and whose occupations became hereditary and caste-like, were regarded as subcastes (jatis) by about the sixth century BC.

This growth of trade and commerce in the sixth to fourth centuries BC led to the growing prosperity of the mercantile classes, who were classified as Vaishyas under the varna system. Their economic power was not, however, matched by political power, which was held by the two upper varnas. This led to social tension, as the caste system became a major obstacle in any attempt by the mercantile guilds to translate their growing economic strength into political powers. The rise of the heretical sects of Jainism and Buddhism provided them, and others oppressed by the caste system, with an avenue of escape. Later, in the medieval period, the Bhakti movement was also a non-casteist movement of mainly lower castes in urban centres. This tendency for oppressed castes to opt out of the existing Hindu social order by joining a non-casteist sect has continued to the present day.

The outcome of the conflict between the mercantile caste and the Brahmins can be traced in the relative growth and decline of Buddhism in India. Over the centuries, the fortunes of Buddhism and the mercantile caste waxed and waned together. Their final decline was partly caused by an increase in interregnum war-fare in northern India after the Gupta period, as well as by the start of a series of invasions from the north-west. Both must have disrupted inland and overseas trade—the major sources of the economic power of the mercantile caste. By the time of the advent of the crescent in India (c. AD 1000), Brahmanism was victori-ous and caste had finally triumphed over sect.

3. CASTE TRIUMPHANT

In its practical aspects, the basis of the caste system as it evolved was not so much the four varnas or great classes (or castes) but the interrelationships and adjust-ments of numerous subcastes (jatis). These subcastes were based on occupational specialization, but mobility was possible, and did occur within the inter- or intracaste status hierarchy. This vertical mobility was dependent on the whole caste (and not just its individual members) moving up the social hierarchy. This was usually done by adopting a different occupation, possibly migrating to a new
region and demanding a higher ritual status. 11 Apart from offsetting some of the more obvious rigidities of an occupational hierarchy, this group (but not individual) mobility also allowed the effective supply of labour in different occupations to change as demand, technology, and resources—including the subsistence relative population growth-rates—in the economy altered. Thus, it appears from manuscripts that during the Gupta period a guild of silk weavers in western India, finding they could not earn a decent living in their traditional occupation, moved to another part of western India, where they adopted higher status professions as archers, soldiers, bards, and scholars! Similarly, it is unlikely that over the millennia all Brahmins could have earned a living as priests. The Scriptures (the Smriti) laid down what different classes should do in distress. They 'carefully define what a man may legitimately do when he cannot earn a living by the calling normally followed by his class, and by these provisions, Brahmins might pursue all manner of trades and professions'. 12

The very complicated vertical hierarchy of castes also made it easier to absorb new ethnic groups who arrived in successive waves throughout Indian history. Their place in the social hierarchy was determined partly by their occupation and sometimes by their social origin. 13

During its evolution, the caste system had also been provided with a ritual and philosophical rationale and justification, which need not concern us, even though we recognize that the resulting ideology must have been important in buttressing the system. 14 The important point is that by the end of the sixth century AD, with the victory of caste over tribe and caste over sex, Indian society developed a social structure whose major features have survived to our day.

4. ADMINISTRATION, LAND TENURE, AND THE VILLAGE COMMUNITIES

The land was communally owned in the first Aryan agrarian settlements. But with the decline of tribal unions land came to be divided amongst the families in the village, and private property in land was instituted. bigger holdings were largely run with hired labour. Slaves were not kept in large numbers and were primarily engaged as domestic servants. 15 As the Aryan settlements expanded along the Ganges, it became a natural trading artery and a number of market towns developed on its banks. Some of the richer landlords then became traders. Following the accession of Bimbisara in the second half of the sixth century BC and the ascendency of his kingdom of Magadha, the beginnings of an administrative structure are discernible in the monasteries. This became necessary as these feuding Aryan monarchies became more dependent for their survival upon the revenue they could extract from the agricultural settlements. However, an administrative system was not fully developed in ancient India until the reign of the imperial Mauryas in the third century BC. Its basis (as was that of the empire) was land revenue.

Officials were appointed to measure the land under cultivation and to evaluate the crop. Regular assessments were made to increase the revenues from an expanding economy. Each village was under the jurisdiction of a headman who was responsible for collecting taxes, 16 and these were shipped to the royal treasury by yet other officials.

The villages were stocked. Beyond their fields and pasture lay waste lands and jungles which were the property of the king. He alone could sanction their clearance and, as the land was thus theoretically owned by the king, he usually extracted about one-sixth of its produce as tax. 17

To clear the forests of new settlements, the Government deported large bodies of 'Shudras' from over-populated areas. These Shudra settlers, who had to give up the surplus from their crops to the king, worked on clearing the forests or as cultivators. They were not allowed to bear arms. As soon as these new settlements became economically viable, other members of complementary castes and occupations moved in voluntarily. The Government was also responsible for the construction and maintenance of various irrigation facilities, which it financed by a water tax on users. 18

The Mauryas thus established the first centralized bureaucracy in India. Ashoka's empire was divided into four provinces, under royal princes, who were the emperor's viceroys. Each province was subdivided into districts, which in turn were divided into groups of villages. The village was the lowest unit of administration. 19 This general pattern for administering the Indian empire has remained virtually unchanged, despite local and temporal variations, over the intervening centuries.

For each group of villages, there was an accountant above the village headman, who was responsible for maintaining a land register, boundaries, records of livestock, and a census of the population. In addition, a tax collector determined and levied land revenue. These lower-level, rural bureaucrats were paid 'either by a remission of tax or by land grants'. 20 Salaries were paid to the higher-level administrators who, together with expenditure on public works, absorbed about a quarter of the total revenue.

With the decline of the Mauryas, northern India once again disintegrated into feuding kingdoms and the centralized administrative apparatus of the Mauryas collapsed. Now, large kingdoms typically had a central core of directly administered territory and a circle of vassal kingdoms subordinate in varying degrees to the emperor. These vassals had vassals of their own in petty local chieftains calling themselves rajputs. The Indian system differed from that of Europe in that the relations of overlord and vassal were not regularly based on contract. 21 When decisively defeated in battle, a king might render homage to his conqueror and retain his throne. Thus, vassals usually became so by conquest rather than by contract. 22

By the time of the Guptas (AD 319), it became apparent that the centralized empire of the Mauryas could not be replicated. The local administrators (the rajputs) thereby acquired a great deal of autonomy. Moreover, from the sixth century AD the salaries of officials came to be paid in land grants and not in cash. 23
These land grants did not absolve the officials from paying land taxes. The Brahmins alone received a type of land grant (agahazar), which was tax-free. The secular officers, by contrast, became tax-farmers. Land grants were made from the fallow or waste land owned by the State. When such a grant was made in lieu of a salary, the donee did not acquire complete rights over the land. He could not evict tenants, and had a right to one-third to one-half of the produce. 59

The other major sources of taxation were the urban guilds of artisans, who had prospered with the establishment of peace and political stability and the ensuing increase in trade and commerce under the Mauryan empire.

But it was the village communities which came to be the primary economic unit of the Indian economy. They and the caste system provided stability to a common society which was torn by intercaste warfare amongst feuding Indian monarchies, subjected to numerous foreign invasions, and ravaged periodically by pestilence and famine.

The caste system's occupational segregation meant that war was a game for the professional warrior castes which excluded most of the other castes. This was fortunate for the latter, particularly as, until the Islamic invasions, the Hindu code of chivalry, which maintained the sanctity of non-combatants, was respected.

From the days of Megasthenes (c. 315 BC) to those of the Muhammadan (c. AD 1000), the immunity of the village communities from pillage and devastation in times of war was an established fact. Except when anarchy reigned, normally, society was protected by its autonomous institutions which were too deep-rooted to be disturbed by even the chronic instability of kingdoms of the Middle Age (600-1200 AD). The secret of the present Hindu civilization is, therefore, to be found in the enduring social structure.

Though the village communities were not completely autarkic, their trading links were probably fairly localised. Within the village economy, the relationship between the different caste groups took a particular form. This patron-client relationship, called 'jajmani' in the north, continues to this day. In writing about the social structure of modern-day Indian villages, Srinivas states:

The essential artisan and servicing castes are paid annually in grain at harvest. In some parts of India, the artisans and the servicing castes are also provided with free food, clothing, fodder and a residential site. On such occasions as birth, marriage and death, these castes perform extra duties for which they are paid a customary sum of money and some gifts of land ... although, primarily, an economic or ritual tie, it has a tendency to spread to other fields and become a patron-client relationship. The relationship is generally stable and usually inherited. The right to serve is hereditary, transferrable, saleable, mortgageable and partible. The jajmani system bound together the different castes living in a village or a group of neighbouring villages. The castewise division of labour and the consequent linking up of different castes in enduring and pervasive relationships provided a pattern which cut across the tiers of caste.

5. CULTURAL STABILITY AMIDST POLITICAL INSTABILITY

Numerous authors have attributed to the stabilizing effects of the resulting system based on the twin pillars of caste and the village community. As the caste system provided room for group though not for individual social mobility, it had an important stabilizing effect by putting 'a damper, so to speak, on the rise of the parvenu'.

It also helped the survival of Hindu society for millennia, because 'integrated as it was to both politics and professional activity, [it] localised many of the functions which would normally be associated with a truly “oriental despotism”'.

More importantly, the survival of Hindu society was probably due, as Dumont has emphasized, to the ideology underlying the system which created a disjuncture between status and power. This arose at an early stage of the evolution of the caste system. Dumont hypothesizes that pre-Aryan India had chieftains rather like the ones Hocart studied in Fiji and whose social structure Hocart found remarkably similar to that of the Kandyan kingdom in Ceylon that he later studied. In Fiji the chief has both status and power (he is both priest and king), and there is no distinction between the pure and impure. However, there is a religious specialization of labour services by various 'lineages'. These services are those commanded by the taboo person of the chief.

The centre-piece of the Hindu system, however, particularly in its ritual, is the importance attached to notions of pollution, and of purity and impurity. Thus, in Fiji, the system is centred on the chief—let us say the king, and the pure and the impure are not distinguished. In India, the king or his equivalent is indeed the main employer, but the Brahmin, the priest, is superior to him, and, correspondingly, the pure and impure are opposed. This disjunction between status and power, suggests Dumont, 'which was after all Indo-European, led to the transformation of the "Hocartian" system into the caste system.'

Moreover, the subordination of the king to the priest (the Kshatriya to the Brahmin) in the status ranking made power inferior to status, and thus enabled Hindu society both to absorb all types of ruler within its fold and to preserve its essential structure. As Dumont aptly remarks:

It is thought that in ancient India the accession to the throne, and to the dignity of Kshatriya, by dynastic of a different origin, was an irregularity. This assumes that heredity is more important than function, which is true of caste (jati) but not the Varna (the four great classes of Hindu society). So far as the Varnas are concerned, he who rules in a stable way, and places himself under the Brahmin, is a Kshatriya, since function is related to force, it was easier to become king than Brahman: Kshatriya and unouchable are the two levels on which it is easy to enter the caste society from outside.

The status rules were ritualized in terms of notions of pollution, which many anthropologists consider to be the central ideological principle underlying the caste system. As these notions of pollution apply to all aspects of what Americans
would call an individual or group’s ‘life-style’, provenus seeking to raise their status to a level commensurate with their power (political or economic) have, throughout Indian history and to our day, sought to emulate the life-styles of the caste to whose status they aspire. 38

Thus, the institution of caste, independent of the government and with social ostracism as its most severe sanction, was a powerful factor in the survival of Hinduism. The Hindu, living under an alien political order imposed from above, retained his cultural individuality largely through his caste, which received most of the loyalty elsewhere felt towards king, nation and city. Caste was so strong that, until recent years, all attempts at breaking it down have ended in failure. 39 Various religious reforms like Kabir have tried. The Sikhs, despite the specific injunctions of their religion, never overcame caste feelings. The Roman Catholic and other converts to Christianity bought and perpetuated their caste prejudices, and even the Muslims with their egalitarian religion, once settled in India, organized themselves into castes. 40 The notion of caste has thus formed the framework for the material life of all the peoples in the subcontinent. Without, therefore, attempting to downgrade the ideological and ritualistic underpinnings of caste, it is necessary, in our view, to ascertain whether the material interests of the Indian peoples have been well served by this unique social institution. For even someone who does not adhere to any crude materialist view of history must presume that the caste system was not economically dysfunctional over 2,000 years of Indian history. Otherwise it would be difficult to explain the survival of an institution which, whilst not hampering, certainly did not promote political unity, and against which serious challenges, both ideological and political, were periodically mounted—from the days of Buddhism and Jainism to those of Islam and the utilitarianism of the early British Raj. Hence in the next chapter we seek to provide an economic rationale for the caste system—that set of social customs which has governed the habitual behaviour of Indians for nearly 2,000 years.

NOTES


2. Many historians have striven to this continuing cultural stability of India. Thus, e.g., K. S. Shama (1978) writes: “Since in India, whether Muslims accepted in establishing themselves, they transformed society and culture beyond recognition. Islam simply came, saw and conquered. Hindu India (in the eye of the Muslim invasion p. 1300 AD) was weak, divided and decadent. And yet, after centuries of continuous fighting, India could not be equally submerged. Parallel is the case of the West of the West. Not surprisingly, in the Islamic world, a new state, that is the Islamic society, emerged in 1300, that historians have identified as the creator of this cultural stability. Thus, Shama writes: “The secret of the permanence of Hindu civilization is to be found in the enduring social structure. The rigidity of the caste system is often referred to as one of the causes of our decline. By no means a defensible institution, under modern conditions, it deserves

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made its own contributions to our cultural survival. Forerunners were taken, capitals changed their names, kingdoms rose and fell, but Hindu society was hardly affected. This visibility of its main character has been due to two institutions, viz. caste and the village community” (ibid., p. 87).


6. Thapar (1966, p. 50). She also notes that there were customary agriculturalists in this region (Dehli) prior to the Vedic period, as is evident from the archaeological record. The Ayurves, for example, are said to have had a correct knowledge of the seasons for agricultural activities (Thapar 1984, p. 271).


9. Remains of rice, resembling to about the 8th-9th century A.D., have been found at Hansarajpur (in the Punjab-Haryana area). At this stage however rice was of the unramified variety” (Sharma (1988, p. 113)).


13. Ibid., and Sharma (1980a).

14. Thapar (1984, p. 52). One of the most famous Indian epics, the Mahabharata, concerns the tribal war between the Kurus and Pandavas over land rights. These descendants in modern Indian villages have not ceased their internecine strife over the same issues.

15. Ibid., 28.

16. The 3 upper castes of Hindus were called ‘twice-born’ because their males wore the sacred thread on being initiated (born again) into the sacred order of ghati.


18. See Banerji (1987, pp. 146-59), for the origins of the confusion between ‘sonia’ (chaud) and ‘jati’ (caste).


20. Ibid., 39.

21. Ibid., 56. See also Sharma (1980a).


25. The former was probably the council of tribal elders, the latter of the entire tribe. For a fuller description of the Aryan policy see Thapar (1984).


27. Ibid., 30.

28. See Boserup (1965) for the importance of these differing types of fallow as determining the labour intensity and hence productivity of agriculture. See Thapar (1984), Kosambi (1981) on the likely differences in agricultural practices.

29. Although there were confederacies of equals such as the Vajji confederacy, but with the tribes retaining independence and retaining equality of status. See Thapar (1966, p. 54).

30. “Acha’s emphasis plea for social hierarchy would suggest the existence of social tension. Guild leaders in urban centres had the formal control of urban institutions yet the social code denied them the position or prestige to which they felt entitled. A practical expression of their resentment was their support for the hereditary sacral, Buddhist in parnastaka” (ibid., 83).

31. The seize of political power on the part of a given guild would require that it fore all itself with other guilds in order to achieve their legality, without which no political ambitions were likely to be achieved. Such co-operation may have been effectively prevented by caste order, such as that forbidding eating together, which was an effective barrier between guilds of different caste (ibid., 112).

32. Ibid., 68.

33. Ibid., 66.

34. Ibid., 155.

An Economic Rationale for the Hindu Social System

INTRODUCTION

Few attempts have been made, to the best of our knowledge, to provide an economic rationale for the emergence and continuance of the Hindu social system and in particular its most important pillar—the caste system. It is however difficult to believe that the caste system could have survived so long if it were economically dysfunctional. Lacking, as it does, any official Church, Hinduism could not enforce its social system through a clergy; and, at least from AD 1000 onwards, the secular force in the land was in foreign hands (first of the Muslims and then the British) whose relatively egalitarian religious and social precepts were at complete variance with the hierarchical structure and world view of the caste system. More importantly, despite their initial prejudice against the system and attempts at reform, both sets of invaders came in time to adapt their secular power to its norms—however half-heartedly and with whatever mixture of motives. The Muslims, in time, even took over its social prejudices.

In this chapter, therefore, we attempt to provide the sketch of an economic theory which might be able to explain both the origins and the resilience of the Hindu social system as expressed in its twin pillars, the caste system and the village ‘community’. We will also deal with another novel aspect of Hindu custom—its ban on cow slaughter. In what follows we will concentrate upon the north, and in particular on the Indo-Gangetic plain, which was (as we saw in the last chapter) the crucible of Hinduism, and its social expression in the caste system. However, we also need briefly to outline the variants of the Hindu social system that was established in the southern peninsula by about the sixth to ninth centuries AD, and the reasons for the form it took. This is done in the penultimate section of this chapter.

1. SOME EMPIRICAL HYPOTHESES

There are some crucial empirical assumptions underlying the following theoretical speculations; one of these can be thoroughly documented from India’s history, but the evidence on the others is still largely speculative.

(a) Political instability

The first assumption we make, and one which can be fairly well established, is the political instability and the ensuing periodic breakdown of any centrally
imposed law and order over large parts of the country. The ancient Hindu texts recognized the continual feuding amongst the Aryan monarchies in terms of the political doctrine of 'manyasya'—untold competition in which the powerful preyed upon the weak without restraint, or, to use the language of the texts: 'where the big fish swallowed the little fish in a condition of anarchy'.

The large, rich alluvial, and geographically homogeneous Indo-Gangetic plain has formed a natural 'core-area', as Eric James's term, for an Indian State. But given its size, its domination by a single State, with the available military and transport technologies, has been episodic. Not have there been geographical barriers within the area to provide a 'natural' States system as in Europe. The history of northern India is one of the rise and fall of Indo-Gangetic empires, which from time to time also extended to the south. The resulting endemic political instability and the periodic breakdowns of any centrally imposed law and order accompanied by cultural and (more continuously) economic stability has been remarked upon by historians, one of whom aptly states: 

Foresters were taken, capitals changed their mystery, kingdoms rose and fell, but Hindu society was hardly affected. ... This invisibility of its main character has been due to two institutions, viz. the caste system and the village community. India was, as it were, covered by innumerable circles, some of them concentric and some intersecting. The circle of the village community stood within the village but intersected both the circle of the village and the larger circle of the kingdom, being linked up with members of the same caste outside the village and the kingdom. The network of caravans and villages sustained its balance and remained intact even when the larger circle of the kingdom was broken into or destroyed. The kingdoms were the variables, and villages and castes the constant factors in the Hindu socio-political equation.

Since the establishment of numerous feuding Aryan monarchies in the Indo-Gangetic plain, the lodesstone of every petty Indian chieftain has been the establishment of a pan-north Indian or subcontinental empire, based on the exploitation of the large revenue base provided by the relatively productive agrarian system which was gradually established in the region. This is the first ecological-empirical assumption we make.

The other three empirical assumptions are more speculative. The first concerns the ecology of the early Aryan agrarian settlements, and the likely balance between the demand for agricultural labour and available supply. The second concerns the likely stability in the land to man ratio. The third concerns the 'equilibrium' levels of living during the periods of political stability of the Indian rural masses from about 300 BC till the beginning of the end of the Moghul empire in the late seventeenth century AD. Periods of political instability presumably led to declines in the population and levels of living from these 'equilibrium' levels.

We next summarize the available evidence for these three ecological-economic assumptions, before taking up their implications and those of the more solidly established fact of Indian political instability.

(b) Stability of crop patterns and agrarian technology

The first ecological fact which we wish to emphasize is the difference between the agricultural conditions (noted in chapter 2) faced by the early Aryan settlers in the Indo-Gangetic plain and those of the Himalayan foothills. In the latter, the Aryan settlements established by clearing the relatively thin forests probably followed a less labour-intensive method of cultivation than the settlements on the Indo-Gangetic plain. The latter was marshy, and once cleared was suitable for producing labour-intensive crops. The Gangetic settlements hence probably required a higher labour input per acre both for clearing the land and in the agricultural practices adopted.

There is evidence from the writings of the Chinese traveller Huan Tsang that at the time of Harsha (AD 606-47) sugar-cane and wheat were the main crops of the north-western Indo-Gangetic plain, and rice in the region of Magadha (modern-day Bihar) and points farther east. Given the similarity between these and modern cropping patterns in the region, the pattern of crops cultivated in the Indo-Gangetic plain as well as the technology appears to have remained largely unchanged for nearly twenty centuries. We have no similar information on the crops grown in the republican foothills, but we hypothesize that they are unlikely to have been cultivated with the same degree of labour intensivity as the crops of the monarchical plains—sugar-cane, wheat, and rice. This is the second ecological-empirical assumption we make.

(c) Stability of population size

The third assumption concerns the size of the population at the time of the evolution of the caste system in the monarchies of the Indo-Gangetic plain. India today is considered to be a heavily populated country. However, until the early part of the twentieth century, the land–man ratio in the country was very favourable. Certainly the country could not have reached its land frontier in the fifth century BC, as the cultivated area has been increasing in the country until fairly recently (and with it agricultural output—see Table 3.1).

More surprisingly, perhaps, there is some tentative evidence (admittedly little better than guesses for antiquity) which suggests that the size of the population and hence the land–man ratio in times of peace and political stability (which could be termed the 'equilibrium' level) remained relatively constant from the time of the Mauryas (c. 320 BC) till the late eighth century BC.

Thus Datta (1962) has estimated that the population of India in about 520 BC was 181 million. But as this was based on Greek estimates of the size of the Indian army facing Alexander, it is likely to have an upward bias—as the Greek writers, by exaggerating the size of the opposition they would have faced, wanted to provide an apologist for Alexander's failure to move into the Ganges valley. Thapar therefore suggests a figure of about 100 million or less for this period. Another estimate by Puss Nuth for the seventh to tenth centuries AD puts the
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| TABLE 3.1. Agricultural and Population Rates of Growth, India (% p.a.) |
|---|---|---|---|
| Area cultivated | Yield | Agricultural product | Population |
| 1900-19 | 0.29 | 0.24 | 0.53 | 0.23 |
| 1920-39 | 0.24 | -0.44 | 0.20 | 0.83 |
| 1940-59 | 0.66 | -1.63 | -0.97 | 1.32 |
| 1950-69 | 1.18 | 2.34 | 3.52 | 1.98 |


total population of the subcontinent between 100 and 140 million. A figure which, Basham observes, "seems reasonable, though based on very slender evidence."4

A hundred million is the estimate made by Moreland (1920) for India’s late sixteenth-century population, for the period of Moghul stability during the reign of Akbar. Davis (1951) adjusts Moreland’s figures to yield a population for 1600 of 125 million.5 The best available estimates of the subsequent population of undivided India have been derived by Angus Maddison from various sources and are given in Table 3.2. This likely relative stability, for nearly 2,000 years after the establishment of Hindu civilization on the subcontinent, in the upper limit of the size of the population until the beginning of the nineteenth century is the second important non-political stylized assumption we make.51

The estimates for 320 BC and AD 1600 (if valid) refer to periods of relative peace, stability, and prosperity in the turbulent history of the subcontinent. They therefore reflect the ‘equilibrium’ population which the social and economic system could support with available technology. There were likely to have been large deviations around this ‘equilibrium’ level over the centuries, due to the four horsemen of the Apocalypse—famine, disease, pestilence, and war. But there is virtually no quantitative data available on these aspects till the mid-nineteenth century.

(d) Unchanging levels of living

The final empirical assumption we make concerns levels of living. Ashok Desai (1972), using data contained in Abu Fazl’s Am-I’Akbari (a contemporary record) has tried to determine the level of real urban wages and of mean per capita consumption and output of agricultural goods in Akbar’s time (1555) as compared with their level in 1961. This methodology has been criticized by Heston (1977) and Moosvi (1973, 1977). The details are beyond our remit. The important point to note is that, although Desai’s original hypothesis of seventeenth-century standards of living being about 1.4 to 1.8 times the levels in 1960-1 has not stood up to the criticism, the general thrust of the revisions made by Heston, Moosvi (1978), and Desai himself (1978) suggests no marked improvement in levels of living between 1555 and 1960, though equally there has probably been no marked worsening. Maddison’s estimate is that ‘India’s per capita income in 1750 was probably similar to that in 1960, at about $150 at 1965 US prices.’52 Similarly Raychaudhuri (1968) has argued that the likely path of per capita output followed that of changes in the level of peace and stability between 1575 and 1900 as charted in Fig. 3.1.

We lack even the meagre and speculative estimates of levels of living during Akbar’s reign for the earlier periods. However, as the size of the population was likely to have been stable during periods of peace and prosperity from the Maurya to the Moghul and British empires (at least till 1900), the likelihood that the cropping pattern was relatively unchanged in the Indo-Gangetic plains over this period, and that from the days of the Aryan settlement Indian agriculture probably stagnated at what, by the standards of the second century BC, was a technologically fairly advanced level (for instance it used animal power, light ploughs as well as water-wheels), it might be not a wild guess that the standard of living was about the same in 320 BC as they were in AD 1555. In any case, we will hypothesize that this was so, with (obviously) falling population and standard of living in the long periods (sometimes centuries) during which the country

| TABLE 3.2. Population of Undivided India (Including Native States), Benchmark and Census Years 1600-1941 (millions) |
|---|---|---|
| Undivided India | Native States | British India |
| 1600 | 125.0 | — | — |
| 1700 | 133.0 | — | — |
| 1800 | 146.0 | — | — |
| 1856 | 227.0 | — | — |
| 1871 | 255.2 | — | — |
| 1881 | 257.4 | — | — |
| 1891 | 282.1 | — | — |
| 1901 | 285.3 | 62.3 | 222.2 |
| 1911 | 303.0 | 71.0 | 232.1 |
| 1921 | 309.7 | 72.0 | 233.7 |
| 1931 | 358.2 | 82.0 | 256.2 |
| 1941 | 389.0 | 93.0 | 296.0 |

Source: Maddison (1979, p. 164), derived by him from Davis (1951, pp. 26–27). Burton is excluded throughout. The figures for 1951 and 1961 are from the census 1871–1951 include Davis’s adjustment for under-coverage. The figure for 1600 is Davis’s adjustment of Moreland’s (1920) figure. The figure for 1856 is from Mukherjee (1969). Figures for 1700 and 1800 are Maddison’s interpolation of 1600 and 1856. Maddison assumes that before 1800 the British conquest made little significant difference to population trends and that the growth path for 1550 to 1900 was smooth at 0.2% a year, and from 1800 to 1906 at 0.4%. Projections in British India and Indian States from Sivasubramanian (1965).
was engulfed by wars against invaders or else between feuding Indian chieftains trying to establish a post-Indian empire.

If this guess is right it would be in accordance with the few descriptions of the life of the Hindus left by pre-Mughal foreign travellers,\(^\text{13}\) which suggest that Indians enjoyed a fairly high standard of living by comparison with other contemporary civilizations. For then Indians for 2000 years would have enjoyed a fluctuating per capita income which, at its peak of about US $150 in 1963 prices, was about the same as in Elizabethan England.\(^\text{14}\) As the new-found prosperity of Elizabethan England marked a radical change in the standard of living of most European peoples, the same relatively stagnant Indian standard of living since the fourth century BC must have appeared the height of prosperity to foreign observers from other countries and earlier times.

The last three empirical assumptions taken together suggest that by about the fourth to third centuries BC India had evolved an economic system which maintained living standards (at least at times of political stability and normal rainfall) which were roughly comparable to those in about 1960. The caste system and the village economy as it had evolved by the fourth or third century, BC were, we would hypothesize, an essential ingredient in maintaining this 'equilibrium', able to at a relatively low level by modern standards. What is more, for a long time after this human adaptation to the 'new' environment faced by the Aryans was developed it enabled a standard of living which was probably fairly high compared to other contemporaneous countries and civilizations.

2. THE BOSEKUP THEORY AND THE AYARN ECONOMIC PROBLEM

In explaining the determinates of this Aryan behavioural adaptation to their new environment, we need to ask: what was the economic problem that the Aryan agrarian settlements faced during their period of expansion in the Indus-Gangetic plain? We would hypothesize that it was the danger of a shortage of labour.

As we noted in the last chapter, the clearing of the forests and the establishment of the new settlements was made possible by the existence of the 'shudras', who were probably the peoples vanquished and absorbed by the Aryans in their march across the Indus-Gangetic plains. The importance of the shudras lies in their augmentation of the supply of labour available to the Aryans from within their own tribes. The availability of shudra labourers both enabled and impelled the Aryans to change their way of life from nomadic pastoralism towards a form of settled agriculture.

The role of increasing population pressure on land in both inducing and facilitating the adoption of more intensive forms of agriculture has been persuasively argued by Boserup (1965).\(^\text{15}\) She argues that population pressure is a necessary but not sufficient condition for technical change in agriculture (in the form of an intensive use of both labour and capital). She identifies the differing labour input per hectare requirements of different types of agrarian system by the frequency with which a particular piece of land is cropped. Thus nomadic pastoralism, the dominant form of activity amongst the pre-Vedic Aryan tribes, is more labour- and capital-intensive than hunting and gathering, or the slash-and-burn type agriculture practised by many African tribes.

According to Boserup, different agrarian systems can be ordered in terms of their periods of fallow on a spectrum from the most primitive—slash-and-burn—to the most advanced—multiple cropping with modern inputs. What distinguishes these systems is both the relative frequency with which a particular piece of land is cropped and the ensuing increase in direct and indirect labour inputs required to maintain a constant per capita food output. The crucial economic variable in different types of subsistence agriculture is the amount of labour required per unit of food (say grain) produced. Thus in those earlier agrarian systems where land is not scarce relative to labour, it is the yield per unit of labour rather than the absolute yield per hectare which is important for the farmer. Thus, contrary to the classical Malthusian assumption, Boserup argues that, instead of population growth being induced by technological advances, it is population growth which leads to the adoption of more advanced techniques (that is, techniques which raise yields per hectare). The farmer in a land-surplus, labour-scarce economy will be concerned with the labour requirements of the new advanced techniques. These generally require increased labour effort. They will not be adopted until rising population reduces the per capita food output that can be produced with existing techniques and forces a change.

Both Boserup and Clark and Harwell provide a wealth of historical evidence from different regions and periods to support this theory, which explains changes in forms of agricultural production\(^\text{16}\) from 'forest fallow'—the most primitive type of shifting agriculture (with low densities of population to land)—to 'bush fallow' to 'short fallow' to settled agriculture based on the plough (with high densities of population to land).\(^\text{17}\) We have described in Chapters 1 and 2 the changing ecological circumstances which led to this sequence of agricultural development in India.

3. LABOUR SUPPLY, SLAVERY, AND CASTE

The shift from nomadic pastoralism to settled agriculture of the Aryan tribes, with its higher labour requirements, must have been induced and made possible...
by the presence of the indigenous shudras who (as we saw in the last chapter) were initially used to clear the forests. But once the forests had been cleared, the labour requirements per unit of food produced would have differed in the two regions—the marshy Indo-Gangetic plain and the more 'ferile' Himalayan foothills. We do not have any data on the likely yields (i) per man-hour or (ii) per hectare, or on the labour input required per unit of grain produced in the two ecological regions of Aryan India. Our hypothesis would be that there were longer systems of fallow (with some variants of slash-and-burn) in the republican foothills and shorter systems of fallow with more labour-intensive cultivation in the monarchical plains.  14

There is some relatively recent data (for 1949–51) from Sarawak10 where the land Dayaks produce rice both in the sedentary swamps as well as on the hills. Ecologically, the conditions seem similar to those in Aryan India. Gobidee found that, even though output per acre was higher on the sedentary swamp (yield per worker was 1,903 kg of paddy) as compared with the hills (1,578 kg), the Dayaks invariably preferred to produce rice on the hills cleared by 'slash-and-burn' methods. This was because the yield per man hour worked, with a total input of 2,165 hours/ha on the swamp and 1,663 hours in the hills, was lower (only 0.87 kg/man hour) in the swamps than in the hills (0.95 kg/man hour).

The monarchical plains therefore would have required a larger labour supply to maintain a reasonable output of food per capita than the republics of the foothills. Once the Aryan had left their nomadic ways and established monarchies based on the revenue from agricultural settlements in the Indo-Gangetic plain, any drastic decrease in labour supply was likely to threaten their newly found way of life, with its high demand for labour. Given the relative abundance of land there must always have been the danger that part of the labour supply on the new Aryan settlements might melt into the remaining forests to start their own settlements, or else, and more likely, take to more primitive forms of agriculture.

The control and maintenance of an adequate supply of labour is, therefore, likely to have been an important consideration underlying the viability of the socio-economic system that evolved in the Indo-Gangetic plain. By contrast the republics would not have been under the same pressure to control their labour supply, as the demand for labour to maintain their agrarian system would have been lower. The caste system we hypothesize was the Aryan response in the monarchical plains to the problem of maintaining an adequate labour supply to carry on settled agriculture. As similar pressures were less intense in the republican foothills, we would expect, as was the case (see ch. 2), that the need for and adherence to a caste-based society in these regions would be weaker.

To add plausibility to this view (so far further developed below), we need to show why some of the other responses that other societies have made when faced by a similar danger of a shortage of labour were not viable. The most obvious response is that of enlisting a part of the population.

A surprising feature of ancient Indian society is that 'India unlike some other ancient civilizations was never economically dependent on slavery; the labourer, farm worker and craftsman were normally free men, and the satyavati of the Roman magistrates had no counterpart in India.' 16 Though there were some slaves, these were usually domestic servants. Why?

The shudra cultivators in Hindu caste society were the descendants of the early Aryan enemies, the Dasa, and of mixed Aryan-Dasa liaisons. 18 The word 'dasa' later came to mean a slave, and it would be surprising if this did not imply that at least some of the Dasa were initially enslaved.

In the absence of a centralized administrative system to register and enforce slave 'contracts', a necessary condition for slavery to persist in the case with which slaves can be distinguished from free men by some attribute such as pigmentation or language—the former being more invariable than the latter—The Dasa were distinct in their appearance from the Aryans 19 and spoke a different language. Thus it would have been possible for the Aryan to have enforced their enslavement, even without the centralized political system needed to enforce a more colour-blind type of slave system. It is likely that, in the original development of the caste (varna) system, the Dasa were enslaved in some form and put beyond the Aryan social pale. Gradually, however, though not accorded the twice-born status of the Aryans, they were incorporated as shudras into the Hindu caste system as cultivators of land. Though some slavery continued, it took the form of debt peonage. It was often contractual, with free men selling themselves and their families into slavery in times of distress. 20

The Dasas, unlike the Aryan (who were pastoralists), probably knew the technology for settled agriculture—a technology which remains of the Harappan civilization and more recent archaeological evidence testify (see Chapter 2) was known in India before the Aryan invasions. The agriculture of the Aryan settlements in the Indo-Gangetic plain was based on this technology and its various extensions. Three reasons could explain the emancipation of the Dasa slaves and their incorporation into Hindu society, albeit with a lowly status.

First, the skills in cultivation required for a viable settled agriculture, which the Aryan needed to learn from the Dasa, could presumably only be demonstrated by doing—which of course implies the willingnes of the Datas to demonstrate these skills. Secondly, having practiced these skills in the past, the Dasas were likely to have had an absolute advantage in the exercise of these skills (at least initially) as compared with the Aryans. Thirdly, as is well known from the experience of various forms of collective agriculture, agricultural technology (even of the subsistence type) cannot be described in terms of any precise set of input-output coefficients. Hence it is very difficult to monitor the effort of peasants and coerce them to perform according to an efficiency norm, for there are no unambiguous indicators of this norm. Thus it would have been more efficient for the above incentive and informational reasons 21 to have emancipated
Dasan slaves, and to have given them autonomy in decision-making and control over agricultural operations.

Besides slavery, various other means for maintaining the rural labour supply in the Indo-Gangetic plains, such as poll taxation,\textsuperscript{34} limitations on migration, and various forms of indenture, would also have been impossible at the time the Aryan social system evolved, as they all require the power of a centralized State and its attendant bureaucracy for their enforcement. However, because of our first stylized fact—the endemic political instability during this period—any such alternative would have been built on sand. With plentiful land and the waxing and waning of political authority over a particular region, there would always have been the danger that more directly coerced peasants would have fled the settlements (as they nevertheless did, off and on, for instance, in later Moghul times) whenever political authority was weakened by internecine conflict amongst the monarchies.

The caste system provided a more subtle and enduring answer to the Aryan’s problem of maintaining their rural labour supply. It established a decentralized system of control which did not require any overall (and larger) political community to exist for its survival, and it ensured that any attempt to start new settlements outside its framework would be difficult if not impossible. The division of labour by caste and its enforcement by local social ostracism were central to the schema. There were two aspects of the caste system as described in the previous chapter which are relevant.

The first is the endogamous specialization of the complementary services required as inputs in the functioning of a viable settlement. Any oppressed group planning to leave a particular village to set up on its own would find that, if it were confined to a single caste group, it would not have the necessary complementary skills specific to other castes to start a new settlement. They would therefore have to recruit members of other complementary castes to join them in fleeing the Aryan settlement. The likelihood of that would be remote. For some of these other complementary castes would already have a high ritual and economic status, with little incentive to move to the more uncertain environment of a new settlement.

The caste-wise division of labour could also be maintained purely through the instrument of social ostracism without a central Church or political coercion. For if the oppressed lower castes (or individuals in them) could have acquired the necessary complementary skills they could have overcome the difficulty of putting together the required coalition to form a new settlement from within a single oppressed caste. This, however, was unlikely to happen, as it would not be profitable for other caste groups to impart the knowledge of these complementary skills. For the ostracism involved in breaking the caste code, either as a consumer or producer (at each level of the caste hierarchy), would entail higher costs than any gains from performing any profitable arbitrage in the labour market (including imparting knowledge of complementary skills) that the caste-

is segmentation of labour might entail.\textsuperscript{35} This can be shown more rigorously, in terms of a model developed by Akerslof (1976, 1980).

\textbf{4. A SIMPLE ECONOMIC MODEL OF A CASTE ECONOMY}

Consider a simple economy in which there are only two castes, Vaishyas and Shudras (V and S) who are specialized according to the caste code in the provision of labour for two types of task which are labelled skilled and unskilled. All workers are homogeneous except for the accident of their birth as a Vaishya or Shudra. Labourers can produce only one product, firms can produce only one product, and everyone wishes to purchase more than one product. Goods are produced by profit-maximizing firms who follow the caste code by only employing Vaishyas in the skilled tasks and Shudras in the unskilled tasks. According to the caste code, anyone consuming the products of a firm which produces goods without following the caste code would be made an outcaste. Assume that the wages paid are competitively determined for each of the two types of labour and are:

\[ w_s \text{ for the skilled Vaishya tasks} \]
\[ w_u \text{ for the unskilled Shudra tasks} \]

with \( w_s > w_u \)

also let the output per unit of labour in each of the different types of task be the same in every industry, of which there are \( n \) producing the 1 \( \ldots \) \( n \) goods in the economy.

Thus, \( a_i \) is the output per unit of labour in skilled tasks and \( a_u \) is the output per unit of labour in unskilled tasks.

If the amount of Vaishya labour allocated to the skilled tasks in industry \( i \) is \( l_v \), and of Shudra labour to unskilled tasks \( l_u \), then the output of industry \( i \), \( x_i \), is

\[ x_i = a_i l_v + a_u l_u \quad (i = 1, \ldots, n) \]

If the price of the output of industry \( i \) is \( p_i \) (taking industry \( i \)'s price as the numerator), then the profit-maximizing condition entails that for each industry \( i \)

\[ p_i [a_i l_v + a_u l_u] - [w_u l_u + w_s l_v] = 0 \] (4.1)

One possible equilibrium which would satisfy (4.1) is if

\[ w_s = a_s \]
\[ a_u = a_u \]

and hence

\[ p_i = 1 \]

We also assume that if there is any outcaste labour it receives a wage of \( w_s = a_s \).

As labour is homogeneous, in the absence of the caste code, it would pay producers to hire cheaper Shudra labour at the lower wage rate \( w_u \) to perform the