There is a persistent propaganda that India's religion, its 'Other-Worldliness' are responsible for the lack of a vigorous growth of economy in India. This is not true. Says Pandit Nehru, "India is far nearer in spirit and outlook to old Greece than the natives of Europe are today. We are apt to forget this because we have inherited fixed concepts which prevent reasoned thought. India, it is said, is religious, philosophical, speculative, metaphysical, unconnected with the world and lost in dreams of the beyond. So we are told, and perhaps those who tell us so would like India to remain plunged in speculation so that they might possess this world and the fullness thereof, unhindered by these thinkers and take their joy of it. Yes, India has been all this, but also much more than this." Even Indians who ought to know better have a feeling that the Hindu religion with its 'other-worldliness' is inimical to economic development.

Timberg in his study on the Marwaris, says: "The stagnant irrational Hindu seems almost to be a cliche among social scientists." Vikas Misra, in his 'Hinduism and Economic Growth' observes, "However functional the values of Hinduism may have been to trade, they were dysfunctional in an industrial environment where the new style entrepreneurs were obviously required." The Marwaris in the North and
the Nattukottai Chettiars in the South are a standing challenge to such unreflective thinking. The Marwaris, it is estimated, control 60 per cent of the assets in Indian industry. Says Timberg, "The 147 large enterprises owned by the Marwari Group listed by the Monopolies Commission included 23 jute mills, 34 cotton mills, 11 sugar mills and 8 cement factories." The Nattukottai Chettiars, a comparatively smaller group, control, according to the same Commission, 20 cotton mills, a cement factory, 2 sugar mills, a big engineering complex, a big construction company, a big fertilizer factory, a rayon factory, a big leather trading corporation, and a host of smaller manufacturing enterprises. The community is represented in every industrial estate located in Tamil Nadu. The person who was the promoter of the largest fertilizer complex in India was a Chettiar, Mr. M.A. Chidambaran Chettiar, son of Rajah Sir Annamalai Chettiar. The supposed 'other-worldliness' of the Hindus has not stood in the way of these communities, who are deeply religious, and who also pursue wealth vigorously.

A study of the sociological theories related to this issue is therefore necessary for a proper understanding of the connection between religious values and economic activities.

Max Weber's Theory

What these sociological thinkers wanted was the dis-
covery of causes for the historical phenomenon of modern capitalism. As explained by the greatest of them, Max Weber, and one whose explanation provoked a great controversy, the discovery of laws is an end in itself in the study of natural sciences; but in sociology, "laws are only means to aid in the study of the causal interrelationships of historical phenomena." The phenomenon to be studied was 'Capitalism', the term used to describe the modern economic organisation of a society which enables it to maintain and accelerate its economic growth. Karl Marx was the earliest of the thinkers to study the phenomenon. He came to the conclusion that the phenomenon is only a stage in the dialectical materialistic march of society. It arose as a result of conflicts developed in its predecessor and in turn it will be swallowed up by its own inherent contradictions. The central feature of this society is its primary orientation to accumulation of wealth pursued in a 'rational' as opposed to the traditional means. This theory is contrary to the Hegelian concept of the working of the 'spirit' which causes this phenomena. Marx was not interested in the study of the causes of this phenomenon but in its essential rationalistic feature in which the different interests, each acting rationally, whatever the private inclinations may be, will lead to a confrontation—the class war.

Starting with Marx's description of capitalistic organization, Max Weber went further to discover the general
causes of this phenomenon, if there were any. He wrote two articles, one in 1904-05 entitled 'The Protestant Ethic and the Spirit of Capitalism' and another in 1906, 'The Protestant Sects and the Spirit of Capitalism'. In these articles he stated that "an indispensable (though by no means the only) element in the explanation of the system lay in a system of ultimate values and value attitudes, in turn anchored in and in part dependent on a definite metaphysical system of ideas." This prevalence of certain value attitudes in the whole society, and not merely in the entrepreneurs, Weber called the 'capitalistic spirit', ('Geist') a set of mental attitudes directed towards economic activities as such. This 'spirit of capitalism' has to be distinguished from an attitude towards acquisition as a necessary evil which has to be justified because it is an indispensable means to something else. The spirit of capitalism looks upon acquisition of wealth as an ethical duty. There is to be no limit to this acquisition. Limitless pursuit of wealth is distinct from a traditional pursuit of wealth to satisfy traditionally fixed wants. The means to be pursued are not merely those handed down from the past or even from an empirical analysis, but one decided by

* "Die Protestantische und der Geist des Kapitalismus" (German) was first published in the 'Archiv für Sozialwissenschaften und Socialpolitik', Vol. XX and XXI in 1904-1905. It was reprinted in 1920 as the first study in the ambitious series "Gesammelte Aufsätze Zur Religionszocialogie" which was left unfinished. This series also contains an other essay on the Protestant sects and the Spirit of Capitalism called "Die Protestantischen Sekten und der Geist des Kapitalismus".
constant scientific study of the process of production and the adopting of the most efficient methods brought out. This is what he means by rational pursuit of wealth. Similarly the capitalistic spirit carries with it an attitude towards labour and work, untrammelled by any vestige of tradition. A man who can but who does not want to labour is neglecting his ethical responsibility. Weber sums up his capitalistic spirit by calling it the 'bureaucratic spirit' i.e. 'disinterested' performance of tasks imposed by the situation, and a willingness to submit to the discipline necessary in a bureaucratic system.

Weber maintains that this capitalistic spirit does not exist everywhere. The rule in fact as well as in theory has been traditionalism, broken through, may be, by an undisciplined greed for gain which he calls 'adventurist capitalism'. This spirit is not part of human nature.

Protestant Ethic and the Spirit of Capitalism

Now we come to the main part of Weber's thesis viz., that this set of values permeating the entire society exists in the religious ethics of Calvinism and other 'ascetic branches' of Protestantism. It is only Protestantism that broke down traditionalism, and among Protestant sects, the Calvinists and the Puritans alone professed ethical beliefs that promoted the 'spirit of capitalism'. To them, the success in a man's calling constituted a religious duty. The fulfilment of your
daily task is pleasing to God. Weber was careful to say that money making as a means to self indulgence was disapproved. "Wealth is thus bad ethically only so far as it is a temptation to idleness and sinful enjoyment of life, and its acquisition is bad only when it is with the purpose of later living merrily and without care. But as a performance of duty in a calling it is not only morally permissible, but actually enjoined." But rational systematic labour was a religious must. As the resulting wealth was not to be used for self indulgence, it imposed on them a thrift; hence his phrase 'ascetic compulsion to save'. Weber quoted Wesley, "Religion must necessarily produce both industry and frugality and these cannot but produce riches." Benjamin Franklin was, according to Weber, the product of the Puritan ethics. Franklin's ideal is the making of money as an end in itself, as a profession, as a calling and he refers to proverb 22.29, "Seest thou a man diligent in business: he shall stand before king." What Weber stresses is not the love of money but the obligation to make money. Where obligation exists there, an ethical element enters in. Indifference to the obligation to make money is traditionalism which is the opposite of the spirit of capitalism. In proof of this Puritan ethics causing the spirit of capitalism, Weber gave some statistical correlation in Germany, where according to a
study made in 1900 by his pupil Martin Offenbacher, in the city of Baden, Protestants outnumbered the Catholics in the leadership of capitalistic enterprise and in studying business and technical courses in schools and colleges in preference to the humanities. There were more businessmen among the Puritans of England, the Huguenots of France and the great Dutch trading classes than among other religious communities. Weber concludes, "Thus the principal explanation of this difference must be sought in the permanent intrinsic character of their religious beliefs, and not only in their temporary external historic political situation." Weber and Hindu Religion

After establishing the casual connection between Protestant ethic and economic growth, Weber proceeds to fortify his conclusions by the method of difference. He examined the Hindu religion and concluded that the absence of any such universal ethics in the Hindu religion was perhaps the cause of the absence of economic growth in India, in spite of its one time prosperity. The first characteristic of Hindu religion is that it "is not a religion in our sense of the word." It has no doctrine or 'Mata' as Christianity has. For instance, he says that the 'Mata' of Christianity consists of the following statements.

(1) All human beings and only human beings have 'souls'.
A supra mundane being God created the world and all souls out of nothing.

Each soul lives but once on earth and is nevertheless immortal.

After life on earth, the soul must spend its eternal life on heaven or hell.

God also produced through a virgin a God-incarnate son whose deeds and accomplishments are significant for men's salvation.

From this derives the Christian ethics which apply to all Christians irrespective of the sects into which they belong. Such a concept of religion says Weber is absent in Hinduism. The Vedas, the supposed source book of Hindu religion "contain nothing about the divine and human affairs fundamental to Hinduism." They do not contain any rational ethic. There simply was no 'natural' equality before any authority, least of all before a super-worldly god. In the absence of a universal ethic like the Protestant ethic, exhorting the lazy one to be diligent in the pursuit of his 'calling', the Hindus could not develop a rational capitalistic enterprise giving freedom to individuals to pursue any path rationally demanded by the situation.

The essence of Hindu religion, according to Weber, is its rigid ritualistic caste system. "Caste, that is position of the Brahman, is the fundamental institution of
Hinduism. ... without caste there is no Hindu.\textsuperscript{24} The caste system imposes on every member of the caste the obligation to follow the ritual of the caste which is the only method for his salvation. Weber says, there is no 'Mata' (dogma) in Hindu religion but only dharma, which means not transgressing the ritualistic obligation of hereditary caste.

"A ritual law in which every change of occupation, every change in work technique may result in ritual degradation is not capable of giving birth to economic and technical revolution from within itself, or even facilitating the first germination of capitalism in its midst."\textsuperscript{25}

Weber goes on to refer to the difficulty of getting factory labour even for a few industries set up at the beginning of this century. The difficulty was the caste inhibition in changing one's caste occupation.

"The traders themselves in their ritual seclusion remained in the shackles of typical oriental merchant class, which by itself has never created a modern capitalistic organization of labour."\textsuperscript{26} No doubt there were the Vanias who have been called the 'Jews of India', but they are to be regarded as adventurists seeking unscrupulous profit and not as rational capitalistic entrepreneurs.\textsuperscript{27}

Criticism of the Weber Theory

This theory of Weber that a particular religious and
metaphysical ethic must permeate societies to generate capitalistic economy and that its presence in Calvinism and other ascetic forms of Protestantism caused European capitalism has been vehemently criticized and opposed and is still a centre of a great Polemic. Weber has received support from sociologists ever since he attempted to give a sociological explanation for an economic-historical phenomenon and he has also found opposition in economists and historians. Werner Sombart, who was the first to use the phrase 'the spirit of capitalism' agreed with Weber that religious systems and churches were able to influence economic life by their power of directing the mind to their goal. But he differed from Weber in that the Calvinistic theory was specially favourable to the growth of this capitalistic spirit. The Catholic religion and the Papal policies encouraged capitalistic development in Italy and he also held that "Protestantism had all along been a foe of capitalism" because it turned men's minds more towards God and less towards Mammon. "To flee from the world—that was the ideal of every word, of every action of the Pious Puritan of those days." 28

R.H. Tawney, the economic historian denied in his 'Religion and the Rise of Capitalism', that there was any logical connection between changes in economic organisation and changes in religious doctrines. Capitalism existed on a grand scale in medieval Italy and medieval
Flanders and the spirit of capitalism was quite familiar to the saints and sages of the Middle Ages. "It was the economic imperialism of Catholic Portugal and Spain, not the less imposing if more solid achievements of the Protestant powers, which impressed contemporaries down to Armada."

Calvinism combined in itself a spirit of revolt against authoritarianism of any kind in religious matters, an iron collectivism, an almost military discipline and a remorseless rigour in economic and social matters. But with the expansion of trade and commerce which came in the wake of the age of exploration and discovery, the Puritans of England stuck to the spirit of independence of authority in religious matters and dropped Calvin's collectivism and discipline in economic matters. The Puritans gave up Baxter as an ideal in economic ethics. Later, Puritanism, particularly in the 17th century England, took on a capitalistic flavour. This new attitude in Puritanism and not the original Protestantism Tawney holds, "cleared" the way for a more forcible expansion of capitalism than would otherwise have been possible. This compromise of Tawney is criticised by the theologian Winthrop Hudson, in an article entitled "Puritanism and the Spirit of Capitalism". Hudson writes, "What Tawney fails to see is that when these elements got an upper hand, Puritanism ceased to be Puritanism. That the economic ethic of the British Puritan businessmen
came to be regarded as Puritanism is an illustration of the attrition to which any idealistic movement is subject. The victory of the spirit of capitalism in a very real sense meant the defeat of Puritanism.  

Following upon this idea of Hudson, Albert Hyma "wonders" whether Calvin was a Calvinist --for both John Wesley and Benjamin Franklin are quoted to show what Calvinism was. He holds that Protestantism was in no way progressive among religious faiths in its teachings on economic behaviour, and therefore in this respect could have had no decisive effect on the development of modern capitalism.  

The most outspoken critic of Weber is H.M. Robertson. He attacks Weber's "constructional method" of the sociologist to explain a historical fact as one bound to lead to faulty conclusions. Secondly of the two aspects of capitalism viz., (1) rational as opposed to traditional and (2) a desire to seek profit for its own sake--as a duty and not for purpose of enjoying its fruits, Robertson holds that Weber's second criterion is too narrow, vitiating the whole argument. The doctrine of 'calling', was not peculiar to the Puritans. It was shared by the Catholics. The Calvinists' peculiar doctrine relied upon by Weber did not develop until the end of the 17th century when they spread both among Protestants and Catholics. "The problem had been viewed through the wrong end of
the telescope. The Protestant ethic changed as a result of the influence of a rising capitalistic minded middle class. Thirdly, the causes for the advancement of capitalism must be looked for in other directions—the crusades, the geographical discoveries and the development of financial science, and the double entry book-keeping played an indispensable part in developing rational organization of the means of production for accumulation of wealth which is capitalism. The slow spread of scientific book-keeping was one of the cultural conditions necessary for the emergence of capitalism. This was purely a secular influence. "Working on the same lines as Weber it would be very easy to substitute systematic books for the Protestant ethics as the origin of capitalism."  

Kurt Samuelson, a Swedish sociologist, is the most uncompromising critic of Weber's theory. Weber, he says, was wrong in facts, wrong in methodology, wrong in his inference of a correlation of economic progress with Protestant ethics. These terms are so vague as to be incapable of evaluation by the technique of correlation. The spirit of capitalism in Benjamin Franklin and the captains of industry did not flow from Puritanism and its teachings. The sense of thrift that the Puritans preached cannot facilitate growth. If everyone works hard but is abstemious in his consumption it will produce economic
depression and not growth. It is low interest rates (cheap money) that can enable an economy to grow. High interest rate is a restraint.

"Mercantilism, the Enlightenment, Darwinism, economic liberalism, all these systems of thought in which a central role was played by economic expansion and the belief in a better future for nations or men through the increase of capital and the raising of the standard of welfare, cut across all religious creeds and went over them."\(^{34}\)

We can close this section by referring to the views of Arthur Lewis, the author of the 'Theory of Economic Growth'. On the whole, he considers religion, regardless of the form it takes, to be a hindrance. All religions set their face against the appetite of material possessions. But "if a religion lays stress on material values, upon work, upon thrift and productive investment, upon honesty in commercial relations, upon experimentation and risk bearing and upon equality of opportunity, it will be helpful for growth."\(^{35}\) He also believes that incompatible beliefs are rejected as soon as economic growth becomes possible.

Weber and India

The same kind of criticism is applicable to Weber's assessment of the religion of India, Hinduism and its inhibition of capitalistic growth. It is amusing to be
told that Hinduism has no doctrines and hence no universal ethics. He has not mentioned on what authority he thinks that there can be no Hinduism apart from the caste system. He says that the Vedas do not contain reference to caste. He dismisses, therefore, the Vedas as the container of Hinduism. In this he is mistaken. There are three texts forming the source book of the Hindu religion. They are termed "Prasthana Traya" (triple foundation); they are the Vedas, the Brahma Sutras and the Bhagvad Gita. The Vedas referred to here are the end portions of the Vedas called the Vedanthas or Upanishads. The Upanishads speak of the absolute truth, viz., that God alone exists and this truth must be experienced in person. The Gita explains the way to experience this truth living in the world. The essential teaching can be summed up in one of its verses

मत्तमकृष्णस्तपेत्यो नस्तेऽर्थं गुरूः सर्वज्ञे।
निवृत्तं वर्षेऽव मयं मामेति पालवः॥

"He who does all his work as my work, who looks upon me as the supreme truth, who is devoted to me, who has no sentimental yearning and who has no enmity to created things, it is he who comes to me." Whatever falls to the lot of man he must do it as God's work, uninfluenced by the outcome of it. He must have devotion to God and do his work because He is the supreme truth. This is the essence of the Hindu Religion. There is no caste here.
"Whatever you do, whatever you eat, whatever you sacrifice, whatever you give away, whatever austerity you preach, do it as an offering to me."

Such direction is strongly suggestive of the Calvinistic theology of exhorting men to go about their work, as God's calling. It is not merely doing work to earn money but to do work and restrain your senses. Such is the main tenet of Hindu religion. It cannot hinder any rational pursuit of wealth.

The caste system which looms largely in Weber's book, 'Religion of India' has nothing to do with the Indian Religion. Caste is a social phenomenon resulting from the mixture of a conquering culture with a native developed culture. Weber was right in saying that the Vedic Aryans knew no caste. In fact, it was a casteless society consisting of the conquering heroes accompanied by their bards who sang panegyrics on them. It was not that a big hoard of Aryans absorbed in them a few scattered inhabitants of the invaded country. It was the other way about. A huge population of the original inhabitants distributed in the different regions adopted the culture of the conquering Aryans and had a variety of cultural and religious affiliations and they continued their particular traditions
while getting Aryanised. The result was the hereditary endogamous caste system. In any religion the pure tenets are known only to a few and an elaborated ritual legend, etc., grow for popular consumption. Caste is one such. To say that to be a Hindu one must belong to a caste, is not true.

Even granting that the caste system was no part of Hinduism but was a strong social organisation, is Weber right then in holding that it prevented the economic expansion and the rise of rational capitalism?

Rationalism according to Weber is the essential feature of modern capitalism. To do things according to what has been done before or being influenced by some ends is what is called traditionalism. But everywhere the progress of society has been from status to contract. The Medieval Age was dominated by status. All over the world it yielded to contractual relations, i.e. men do of their own free choice. No country can be an exception to this process. Even Weber admits that whenever needed by circumstances, caste considerations yielded to political or economic considerations and caste rigidity broke down.

It must also be noted that the rigidity of caste system must have been much greater in the first Millennium A.D. than subsequently. But this did not stand in the way of immense economic activity in India. Accounts
given by various foreign travellers who visited India stand as witness to this.  India's wealth became traditional. India became the store house of the world's supply of gold and precious stones, as is evident from the immense booty collected by the Muslim invaders as well as by the representatives of the East India Company and of the British Raj. All this must be in parts to pay for big exports from India both in raw materials and manufactured goods. The following summary from Nehru's 'Discovery of India' shows the achievements of India prior to the 12th century A.D. in the economic and scientific field. She had been manufacturing cloth from the earliest ages and a textile industry had developed. An important advance was made in the dyeing of cloth and special methods were discovered for the preparation of fast dyes. It was this knowledge of dyeing that gave a great impetus to India's trade with foreign countries. Chemistry in India was more advanced in the early centuries A.D. than in other countries. India's steel and iron were valued abroad, especially for warlike purposes. The ancient Indians were proud of the advances they had made in astronomical science. Ship building was a flourishing industry. India was not behind any country in the making of tools and in the knowledge of chemistry and metallurgy. It was this which gave her an advantage in trade and enabled her for several centuries to control a number of
foreign markets. Nehru quotes several authorities to pinpoint the importance of the discovery by the Hindus of the decimal system and algebra. For example, quoting from Dantzig's 'Number' he says, "This long period of nearly five thousand years since the rise and fall of many a civilization, each leaving behind it a heritage of literature, art, philosophy and religion. But what was the net achievement in the field of reckoning the earliest art practised by man. An inflexible numeration so crude as to make progress well nigh impossible and a calculating device so limited in scope that even elementary calculations called for the services of an expert. When... viewed in this light the achievements of the unknown Hindu who some time in the first century of our era discovered the principle of position assumes the importance of a world event." He quotes Professor Hogben: "The difficulty of understanding why it should have been the Hindus who took this step, why it was not taken by the Mathematicians of antiquity, why it should first have been taken by practical man, is only insuperable if we seek for the explanation of intellectual progress in the genius of a few gifted individuals, instead of in the whole social framework of custom thought which circumscribes the greatest individual genius." Weber was right in this point that for the growth of economic enterprise it is not enough if a few individuals were seized with
adventurous spirit. The spirit will operate only when the general level of intelligence and knowledge of the community at large is high. This attainment was there in India before the Muslim conquest. There is ample documentary evidence to presume that in scientific inventions India occupied the foremost place till 1200 A.D. But since the Muslim conquest, as India became a subject nation, there was a general decline in the alertness and the education of the people. After this date European countries monopolised the inventions. It was the foreign conquest and not any inherent disposition of Hinduism that was responsible for India's economic decline and poverty. The Industrial Revolution was spearheaded by a technical revolution when a series of new inventions were made and new processes discovered. Trade and commerce followed the flag. It was in the interest of Britain to become the workshop of India, not to speak of the world and make India only the supplier of raw materials. Everything from soap and toothpaste to sophisticated machines came from England, resulting in the poverty of the majority because the majority had no work and hence no income. Even the jute grown in Bengal was manufactured in Dundee. How could such a system generate capital and capitalistic growth?" It was the creation of a more suitable environment for industrial investment, on however restricted scale, which induced Indian trading communities to enter
modern industry in a big way first in the twenties and in much more significant way in the thirties. The case of the Chettiars can be cited to illustrate this point."

To summarise, Weber's thesis consisted of the following propositions, as observed by Reinhard Bendix in his book "Max Weber, An Intellectual Portrait".

Hindu thought adhered to the idea of an immutable world order of eternal cycles of re-birth.

Second, the mundane world was depreciated. Mystic contemplation rather than an ascetic activism in daily life was regarded as the principal means of attaining escape.

Third, all the accepted means of attaining salvation were extraordinary in the sense of being turned away from the ordinary affairs and irrational in the sense of involving an ecstatic experience.

"Even when the means of attaining salvation were compatible with worldly activities as in the Bhagvad Gita, with its emphasis on the duties of caste, the result was still a traditional and mystically oriented way of life."^47

To a Hindu the mistakes in the above interpretations are quite obvious. 'An ascetic activism' is what was preached by Lord Krishna to Arjuna on the means of salvation. Arjuna wanted to flee away from the worldly activity which involved enjoyment of kingdom by killing his kinsmen. The reply is that no one can escape from the world's
activity. The Lord says:

न हि कृष्ण्युणमय काहु तिस्त्यकर्मकृत
कायमेव दृष्टम: कर्मसंस्कृतिनेतरः॥

“No human being can be ever without work. It is his nature.”

कृष्णमुक्तकारणं दृष्टम: अस्ते मनसा स्वरूपः
विन्द्रायांन्विन्यासनात्मा निध्याः स बुल्लेः॥

“He who restrains his senses and refrains from sense enjoyment but hankers after them in his mind is a hypocrite.”

Even God who has no axe to grind has to work. Otherwise the world will go into disorder. Everyone should work for the prosperity of the Loka (world). Thus the Bhagavad Gita commands everyone to do his work without hankering after the pleasures that would come from such work. This is not different from the ascetic activism of the Calvinists. The mistake made by Weber was in interpreting ‘Karma’ (work) referred to by the Lord as caste Karma. There is absolutely no justification for this interpretation. Work as referred to in the Gita is any kind of worldly pursuit. Gita does not speak of hereditary castes at all but refers only to the varying natural tendencies or natural qualities of human beings who may be classified into groups according to their ‘gunas’ (qualities).
Finally, it should be mentioned that any emphasis on the "other worldliness" and flying away from the world existed only among a small sect of intellectuals, viz., the followers of Advaita school of philosophy. According to this school one cannot get moksha except by renouncing the world and becoming a sanyasi. But Shankara, the founder of the School, was a supporter of the caste system and held that only Brahmins were entitled to become sanyasis. This kind of theory could not make much impact on the masses whom even Shankara exhorted to do their duty to the world. "Even the monistic philosophy of Shankara and his followers had a place for devotion to a Personal God, whose grace was considered necessary to that spiritual awakening or the knowledge of the self which led to emancipation. Some of the most appealing devotional hymns are attributed to Shankara and his followers. Tradition also informs of the reorganization of the temple worship at all the centres set up by Shankara." The duty of the Vaisyas is to accumulate wealth by trade, by banking, by industry and by all fair means.

The non-Advaitas called Dwaitas believed in a personal God who is to be worshipped, whose work is to be done and whose creatures are to be loved. The Chettiars are Saivites, an important section of Dwaitas. The Nattukottai Chettiars carried this conception of doing God's
work to the extent of making God a partner in their business. When a Chettiar starts a business, he assigns one share of the capital to God and God gets his share of profit. This custom has been going on for ages among the Chettiar community and the accumulation of the shares of God have contributed to the expenses of temple maintenance and for comforts of the pilgrims. Most shrines have a rest house maintained by Chettiar families where free feeding is the custom. Chettiars donated larger sums of money for the maintenance of Veda Pathasalas where Vedas were taught by Brahmins. In fact, every Chettiar village maintained a Brahmin family and a Veda Pathasala.

The religion to which the Chettiars belong and their caste spirit have not seemed to have acted against their accumulation of wealth. Chettiars were zealous of maintaining the commercial integrity of their community. Their business methods, their social customs, the strong code of business, ethics and their strong adherence to the faith qualified the community for the task of accumulating wealth. In a study on Memons, Hanna Papanek suggests that in the Indian context the requirement of a successful entrepreneurial personality included autonomy and personal responsibility. These are supposed to be fostered by a mother less indulgent than the average mother and a father who is physically absent or relatively uninvolved in the upbringing of his son. The Chettiars'
overseas business in their heyday was the more predominant and hence the fathers spent more time abroad while the sons were brought up at home.

Thus all these factors shaped the Nattukottai Chettiar community as a successful business group.

The Weber theory of the negative influence of Hindu religion on the economic development of India and Asian countries has again been subject to a closely reasoned examination by Milton Singer in his book "When a Great Tradition Modernizes". Singer finds that many European advisers of Indian economy have periodically stuck to the Weber theory and have prescribed "a major precondition for economic development and modernization the elimination of most traditional institution and practice" quietly ignoring the tendency which Weber found in the absolute elasticity of the caste rules when subject to the pressure of necessity. Singer points out: "When Weber wrote there was already sufficient evidence of industrial capitalism to attract his attention. And he had some interesting observation on the disposition of different castes and communities to become entrepreneurs, commercial and administrative employees and factory workers. He was impressed by the increase in commercial investment and the accumulation of wealth especially among lower castes that had gone to business and industry and praised their superior adaptability to the rational pursuit
of profit."56

Singer also examines the question why in view of all this Weber and his supporters should so dogmatically insist that Hinduism and the caste system are essentially negative and anti-rational in their effect on economic activity. He comes to the conclusion that an explanation must be due to the following points:

(1) At the time Weber was writing, industrialization was just beginning in India under a British administration reluctant to build up an Indian industry to compete with Birmingham and Manchester. The teething troubles of Indian industry, the difficulty of attracting labour to the cities from town, absenteeism and non-amenability to discipline, all must have impressed Weber so much as to mislead him to the conclusion that "it is extremely unlikely that the organization of modern capitalism could have originated on the basis of the caste system." The spirit of the whole system was so anti-rational and too 'anti-capitalistic'.57 What Weber's inference was narrow, has been proved by the subsequent growth of organized industry in India and the virtual break up of traditional 'caste barriers'.

(2) Weber assumed in his survey in Europe and India that the decisive factors in accounting for economic motivation are not biological or universal instincts and impulse but the inner spirit dominating the society. In
the European case the inner spirit was the 'Protestant ethic' and in the Indian case it was what he thought was the Indian character. Factually, he was wrong in his conception of this inner spirit.

(3) In both cases he derived the inner spirit from a specific religion and 'ideological theory' that explained it. In the European case it was not the existing traditional social system but the system as will be when reformed. In the Indian case the system was the existing social system because he failed to see that what he considered the 'spirit of the society' would undergo as much change as the spirit in Europe.

(4) In both cases the effects of the theodicy are not what have been ascertained by an empirical survey but what Weber wishes them to be as the result of the hypothetical introspective method in which Weber asked how he would feel and act as if he were a 'believer' in the particular theodicy. In the European case he had the experience and knowledge of the Protestant believer to guide his psychological analysis, but for the Indian case, he relied chiefly on the spiritual texts and European Indologists' interpretation. Even the Indian Census figures gave him indication quite contrary to the European interpretation, but Weber failed to give weight to such empirical data. This, says, Singer, is the main reason for the differences in the psychological portrait he drew
of the Puritan and the Hindu, notwithstanding the parallel between Calvinism and Hinduism.58

(5) "The problematic aspect of Weber's assumption emerges when the ideal types are confused with the empirical realities."59 Traditional Indian society has been a changing society and the Hindus who have been agents of these changes have not been prevented by caste ritual or religious beliefs from making innovations.

Singer proceeds from this theoretical examination of Weber's views to collect empirical data to confirm or reject Weber's assumptions. From an intensive study of 19 leaders of industry in the Madras city he shows how Weber's theory is not borne out by any facts. Sixteen of these leaders are from typical orthodox Hindu families who have a strong attachment to their Hindu religion and who actually feel there has been no conflict between their religious tradition and their industrial career. Not even the traditional joint family system which characterised most of these industrial families was found incompatible with the successful running of business. On the other hand, it was favourable in the opinion of the leaders; because it provided a nucleus of capital. Says Singer, "The structural congruence between joint family organisation and the organisation of industrial firms seems to be so great that one wonders how the opinion of this inherent incompatibility even got started", nor has
the caste system stood in the way.  

**Modern View of the Process of Development**

Both Weber and his critics as well as followers looked upon economic development as a process within the four walls of what they considered as a unit of society, the National State. They discussed the reasons for the quick growth of capitalism in one country and lack of it or slow development in other countries. It is being more and more realised now that it is basically wrong to study social evolution by treating every society as if it constituted a social system in isolation.

"Underdevelopment is not just the lack of development. Before there was development there was no underdevelopment.... development and underdevelopment are related, both through the common historical process that they have shared during the past several centuries and through the mutual, that is reciprocal influence that they have had, still have and will continue to have on each other through history."  

It is a historical fact that one country's development affects similar development of other countries very profoundly. Economic development is one big process of development in one place, producing underdevelopment in another place, so that "merely to accept the terminology of the 'third-world' (the less industrialized countries of Latin America, Africa and Asia) is to open ourselves to..."
the reasoning that the 'first-world' countries became
industrialised of their own accord. Yet no one can fail
to recognize that the industrial world's superior tech-
nology at a particular point of history allowed it to
exploit; and convert to its own uses the resources of the
world.\textsuperscript{63}

The substance of this new approach is that the back-
wardness of what are called the 'third-world' countries
is the result of the very process of capitalistic develop-
ment in the industrialised countries of the West. They
developed by pampering the Asiatic countries which were
far superior in wealth at the commencement of the contact
between them.

"Capitalism as a world system had its origins in the
late fifteenth and early sixteenth centuries when Europeans
mastering the art of long-distance navigation, broke out of
their little corners of the globe and roamed the seven seas
conquering plundering and trading. Ever since then capi-
talism has consisted of two sharply contrasting parties;
on the one hand a handful of dominant exploiting countries
and on the other hand a much larger number of dominated
and exploited countries. The two are indissolubly linked
together, and nothing that happens in either can be
understood if it is considered in abstraction from the
system as a whole.\textsuperscript{64}

The genesis of this theory can be traced to Karl
Marx's discussion on foreign trade and the expansion of capitalism. This was followed by many economists and theorists like Lenin, Paul Baran, A.G. Frank and Paul Sweezy.\(^65\) This has not escaped the attention of even statesmen and politicians. Says Nehru, "Nearly all our major problems have grown up during the British Rule and as a direct result of British policy: the princes, the minority problem, the lack of industry, the extreme backwardness in the social services and above all the tragic poverty of the people."\(^66\)

The basic idea of this theory is the dialectical relation between the capitalist development in Europe and underdevelopment of the countries of Asia, Africa and South America. The Capitalist countries developed precisely because they underdeveloped the latter countries. The irony of this process is that at the commencement of European contact with these now underdeveloped countries Europe was poor and these countries were rich. Asia, Africa and South America had many things which Europe desired and for which it was unable to pay in goods or gold. As the Emperor of China scornfully told George III, "Our celestial empire possess all things in prolific abundances." But European countries were militarily superior to Afro-Asian countries and this enabled "European traders to subjucate their overseas trading partners to a pattern of commerce hardly distinguishable from plunder."\(^67\)
"For the purpose of buying goods at the cheapest price possible an ultimate political control over the countries they traded with was a sine qua non for the policy of the merchant company." 68

In the 17th and 18th centuries, therefore, expansion of European commerce involved political concessions to monopolistic trading corporations like the East India Company, the Levant Co., the Africa Co., etc. With the help of their military strength the European trading companies completely dominated the colonial countries and made their economy subservient to the needs of the governing country. It was the Bengal Plunder that enabled Britain to effect the Industrial Revolution brought in by the scientific discoveries. Baran quotes in his "Political Economy of Growth" what Brook Adams wrote in his "The Law of Civilization and Decay", very soon after Plassey (1757), the Bengal plunder began to arrive in London and the effect appears to have been instantaneous, for all the authorities agree that the Industrial Revolution began with the year 1760." 69

This flow of capital from the rich colonial countries like India deprived them of the opportunity for economic advancement. The East India Company forcibly developed the English made cloth in India (where a rich textile industry based on manual work was flourishing), compelled the Indian people to shift over to production of cash
crops like cotton and oilseeds to export them to Europe and import cloth and other manufactured articles. This completely shattered Indian industry. Karl Marx himself has noted this; for he writes in "Capital", "A new and international division of labour, a division of labour suited to the requirements of the chief centres of modern industry springs up and converts one part of the globe to a chiefly agricultural field of production for supplying the other part which remains a chiefly industrial field." Viewed from a historical perspective this conversion of colonial economies to an indispensable appendage to the economy of the imperial master is itself a process of further underdevelopment.

This was the main reason why India failed to effect an industrial revolution as the Protestant countries achieved in Europe. The cause is not to be found in the 'other worldliness' of Hindu religion or attributed to the rigidity of caste or the caste Dharma or to the want of a doctrine like Calvinism which enjoined on men the earning of more and more wealth. The real cause was the deliberate plan of the militarily strong colonial powers to prostitute the economy of the conquered countries to the building of their own economic wealth.

Curiously enough after India got independence the country's rulers have copied the former master's technology and methods. India's industries have greatly expanded.

However, as far as Marx's views on the nature and effect of Hinduism is not very different from that of Max Weber.
But just as the former imperialist country subjugated the conquered country to subserve the interests of the master country, the new development in India is being used only to the advantage of those involved in the process, viz., the few industrialists and the few millions of industrial workers, the bureaucrats who run the public enterprise, the politicians and the professional people whose services are needed by these people. The GNP has grown, but the millions of poor Indians remain poor as they are exploited for the benefit of the few. The goal of development should be not in GNP figures but in creation of employment for every one in the country.

In the light of the above discussion, a close study of the religion, family and business of the Chettiar, a Tamilian business community, will help us determine how far the Chettiar success in their pursuit of profit and wealth accumulation could be attributed to their devotion to Hinduism. The present study was confined to the Nattukottai Chettiar settled in the two cities of Madras and Madurai, since the Chettiar concentration is highest in these two cities, and the leading Chettiar industrialists also are settled in the two cities. Madurai is the present home of the family of the 'textile king' of South India, late Mr. Thiagaraja Chettiar and the Chettiar leader the Rajah of Chettinad, and the 'Leather baron' of South India, A. Nagappa Chettiar lives in Madras.
An examination of the secondary sources consisting of published histories of the community in Tamil and English, Chettiar community journals, memorial volumes and Directories revealed that the Chettiars today are no longer confined to their traditional occupation of banking and money-lending. They have entered every possible field, industry, manufacture, trade, financing, academics, the professions and film production too. Chettiars are prominent in diversified fields, industry, manufacture large and small, trade and finance, as well as in the academics and the professions like teaching and research in the universities, chartered accountancy, medicine, engineering and journalism. Since the leaders formed only a small group, it was decided to study the leaders in industry as one group, the pioneer group, and the rest as a general group for purposes of information on family organisation and composition, marriage, religion and occupation. Information about the first group was collected with the help of Chettiar friends and from personal interviews of the Chettiar leaders. Data on family, marriage and religion were collected through questionnaires. Three hundred questionnaires were circulated to a purposefully selected sample of Chettiars from Madurai and Madras. For this the Nagarathar Sangam in Madurai was most helpful. A number of Chettiars were contacted at the Sangam where they met periodically. In Madras the
Nagarathar Youth Association Meeting was made use of to distribute the questionnaires. Here many of the youths assembled were married and in jobs and those that were not married and were still students were explained how to answer the questionnaire. Only one hundred and twenty-five questionnaires were returned completely filled. Fear of disclosing of financial details seemed to be the major reason for their indifference in filling up a questionnaire. The Chettiars in the profession were very cooperative.

From the information received from the questionnaires, a list of Chettiars practising moneylending today in Madurai was made, and they were personally interviewed for their views on their profession and religion and charity, keeping in mind the fact that the stereotype moneylender is the most uncomplimentary. These interviews proved very interesting as well as revealing. However, fixing the interviews proved very time consuming. Out of a list of thirty only fifteen could be completed. Here, besides the fear of disclosing details of their financial condition, the major obstacle was the fact that all the moneylender Chettiars were also proprietors of other business. They were engaged in wholesale paper business, automobile spare parts, cycle shops, medical stores, transport services, estates, yarn business, etc. In most cases, the business of moneylending was looked after by the proprietors
themselves. In this study we begin with the description of the Chettiars, their land, their origin and history and their relative strength as a business community in Southern India today. This is followed by the Chapter describing their temple based social organisation, their family structure and marriage. The Chapter also brings out the relation between their economic interests and activity and their social organisation. The Fourth Chapter discusses their religion, Saivism and their religious activities, the charya and kriya of the Chettiars--and its bearing on the economic activity. The Fifth Chapter deals with the dominant economic activity of the Chettiars during the period 1850-1930--their moneylending business in the South East Asian countries, specially in Burma, this being the most important theatre of their overseas business and also the place where their Agency System of banking was perfected. It also has a section on their economic enterprise in India itself. The next Chapter 'Chettiars Today' brings together our findings about the occupational distribution of the Chettiars, the leading Chettiar families in different industries and the changes that have taken place in their social life. This Chapter also describes the religious beliefs and practices of the Chettiar industrialists we interviewed and of the other Chettiars contacted through questionnaires. The Concluding Chapter brings together the findings to show
that contrary to the persistent propaganda that Hindu religious beliefs and values are institutions seem to have been the handmaid of the rich Chettiar in the pursuit of wealth both during the heyday as the leading bankers in the overseas countries (1850-1940) as well as now as leaders in modern industry. The Chapter emphasizes on the thesis that real explanation for the economic stagnation or slow economic progress of India lies definitely not in the religious factors but in the historico political factors.
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