

ACTIVITY 6.1

India and the Caste System in 200 B.C.E.

About 1500 B.C.E., Aryans from the north invaded the Indus Valley. They brought with them the beginnings of the **caste system**, a social order that divided people into groups. Each group had a different status and different rights. In 200 B.C.E., there were four primary castes, called *varnas*.¹ The order of the castes, as laid out in early religious texts, was as follows:

- The ***Brahmins*** were the priests.
- The ***Kshatriya*** were the relatively small group of rulers and warriors.
- The ***Vaishyas*** were farmers, merchants, and traders—a large middle class group with many sub-castes.
- The ***Shudras*** were typically servants and farm workers, including mixed-race people and those who had different religions.

An additional category of people, the ***Dalits*** (outcasts or untouchables) were not recognized as members of a caste. They were the lowest status group in Indian society, although, at times, slavery did exist.

Within the larger castes were many smaller sub-castes. Sub-castes were usually based on families, geography, or some other common characteristic. A sub-caste might be restricted to one occupation. Castes often functioned like guilds or labor unions. By 500 to 200 B.C.E., castes controlled the local production of certain goods.

Caste played a large role in people's lives. A person's caste was determined by their parents' caste. Caste often determined a person's occupation. Castes influenced with whom people could trade and work. Marriage between people of different castes was not allowed.

The *Vedas*, Sanskrit texts brought by the Aryans that were the basis of Hindu scripture, reinforced the power of the system of castes.² Supporters of the caste system saw it as a way to organize society based on common religious beliefs and an established social structure. Those who opposed the caste system at this time in history faced strong social and legal pressure to conform to the system.

During the period of British rule of India, 1857–1947, many customs concerning the lower castes were found to be discriminatory. Discrimination against the Dalits and the restrictions of the caste system were banned by the Indian Constitution in 1950.³ But the caste system is still a social influence in India today, especially in rural areas.

¹ Keay, John. *India: A History*, New York: Grove Press, 2000. Pages 52–54.

² Ibid, Keay. Pages 52–54.

³ Appleby, Joyce. *The Relentless Revolution: A History of Capitalism*, New York: W.W. Norton & Co., 2010. Page 388.

ACTIVITY 6.2

Characteristics of Economic Systems

All nations have economic systems—ways of producing and distributing goods and services. Each has unique characteristics. Economic systems answer three basic economic questions: What goods and services are to be produced? How are goods and services to be produced? For whom are goods and services to be produced? Each economy has different ways to answer these questions. They include characteristics of market-oriented, command or planned, and tradition-based economic systems. Most economies are some combination of the three main types. In their pure states—which may not exist in today’s world—market, command, or traditional economies have these general characteristics.

TYPE OF SYSTEM	WHAT TO PRODUCE?	HOW TO PRODUCE?	FOR WHOM TO PRODUCE?
MARKET ECONOMY	Businesses produce goods and services that consumers are willing and able to buy for prices that will yield profits for the businesses.	Seeking profits, business owners decide what resources they will use to produce goods and services. Individuals decide what occupations they will seek in the labor market.	Finished goods and services are distributed to individuals willing and able to buy them.
COMMAND ECONOMY	A central planning authority (government agency) decides what and how much of goods and services will be produced.	A central planning authority (government agency) decides what combinations of productive resources will be used to produce goods and services. The government may assign people to jobs.	A central planning authority (government agency) decides who will receive the goods and services that are produced.
TRADITIONAL ECONOMY	The goods and services produced today are the same goods and services that were produced in previous generations.	The productive resources used are the same as in past generations. Occupations are determined largely by tradition and families.	Finished goods and services are traded within the group or distributed based on tradition.

ACTIVITY 6.3

What Kind of Economy?

Directions: From the information in Activity 6.1, *India and the Caste System in 200 B.C.E.*, identify the characteristics of the Indian economy in 200 B.C.E. that represented the three basic types of economic systems. List the characteristics of the Indian economy in 200 B.C.E. in the appropriate columns.

- What characteristics of India in 200 B.C.E. were those of a market economy?
- What characteristics of India in 200 B.C.E. were those of a command economy?
- What characteristics of India in 200 B.C.E. were those of a traditional economy?

Market Economy Characteristics	Command Economy Characteristics	Traditional Economy Characteristics

ACTIVITY 6.3, SAMPLE ANSWERS

What Kind of Economy?

Directions: From the information in Activity 6.1, *India and the Caste System in 200 B.C.E.*, identify the characteristics of the Indian economy in 200 B.C.E. that represented the three basic types of economic systems. List the characteristics in the appropriate columns.

- What characteristics of India in 200 B.C.E. were those of a market economy?
- What characteristics of India in 200 B.C.E. were those of a command economy?
- What characteristics of India in 200 B.C.E. were those of a traditional economy?

Market Economy Characteristics	Command Economy Characteristics	Traditional Economy Characteristics
<p><i>Possible answers:</i></p> <p><i>Markets determined production.</i></p> <p><i>Private ownership of resources and businesses</i></p> <p><i>Trade was used to distribute goods.</i></p>	<p><i>Legal codes enforced the social norms and mores.</i></p> <p><i>Government recognition of the caste system</i></p>	<p><i>Castes determined opportunities and relationships.</i></p> <p><i>Strong religious influence</i></p> <p><i>Occupations were inherited.</i></p> <p><i>Marriage within castes</i></p> <p><i>Limited movement between castes</i></p>