POLITICAL ECONOMY OF EARLY BUDDHISM

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Abstract: Between the 6th and 3rd centuries BCE, Indian society experienced significant changes due to iron-based agricultural growth, expanding trade, urbanization, and new political systems. This period saw ideological clashes between Brahminism and Buddhism. The Buddha proposed a balanced economic approach, rejecting absolute state control and unchecked markets. He advocated state-regulated, equitable systems prioritizing collective welfare, believing economics should operate on ethics, not greed. Unlike pessimistic views of human nature, he saw potential for cooperative, value-driven economies. Buddhism offered a unified socio-economic and political philosophy, standing out among contemporary schools of thought. This paper examines Buddhism's emergence in the context of pre-existing social structures, agricultural and commercial growth, and the rise of competing philosophies. It explores how Buddhism's "Middle Path" appealed to oppressed groups, contrasting with Vedic-Brahminism. Unlike rigid traditions, Buddhism adapted to changing socio-economic realities, making it a lasting social philosophy. The paper first analyzes pre-Buddhist society, then discusses how new economic conditions spurred philosophical debates, with Buddhism offering an inclusive alternative.

Introduction

Buddhism, which is marked by a unity of thought in the spheres of economy, society, and polity, represents the most comprehensive attempt to provide an enduring social philosophy for mankind compared to the other philosophies presented by the contemporaries of Buddha. This paper elaborates upon the socio-economic, political, and religious milieu in which Buddhism emerged and then analyses the social groups that adopted it. First, we will look at the societal structure in the pre-Buddhist era, the emergence of "agricultural economy, trade, commerce," and its impact on the society, i.e., the emergence of "various social groups and philosophical schools." The following section will deal with how the new socio-economic circumstances led to the rise of various contending philosophical schools (amongst which Buddhism showed the middle path), including the society's oppressed sections. The last section shows how Vedic-Brahminism clashed with the expansionist demands of the Empire of the time, whereas Buddhism did not.

When we talk about the political economy of any school, first, we have to look at the structure and dynamics of the society that gave rise to that school. The structure and dynamics of the society influence the distribution of resources and the material well-being of the people.

I. Social Structure

Various sources can be used to investigate the Vedic people's colonization of the middle Gangetic plains and related changes in the second millennium BC. The early Buddhist Pali texts are extremely valuable. The *Vinaya Pitaka*, which deals with the Buddhist Samgha's norms, the *Sutta Pitaka*, which contains the Buddha's teachings, and the *Abhidhamma Pitaka*, which deals with metaphysical issues, shed light on changing patterns of life and cognition. Scholars have long disagreed over the order of these *Pitakas* and the 551 Buddhist birth

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stories known as the *Jātaka* included in the *Sutta Pitaka*. (Thapar, 2015) However, most of these manuscripts may be dated between 600 and 400 BC, except the Jataka stories, which could be dated later. Because the Pali writings were written in the Magadha language, they primarily represented the realities of eastern Uttar Pradesh and Bihar. When combined with Panini's grammar (500-400 BC) and the *Grihyasutras* and the *Dharmasutras*, which date from 600 to 300 BC, they constitute reliable sources describing the entirety of northern India. Archaeologists have also uncovered a large amount of evidence- various locations mentioned in the writings, such as Ahichchhatra, Hastinapur, Kaushambi, Ujjaini, Shravasti, Vaishali, and others, have been discovered over the previous five decades. They have unearthed the ruins of houses, buildings, and even communities. Several other items, including a luxurious pottery known as Northern Black Polished Ware, have also been discovered. The interpretation of archaeological artefacts and literary texts serves to reconstruct the past.

The significant transformation occurred around the 6th century BCE- the Varna system had developed entirely, but the caste system was developing. As Ratilal N. Mehta's book *Pre Buddhist India* says, "of course, we cannot expect as highly developed a caste system from our stories (i.e., Jātaka Stories) as in Brahminical law books. There are two phases of the matter. We find no mention of caste and everything it implies in ordinary circumstances. However, when morality gains ground, and the story has to deal with Brāhmaṇa characters, caste-distinctions and allied matters do appear." (Mehta, 1939, 244) This is why, in discussing the social conditions in pre-Buddhist India, Mehta used the words "caste" and "class" interchangeably.

About the origins of the caste-system, it is said:

> Brahmins he made for study, for command;
> He made the Khattiyas: Vessas plough the land;
> Suddas he servants made to obey the rest;
> Thus from the first went forth his high behest;
> We see these rules enforced before our eyes. (Ibid.)

The above *gāthā* presents the Brahminical version of the origin story, according to which the Great Brahmā created the world and divided humanity into four varnas: the Brāhmins, the Kshatriyas, the Vaiśyas, and the Śudrās.

As described above, this divine social division implied the following: 1) The "Vaiśya" class was involved in agricultural activities, not trade and business, as the market had not yet developed. The Śudra class was enslaved and assigned to serve the rest of society. The Brāhmins monopolized the educational field, and military tasks were entrusted to the Kshatriya class. 2) The Brāhminical ideology was developed to a point where it could justify the Brahmins' complete control over society. (Shepherd, 2019)

The first is "*Brāhmins*": While describing the Brahmin class, Mehta says, "The Brāhmaṇas, of all the classes, seem to have formed a homogenous class, bound together by the consciousness of being the premier caste the only one enjoying the privilege of acting as priest at a sacrifice and by the observance of certain customs, relating especially to connubium and commensality with view to preserve the purity of blood and ceremonial cleanliness." (Mehta, 1939)

It seems that the Brahmin class was the most organized as well as the most conscious at that time. There was a clear distinction within the Brahminical order, "we see a marked distinction being made between the Brāhmaṇas settled from the north(-west) i.e. those whom we have called the 'true' or 'proper' Brāhmaṇas and others of the eastern land who had deviated from the rules and prescriptions of their class and whom we may call 'worldly.'" (Ibid., 249) However, this classification was of degree, not of kind. The "proper" Brahmins gradually pushed the "worldly" Brahmins into either the "Vaiśya" or the "Shudra" Classes. This indicates that Brahminism was developing as an ideology rather than a community or religious sect by then. This class had its own ideological and ritualistic superstructure.

Brahminical ritual, moreover, was not just some witch doctor's mumbo-jumbo, but accompanied a practical calendar, fair meteorology, and a sound working knowledge of agricultural techniques unknown to primitive tribal groups which never evolved beyond using the digging stick or hoe. However, such a social position, as that of the Brahmins, becomes possible only when a social group forms itself into a class. (Sayed, 1985, 29) Kings and the other sections of society gave dāna to the Brāhmins, whose services they required at various stages in life—birth, death, and marriage. This privilege of *dāna* turned the Brahmins of the *Jātaka* period into a parasitic class as they started gaining much wealth.

The second is "*Kshatriyas*": The Brahmins' dominant position in the framework of the ritualistic society and the subservient position of the other sections gave rise to the emergence of rebellious groups, which Kshatriyas pioneered. The *Jātaka* stories appropriate the presence of such rebellious tendencies. Mehta says, "In the Jātakas, as in the general Buddhist literature, the premier position in society is generally assigned to the Khattiyas instead of the Brāhmaṇas." (Mehta, 1939, 253) Many Jātakas have a contemptuous attitude towards the Brahmins. For example, the whole of the Junha Jātaka narrates the shameful behaviour of a Brāhman who pours out his wisdom only to fetch a handsome reward from the king. Similarly, the greediness of the Brāhmaṇas is frequently brought out in Bhūri datta Jātaka; the sarcastic name Odariya (fond of eating) given to them is also important. (Ibid., 246) Another example from the *Junha Jātaka* endorses the presence of a kingly aversion towards the Brahmins as well. In this incident, King Junha questions a Brahmin who has come to ask for a reward:

> Hast thou a penance [tapo], Brahmin, dread to tell,
> Or hast thou many a charm [manta] and many a spell,
> Or goblins [yakkha] ready your behests to do,
> Or any claim for having served me well?

This gāthā both questions and ridicules the divine powers of the Brahmins. (Shepherded, 2019, 30) So it is evident that, at this stage, the Kshatriyas were becoming conscious of their political rights against the ritualistic powers of the Brahmins. Also, the Khattiyas (i.e., Kshatriyas) of the time seemed to show as much zeal as the Brāhmanas in studying the *Vedas* and other *Śastras*. Now, it is pertinent to inquire what constituted this Khattiya class. Both in the epic and probably in a somewhat narrower sense, by Khattiya, the *Jātakas* denoted a ruling class member, including the king, his great lords and vassals, including the higher portions of the army. (Mehta, 1939, 254) Thus, Kshatriyas continuously challenged Brahminism and endeavored to gain control over social institutions. Since Buddha and Mahavir Jain were born into a Kshatriya family, they were in a conducive environment to imbibe the anti-Brahminism spirit. However, later, during the conflict between Buddhism and Brahminism, the principles of Jainism were co-opted by Brahminism to defeat Buddhism. Soon, the cow became holy, a shelter of 33000 deities developed, and eating non-veg became a grave sin.

The third is "*Vaiśya*": The word Vessa (Vaiśya) occurs only rarely in the Jātakas, and when it does, it is used only in connection with theoretical discussions and does not refer to any existing social unit or group. (Fick, 1920, 252) Richard Fick says, "Originally in the oldest Vedic age, Vaiśya was a name for the class of cattle-breeding and land-cultivating Aryan settlers; it served later the purpose of the theorising Brāhmaṇas to bind together the unlimited number of social groups." (Mehta, 1939, 255) Mehta uses the words *"Vaiśyas"* and *"Gahapati"* (*Grhapati*) synonymously, and claims that if any social division of our period corresponds to the traditional Vaiśya order, and has a similar meaning, it is that of the *Gahapati* (Grhapati) or the householder. (Ibid., 255) Mehta thinks these Gahapatis were also a distinct class, just like Kshatriya and Brahmins. They devoted a part of their life to study, and sometimes, in their old age, became homeless ascetics, mixing with the other classes of people. The *Gahapati* class encompassed within its fold all those traders and businessmen, the craftsmen, and the artisans of whom we took note during our investigation of the economic

life of that time. The *Gahapatis* can be differentiated from the Khattiyas (i.e. Kshatriyas) and Brāhmaṇas on the one hand and the Suddas (i.e. Shūdras) and other lower strata of the people on the other. (Ibid., 256) However, Kancha Ilaiah Shephered seems to be at odds with Mehta. He opines that 'we do not have any evidence of Vaiśyas having access to Vedic studies at that time, nor of the independent identity of Vaiśyas in class formation; on the contrary, we have evidence to prove that the Vaiśyas were nearer to the Sudra slave class.' However, later, some sections of the Vaiśyas and Sudras also formed a distinct class called Gahapatis or Kutumbikas. (Shepherded, 2019, 31)

Later, in the political-economy section of this chapter, we will see the course of emergence of this layer in society as a distinct class and its impact on the overall scenario.

The fourth is **"***Shudra*": We now come to the lowest strata of the social structure of the day. Speaking of the Vaiśya caste in the Epics, Hopkins says, "It is probably that at all times the third caste was an elastic term for every Āryan not priest or warrior; but it connoted pure blood and hence excluded those 'mixed castes' which were sometimes higher, but more often lower, than the houseslave." (Mehta, 1939, 260) Sudras were the toiling masses who constituted most of society's population. By the pre-Buddhist period, this class had gradually split into various professional clusters. There was a clear division of labor in the agrarian economy. Distinct from the family-less slaves, various craft guilds and merchant unions were also forming. The *Jataka* stories mention the Gahapatis and Kutumbikas as distinct classes like Brahmins and Kshatriyas, who had a well-settled family life and a hereditary structure of their profession. This indicates that the slaves had no family life of their own, and if there was such life, it must have been fluid and flexible; by Brahminical standards, not meriting recognition as "family life" at all. In other words, family life among the Shudra masses was transitory. (Shepherd, 2019, 32)

Professionals, such as fishermen, basket makers, smiths, carpenters, ivory carvers, potters, weavers, dancers, musicians, etc., were slowly settling. Hereditary character became evident in these professions, too. Mehta talks about three circumstances: local division of different kinds of work, hereditary character of branches, and the existence of an elder. (Mehta, 1939, 257) Thus, this was the period when caste-practices started taking shape.

Untouchability was also introduced. For example, the Chandālas were not allowed to live within the walls of a town or a village. They had to live outside (*bahinagare*), in a village, by themselves (*Caṇḍālgāmake*). The touch or sight of a Chandal was considered to cause impurity. (Ibid., 261) By introducing the practice of untouchability, Brahminism perfected its control over the Indian social structure. Eventually, this practice became applicable even among various social groups within the Shudra class/caste, and that is when it reached its climax.

II. Emergence of Agricultural Economy, Trade and Commerce, and Its Impact on Social Structure

Implementing efficient equipment accompanied a greater understanding of farming and various crops. According to Panini, the first grammarian of the Sanskrit language, who flourished in the fifth century BC, fields were ploughed twice or thrice and categorized according to their cultivated crops. (Jha, 2021, 96-98) Early Buddhist literature mentions the categories of the finest, middle, and poorer quality fields, as well as knowledge of irrigation and precise farming procedures, including the practice of keeping the land fallow. By the later Vedic period, an agricultural calendar based on six seasons and 27 constellations had already been established, and it soon became popularly practiced. The technique of transplanting paddy can be dated back to the post-Vedic era, when wet rice production yielded more food grains.

Peasants also grew barley, wheat, millet, cotton, and sugarcane, in addition to many varieties of rice. The use of flora and fruit trees, which had not been described in previous writings, began to be mentioned. The mango (*antra*) holds a special position among them;

Ambapali, Vaishali's most beautiful prostitute and a contemporary of the Buddha, was named after it (Sanskrit, Amrapali). Animal husbandry was used to augment the emerging agricultural economy. Many sites have revealed considerable amounts of bones of cattle, sheep, goats, horses, and pigs, indicating that some of them were presumably butchered for sustenance. Despite the achievements made in post-Vedic agriculture, the entire nation could not have been ploughed, and there were numerous places where people lived at a rudimentary level of material civilization, a situation with which we are still familiar. (Ibid.) Nonetheless, the overall sense we receive is of widespread steady plough farming and a growth in the number of villages. This perception is reinforced by the fact that throughout the upper and middle Ganga plains, no fewer than 550 sites with deluxe pottery known as Northern Black Polished Ware (a unique artefact type) from the sixth century to the first century BC have been either investigated or unearthed.

Peasants could generate larger surpluses thanks to the improved farming skills and efficient implements, which aided the expansion of cities. In the time of Mahavira, *Jaina* canonical sources mention many types of urban centers. Aristobulus, dispatched on a mission by Alexander in the fourth century BC, claimed to have seen the ruins of over a thousand settlements in the Indus Valley. Even if this is an exaggeration, it is undeniable that numerous settlements arose in northern India. Nearly sixty villages have been attributed to the era 600-300 BC nationwide. Shravasti was one of the twenty major cities; six were significant enough to be linked to Gautama Buddha's death. They were: Champa (now Bhagalpur in Bihar), Rajagriha (almost 96 kilometres south of Patna), Saketa (in eastern UP), Kaushambi (64 kilometres south of Allahabad), Banaras, and Kushinara (modern Kasia in the Deoria district of Uttar Pradesh). (Sharma, 2005, 165-175)

Archaeological evidence and contemporary literature confirm at least 10 urban centres in the middle Ganga basin between 600 and 300 BC. Thus, around the sixth century BC, a spectacular beginning of town life in north-eastern India appears to have occurred. The transfer of Alexander's army from mainland Greece to India significantly influenced the creation of communities. It opened up various trade channels and showed the possibility of commercial contacts between northwest India and Western Asia.

Routes to the Deccan and South India also provided new markets for North Indian goods. The finding of the Northern Black Polished Ware (whose core was the Gangetic valley) and pre-Maurya iron artefacts in the northern Deccan implies some economic relationship. However, the primary trading routes were down the Ganga, from Rajagriha to Kaushambi, connecting Ujjain (Madhya Pradesh) with Broach, the principal port for sea commerce with the West; the road from Kaushambi running over the Panjab to Taxila provided an outlet for India's overland trade with the north-west. (Ibid.)

Increased urbanization was both a cause and a consequence of trade. A caravan of 500 carts is said to have passed through a street where Gautama Buddha was meditating. The Buddha is believed to have encountered Belattha, travelling to Andhakovinda (an unclear location) with 500 carts loaded with sugar jars, on his route to Rajagriha. Merchants from Uttarapatha, such as horse-dealers, are depicted as travelling from one location to another to market their wares.

Cloth appears to have been a valuable commodity, since early Pali scriptures imply that cotton was widely used in north-eastern India during the Buddha’s lifetime. However, commerce was primarily restricted to high-end items.

In the post-Vedic period, the adoption of metal coinage boosted trade significantly. Despite Vedic witness, coinage in the past is highly speculative. The oldest coins recovered in India cannot be traced back to the Buddha’s reign. The name 'punch-marked' refers to these coins minted by merchants and carrying punch marks.

According to one estimate, there were over 300 hoards of punch-marked coins. Many have been discovered in the middle Ganga plains, showing the region's high monetization. The usage of coins appears to have gotten so widespread during this time that even the worth of a dead mouse was expressed in terms of money. The development of varied arts and crafts,

which started in the previous time, is directly tied to establishing towns, commerce, and the money economy. Several industrial trades are described in early Buddhist writings, in addition to service jobs such as washerman and dyer, painter, barber, tailor-weaver, and cook. This included the reed worker, potter, vehicle maker, needle maker, jeweller, metalsmith, carpenter, ivory worker, garland maker, and silk maker. Because there were so many crafts, commodity manufacturing became increasingly specialized. Guilds became fairly common among artisans and craftspeople.

Later Buddhist literature mentions eighteen guilds at Rajagriha, but only the names of four of them, woodworkers, smiths, leatherworkers, and painters, are given. (Ibid.) Each guild had its own sector of town to call home. This resulted in the localization of crafts and industries and the generational transfer of these skills from father to son. Every guild had a leader who oversaw it (*jetthaka*). The *Setthis*, who were also guild leaders at times, were in charge of commerce and industry. In some ways, the *Setthi* was a financier or banker and the leader of a trade guild. Even absolute and dictatorial rulers treated him with reverence. This suggests that craftsmen and *setthis* became increasingly prominent social groupings in towns.

By its affluence, a new social stratum began emerging in the countryside. *Gahapatis* came to hold most of the land (peasant proprietors). *Gahapati* ("lord of the house") refers to the host and primary sacrificer during any significant sacrifice. Several wealthy *gahapatis* are mentioned in early Buddhist literature. The *gahapati* Mendaka is claimed to have paid the royal army salary and established 1250 cowherds to serve the Buddha and his Samgha as a benefactor. Another *gahapati*, Anathapindika, is claimed to have paid a considerable sum for Jetavana, a tract of land he gave to the Buddha. A *gahapati* of Saketa is said to have spent the physician Jivaka 16,000 coins and a male and female slave, while another *gahapati* of Banaras is said to have given him 16,000 coins for treating his son. *Gahapatis* are sometimes shown as providing money to aspiring shopkeepers. The transition of the *gahapati* from a Vedic householder to a fairly rich family head may signal an increasing economic gap within society. (Jha, 2021, 143-157) Ordinary folk, slaves, and laborers appear to have lusted for his wealth and wished him harm; he is frequently pictured as defending himself with a bodyguard.

Economic inequities arose due to the creation of a new wealthy elite in villages and cities, further eroding traditional beliefs of kinship and equality. The accumulation of private property in the hands of fewer people impacted several tribes throughout the Vedic period, inevitably reinforcing society's fourfold split.

During the post-Vedic period, Brahmanical lawbooks for the first time specified the social, legal, and economic privileges of the higher castes and the disabilities of the lower castes. Many aboriginal tribes lived at a relatively low level of material civilization because they were untouched by iron technology. The cultural split between the autochthons, who lived primarily as hunters and fowlers, and the varna-divided society, which knew iron instruments and cultivation, may have contributed to the rise of untouchability in the post-Vedic era.

III. Emergence of New Philosophical Schools

The newly established characteristics of the people's social and economic life did not fit in with Vedic ritualism and animal sacrifice, which had become a source of needless decimation of cow riches, the new plough agriculture's basic base. The tension between Vedic religious practices and the ambitions of emerging social groups prompted the quest for new spiritual and philosophical conceptions that could accommodate the fundamental changes in people's material lives. As a result, around the sixth century BC, several new religious instructors appeared in the Gangetic valley, preaching against the Vedic religion. In the sixth century BC, Buddhist sources mention up to 62 religious sects, while Jaina scriptures refer to as many as 363 groups. Many of them were based on regional ceremonies and customs. However, some of these may have influenced later philosophical views. As a result, Ajita Keshakambalin advocated a comprehensive materialistic ideology known as annihilationism (*uchchhedavada*),

from which the *Lokayata* or *Charvaka* School of philosophy is thought to have borrowed much. (Ibid.) Another religious leader, Pakudha Katyayana, believed that, just as the earth, water, air, and light are basic indestructible components, so are sorrow, happiness, and life; it has been speculated that his teachings influenced the subsequent *Vaisheshika* School. Purana Kassapa, another contemporaneous preacher, separated the soul from the body and established the Samkhya system of thought. (Ibid.) His immediate followers, on the other hand, consolidated with those of Makkhali Gosala, an *Ajivika* sect adherent who drank, went naked, and practized orgiastic sexual rites, and believed that the soul had to pass through an immutable cycle of predetermined rebirths, regardless of the actions of the particular body to which it was attached in each birth.

Brahmanas, Kshatriyas, Vaishyas, and Shudras were the four varnas of post-Vedic civilization. Each varna was given specific responsibilities. Even though varna was determined by birth, the two upper varnas gained power, prestige, and privileges at the expense of the lower varnas. The Brahmanas, who were given the roles of priests and instructors, claimed to be the most powerful people in society. They sought several benefits, including receiving gifts and being immune to taxation and penalty. Many examples of similar privileges may be found in post-Vedic writings. The Kshatriyas, who ranked second in the varna order, battled and ruled, and subsisted on peasant levies. Agriculture, livestock breeding, and trading were all important to the Vaishyas. They were also the primary taxpaying citizens. They were, however, classified in the *dvija* or twice-born group, along with the two higher varnas. A *dvija* was allowed to study the Vedas and wear the holy thread. Shudras, like women, were supposed to serve the three higher varnas and were forbidden from studying Vedic texts. In post-Vedic periods, they worked as household slaves, agricultural slaves, craftsmen, and hired laborers. Their habits were described as harsh, greedy, and stealing; some considered them untouchable. The greater a person's varna, the more privileged they were; the lower an offender's varna, the harsher the punishment set for him.

Tensions appear to have arisen as a result of the varna-divided society. The reactions of the Vaishyas and Shudras are unknown. Still, the Kshatriyas, who served as rulers, reacted fiercely against the Brahmanas' ceremonial dominance and appear to have led a rebellion against the significance placed on birth in the varna system. One of the reasons for the emergence of different faiths was the Kshatriya reaction to the Brahmanas' dominance, which claimed numerous rights. Vardhamana Mahavira, the true founder of Jainism, and Gautama Buddha, the true founder of Buddhism, were both Kshatriyas who challenged the Brahmanas' authority.

However, the emergence of a new agricultural economy in north-eastern India was the reason for the rise of these new faiths. There is roughly 100 cm of rainfall in north-east India, which includes eastern UP and northern and southern Bihar. These lands were thickly wooded before people settled there on a large scale, and clearing them without iron axes would have been difficult. Although some people did live in these places before the sixth century BC, they utilized bone, stone, and copper tools. They lived in perilous conditions on the banks of lakes, rivers, and river confluences where land was opened to settlement by erosion and floods.

Large-scale habitation in the mid-Gangetic plains began towards the end of the sixth century BC, when iron was first employed widely in this region. Because of the wet nature of the soil in this region, very few iron tools from the early periods have survived. However, axes dating from around 600–500 BC have been discovered. Iron implements made clearing, agriculture, and big communities feasible. Bullocks were necessary for the iron ploughshare agricultural system, which could not have thrived without animal husbandry. On the other hand, the Vedic tradition of indiscriminately slaughtering livestock in sacrifices impeded this development. Since cows and bullocks were slaughtered during numerous Vedic sacrifices, and non-Vedic tribes living on Magadha's southern and eastern outskirts also killed cattle for subsistence, the livestock rapidly became depleted. Therefore, this slaughter had to end if the new agrarian economy was to be stabilized.

In northern India, about 500 BC, many cities began to emerge. Kaushambi near Allahabad, Kusinagar (in the Deoria district of Uttar Pradesh), Varanasi, Vaishali (in the newly created district of the same name in north Bihar), Chirand (in Saran district), Taradih in Bodh Gaya, Pataliputra, Rajgir (about 100 km south-east of Patna), and Champa in Bhagalpur district are just a few examples. Several of these cities were related to Vardhamana Mahavira and Gautama Buddha. Many artists and dealers worked there for the first time, using currency. The earliest coins date back to the fifth century BC and were mainly punch-marked. They were initially seen in eastern Uttar Pradesh and Bihar. (Ibid) Using currencies naturally aided trade and business, adding to the Vaishyas' significance. As previously stated, the Vaishyas were ranked third in the Brahmanical society, after the Brahmanas and Kshatriyas.

Naturally, they sought a religion to help them improve their situation. In addition to the Kshatriyas, the Vaishyas generously supported Mahavira and Gautama Buddha. The merchants, known as the *setthis*, lavished presents on Gautama Buddha and his students. There were several reasons for this. First, Jainism and Buddhism did not emphasize the existing varna system much. Second, they taught the religion of nonviolence, which they claimed would stop battles between kingdoms and, as a result, increase trade and commerce. Third, the *Dharmasutras*, or Brahmanical lawbooks, forbade lending money at interest and punished people who lived on it. As a result, the Vaishyas who lent cash due to increased trade and commerce were despised within the Vedic fold and thus sought a higher social standing.

Furthermore, there was significant opposition to many types of private property. The old-fashioned people frowned upon using and collecting silver, copper, and maybe gold coinage. They despised new housing and clothing, new opulent modes of transportation, as well as war and bloodshed. The new forms of property exacerbated social disparities and led to widespread sorrow and suffering among the general public. As a result, the ordinary people wanted to return to a more basic way of life, to the austere ideal, which rejected the new forms of property and prescribed a new way of existence. Jainism and Buddhism advocated for a simple, puritanical, and austere life. The Buddhist and Jaina monks were urged to give up the finer things in life and were not allowed to handle gold or silver. They were only permitted to collect as much money from their customers as was necessary to keep their bodies and souls intact. As a result, they revolted against the material benefits of the Gangetic basin's new lifestyle. In other words, the reaction to changes in material existence in the mid-Gangetic plain in the sixth and fifth centuries BC was like the reaction to the modern-day changes brought about by the Industrial Revolution. Many people wished for a return to a pre-machine age lifestyle when the Industrial Revolution arrived. Similarly, in ancient times, they wanted a return to a pre-Iron Age living.

The transition from simple to sophisticated agricultural cultures, i.e., the widespread use of iron tools and weaponry, leads to larger economic surplus accumulation. (Lenski, 1966, 210-223) This surplus can outfit a large standing army, leading to political expansion. An expanding empire ultimately leads to a larger economic structure that can fund big standing armies, public works projects, and a rising administrative bureaucracy. The requirement for institutional structures distinct from those of the preceding pastoral and/or small farmer, as well as a self-sufficient village economy, is created by changes in economic organisation. These include the creation of a "free-floating" economy. (Eisenstadt, 1963) That serves the ruler and is not monopolized by potentially competing social groups. This results in the rise of a merchant class, highways, distribution centres, and a fluid medium of trade. These economic developments, in turn, lead to a modification of society's fundamental structure, putting pressure on beliefs that help to legitimize the status quo to change.

IV. The Growth of Empires and The Suitability of Buddhism

These changes appear to have happened in ancient India. First, looking at the growth of empires in India and the economic and social changes that co-occurred is pertinent. Then it

can be assessed why Vedic-Brāhmanism, with its stratified social structure and rural emphasis, clashed with expansionist demands, whereas Buddhism did not.

In early historical India, the 16 minor republics that bordered the Ganges Valley in the 7th century B.C. were reduced to four in less than 150 years. These were unified into one state, the Magadha Empire, over the following two centuries (approximately 550-350 B.C). (Ibid.) The Magadhan kingdom stretched from Benares to the Bengal border under its most notable emperors, Bimbisara and Ajatashatru. From the fifth century B.C. onwards, Buddhist literature reveals a burgeoning economic sensibility originating from the Magadhan capital of Rajagriha. The city was said to have 36,000 merchants' homes, half of which belonged to Buddhists and the other half to Jains, a religious denomination famed for its economic interests, particularly banking. Large caravans and travelling merchants are depicted in the Jataka tales, which describe the situation from 500 B.C. onwards. This, in turn, necessitated a well-developed road network. Similarly, even at this early age, writing shows significant progress in spelling. Bimbisara's dynasty lasted over 200 years (c. 550-350 B.C.). Its capital remained at Rajagriha, a landlocked city 80 miles south of the Ganges, throughout the first part of this era. The capital was later shifted to Pataliputra (modern Patna) in 457 B.C., fewer than 150 miles east of the more ancient religious and commercial city of Benares, indicating the empire's new distributional and marketing demand. Moreover, Rajagriha was abandoned around the end of the 5th century B.C., when its wealth peaked during Buddha's reign. (Davids, 1957, 134-156)

The Nandas (c. 350-325 B.C.) represent the next stage in empire growth, with territories extending from the Bay of Bengal to the Rajputana desert, thus representing a significant expansion from the comparatively small Magadhan domain. The Nanda dynasty follows the conventional fiscal and military pattern of early empires, with Greek sources mentioning an army of about 250,000 soldiers (Diwakar, 1931, 110-119). As well as irrigation projects in Orissa's Eastern Province. Many early texts, including Tamil, Sanskrit, Ceylonese, and probably Greek, have mentioned the Nandas' vast riches. Such riches necessitated a complex system of required procurement to assure the Empire's and officials' steady supply of food and tax money. This necessitated the hiring of a class of laborers to collect the taxes. The Vaishya caste, whose traditional vocation had been mostly agriculturalist, was well suited for this function. Before the newly emerging prospects in business and finance, their ultimate ambition was to become a village headman or chief district officer. (Ghurye, 1961, 301-312) In addition to the changes mentioned above, the Magadha and Nanda empires saw several other developments that necessitated mercantile skills, including the manufacture of goods that are eminently suitable for long-distance transport, such as silks and cutlery, fine cloth, jewellery, and armor. Northern Black Polish Ware, a trade pottery, first occurs in Rajagriha's earliest archaeological layers. (Ghosh, 1951, 112-125) It is found throughout the Ganges Valley and into South India. By the 6th century B.C., the previous barter system had given way to a widely accepted metal currency, which sped up the exchange of goods, leading to the rise of cities, which served primarily as administrative and distribution centres for a growing bureaucracy. This urban population strengthened the role of the merchant as they became more reliant on luxuries, raw materials, and agricultural goods from the hinterland. Early cities became industrial hubs, specializing in a small number of high-quality commodities. Furthermore, handicrafts played an essential role in the lives of traditional towns, since increased production necessitated larger and wider marketplaces. (Trigger, 2015, 110-132)
Merchant services were essential to medieval clothing manufacturing towns in Northern France and metalware cities in Western Germany. The Mauryan universal state, which surpassed the Nanda realms, extended to Bimbisara's Magadha Empire. This was the last development in the historical era under study. It is by far the greatest empire of Classical India, stretching from the Bay of Bengal to the Kandahar area in Western Afghanistan and the Palar River in the south. All indicators indicate a massive expansion in domestic and international trade and commerce, fuelled by a well-developed transportation infrastructure and a growing market. (Sastri, 1957, 210-222) In significant empires such as the Mauryas and Guptas, the

Indian population peaked at 100-140 million people, according to demographers, before declining during the intervening eras. The Mauryan economy was notable for its governmental control of industry, agriculture, and trade. Most of the general income went to sustain a massive standing army, much larger than any Indian force, even up to contemporary times. Mauryan emperors depended significantly on the commercial talents of the Vaishyas and guild organizations in building their exchange system; three ministers acceptable to the guilds were chosen to deal with guild financial concerns. (Kautilya, 1915, 142-155)

Economic institutions operate within a social context, and the old Hindu scriptures' principles were unsuitable for a growing national economy and the commercial nature of cities. For one thing, the time-honored idea of ritual contamination had no place among traders who came into touch with individuals of other castes and those from beyond the border daily. For another, the frequent injunctions against production cooperation limits could only annoy the entrepreneur. Furthermore, the functioning of a market-type economy undermined the caste system's ascribed positions. The Hindu culture is geared toward a rural, self-sufficient, largely static agricultural civilization. In contrast, the values of urban merchants and artisans were ‘no longer governed by their interactions with the soil’, as they were in medieval Europe. Hinduism's Dharma Sutras (500-200 B.C.) warn against towns where ‘the Vedas are not chanted.’ The householder who has completed his religious studies was advised not to spend too much time in the city, as those who live there, despite their austerities, cannot obtain salvation. For example, Manu (1st century B.C.-3rd century A.D.) looks down upon trade and industry. However, some evidence shows that the *shastras'* injunctions were more prescriptive than descriptive. (Derrett, 1957, 210-222) Even so, like in late medieval Europe, new economic realities clashed with conventional social conceptions.
The writings of Buddhism and Jainism, whose founders spent significant time teaching their message in towns and cities, are devoid of this tension. As Weber points out, the development of urban institutions is inextricably linked to the emergence of both sects. It is possible that the emergence of the two prominent religious leaders coincided with the "urban revolution" during the age of growing empires. North India was fragmented into several smaller states following the demise of the Mauryan Empire. This appears to be a good temporal ending for this research, which is more interested in social dynamics than in the big picture of history. The prominence of cities and the merchant class, two associates of Buddhist culture, was decreased by restoring North India to petty, frequently warring states. Simultaneously, it restored the historical circumstances of self-sufficient rural economies, which provided local rulers with their primary source of revenue and constituted the foundation of the formerly dominant Hindu worldview. The Ganges plain's urban culture was ‘inundated by village India. (Lamb, 1960, 189-222) It is worth noting that Pushyamitra Shunga, a Brahman commander, formed the biggest kingdom of these petty republics in 187 B.C.

The rulers of early empires had two primary needs: (1) huge incomes to finance their military, public works, and administrative costs, and (2) a polity that prevented too much money and power from accumulating in the hands of potentially hostile groups. These two requirements were addressed by a programme aimed at removing traditional status groups' control over diverse social and economic resources, particularly the Brahman and Kshatriya upper classes, who, for example, held most of the land but did not pay taxes. (Fick, 1920, 87-192) Given that the land tax was the state's primary source of revenue, this exemption cost the state a significant amount of money. The priestly caste posed a danger to forming a market-type economy through its expensive sacrifices and discouragement of commercial pursuits. The caste system, for example, made it impossible for rulers to manage the requisite resources because of its starkly stratified social structure. (Eisenstadt, 1963, 178-189) Furthermore, as Ghurye points out, caste restricts a person's moral commitment to his caste group and stifles the development of communal or national consciousness. The rulers' conflict of interest with the Hindu upper classes explains why none of the prominent northern empires' monarchs were Kshatriyas, the traditional governing caste according to Hindu holy texts.

Buddhism appealed to rulers of developing empires because it provided no class with which to vie for power. The monk had given up his worldly possessions, whilst the layman had no claim to spiritual authority. As a result, monarchs could see Buddhism as a potential antidote to the caste system and a way to weaken the political and economic clout of conventional ascriptive status groups. This may explain why, from Asoka till the very end of the dynasty, Bimbisara and Mauryan kings became Buddhist advocates. The *Mahavastu* highlights the importance of merchants and guild leaders among the retinue following Bimbisara's visit to the Buddha, as it describes his conversion to the new faith. Presumably, the ruler's conversion aided acceptance of the new faith significantly. (Law, 1941, 145-150) Buddhism reached its pinnacle under the reign of Ashoka. Buddhism had not yet gained widespread recognition during Chandragupta's time, according to the *Artha Shastra*, which hardly mentions the new religion. Even at this time, we can see the beginnings of a clash between Brahman prerogatives and the necessities of a tiny but rising empire, for while the *Artha Shastra* shows reverence to the Brahmans, it is a pale representation of their imperious claims made in religious scriptures. For example, in civil and criminal courts, Kautilya's treatise grants no unique function to Brahmans. It provides strategies for obtaining money from the temple and other places of worship. Regardless of personal sentiments, Ashoka's conversion to Buddhism was a clever strategic move. Unlike the Nandas, Ashoka's kingdom included people of many different cultures, faiths, and languages. It would have been difficult for such a diverse group to fit within the caste system, which was based on isolation with mutual dislike as one of its key aspects. (Bougle, 1958, 165-175)

A social framework containing many communities had emerged since the Vedic times. Still, that process took centuries, whereas the Mauryan Empire grew tremendously in less than 80 years and could not afford the luxury of cultural absorption. Early empires pushed for a social framework that generated substantial national incomes while limiting authority in the hands of potentially opposing status groups. Hinduism, with its inherent interest in maintaining the existing status quo, opposed these goals. However, Buddhism, as a Universalist religion, might have assisted in fostering a broader range of attachments that cut through familial, village, and caste lines. (Eisenstadt, 1963)

The policy of Ashoka was not a frontal assault on the Brahman and Kshatriya special privileges; this would have been far too risky. Instead of maligning the Brahmans, he elevated others to parity. In his Edicts, Ashoka emphasizes legal equality and opposes the superstition of expensive appointments of “Officers of the Dhamma,” further undermining their moral or legal eminence. Even though Ashoka was the Mauryan dynasty's third emperor, his predecessors claimed to have followed small sects and, hence, had no significant religious following. Ashoka's choice to join the Order, like Bimbisara's, must have encouraged many people to accept the faith. We have seen how Buddhism, rather than Hinduism, allowed early Indian empires' rulers to achieve their social, economic, and political goals. The merchant class found Buddhism significantly more enticing than the Brahmanic religion regarding economic and social standing. Rulers and businessmen worked together to spread the new religion. In this part, we will look at the reasons for merchants' growing prominence as the empire grew, as well as the Vaishya caste's status within the Hindu system and the reasons for their support for the new religion. The merchant caste grew in its political and economic influence as empires grew. This was primarily due to changing economic patterns that highly valued the merchant's abilities. It was also a product of the ruler's wants, similar to the merchants in numerous ways. The merchant's status was bolstered even more by the guilds' presence.

The Vaishya's issues were frequently conducted via guilds- professional groups that rose to prominence even before Buddha's time. Founded as commercial associations, they have since evolved to encompass artisan and vocational groups. They were a vital component in urban life and a new force in society as a medium for mercantile activity. (Thapar, 2015, 139-145) By Mauryan times, Guilds had developed to include various social and legal duties despite their origins in commercial concerns. Guild law arose to fill the void in conventional

jurisprudence, which represented a primarily rural peasant economy, much as it did in medieval Europe. For large-scale commercial activity, such legislation proved insufficient. Guild law was initially limited to economic transactions but quickly expanded to encompass non-financial conflicts between guild members. This ability was recognized in Buddhism as early as the 5th century B.C. (Bose, 1961, 122-138) The *Manu Dharma Shastra*, a Hindu law book with a strong caste bias, sets guild law and caste law on an equal basis, while other texts held that guild law ought to be deemed binding if it was not in contradiction with religious edicts. According to Majumdar, Guilds were the second of the four conventional courts of justice, each at a higher level. The king, whose power was ultimate, decided conflicts between guild laws and holy law. The guilds had an unspoken function of caste dissolution. Guild law countered the Hindu scriptures' biased legal system, assisting the monarch in achieving his legal goals of limiting the legal prerogatives of Brahmans and Kshatriyas. (Eisenstadt, 1963, 142-155)

The merchants' requirements were similar to those of the ruler in numerous ways: As a developing empire needed a more sophisticated fiscal and distribution system, the entrepreneurial merchant necessitated a greater and broader market and well-maintained routes free of robbers and dangerous borders. Only a strong universal state could do this. (Kosambi, 1956, 123-142) Furthermore, the merchant guild or an individual banker frequently handled the ruler's financial needs, who acquired access to certain rights and privileges as a result. Furthermore, a national polity worked against the concentration of money and power in the hands of traditional status groups, and the merchant's success was contingent on a distribution system based on market relationships rather than status relationships. There were some tensions between the political elite and the commercial class. When it came to authority relationships, the monarch was king. On the other hand, market interactions need a distinct set of talents—the merchant aimed to broaden the scope of market contacts while narrowing the scope of authority interactions. According to early Hindu literature, all others were born to serve them (the *Vedas* and Brahmanas). However, in contrast to the Vaishyas, the Brahmans could only contribute little to an urban-oriented, market-type economy that began to stress attained rather than assigned qualities as society's economic and political requirements changed. Only in the religious domain, where he had a semi-monopoly over holy and judicial writings, was he able to denounce the Vaishyas' means of income as ritually polluted and caste-degrading, and prevent the Vaishyas from ascending. As is evident, the Vaishyas appear to have suffered from religious and social rank disparities rather than political or economic hardship. This contradiction in Hinduism, along with Buddhism's liberal economic features, made the Vaishya caste one of the new religion's most ardent adherents.

The Vaishya caste is a peasant or merchant caste that dates back to the Rigvedic era. (Hutton, 1951, 198-210) According to one account, they were the indigenous people recruited by the Brahmans to handle the farming and cattle-raising. In Vedic times, the Vaishya was eligible to priesthood and the initiation ritual, but he was considered a severely subordinate member of society. Even though trading became more critical in the later Vedic era, the Vaishya's rank remained same. “A poor and downtrodden planter or tiny businessman, who is of little importance to his betters save as a source of profit,” the Brahmanas describe him. (Basham, 1981, 160-170) The Vaishya's activities are set as trade (including banking and money-lending), cattle-tending, and agriculture since the period of the *Dharma Sutras* (c. 500 B.C.). The Vaishya's merchant position is emphasized in Buddhist *Jatakas*. We see an increasing scorn for members of the twice-born castes engaged in physical work as the ruling class establishes itself in the Ganges Valley, utilizing Shudras and slave labor. (Dutt, 1931, 150-156) The difference between the Vaishyas and the despised Shudra caste is occasionally blurred throughout the Hindu *Sutras* and *Shastras*. They are frequently socially regarded similarly and allocated the same jobs. The Hindu law texts mostly reveal the attitudes towards the two lower castes. The different castes were identified by varied dress in ancient China. For killing a Brahman, the penalty is death; for killing a Vaishya, the penalty is a fine of 100 cattle. The higher one's caste, the more spouses they were allowed.

A Shudra who tries to teach a Brahman his job should have boiling oil poured into his mouth, according to Manu. The king should make the Vaishyas and Shudras do their assigned tasks. Because if they "were to stray from their responsibilities, they would throw the entire world into disarray." That universe is unmistakably the Brahman caste's privileged status world, in which punishment substitutes obligation as the system's structuring basis. 'This panegyric on force in a book called a dharma-shastra indicates that the Brahmans had come a long way from the Ashokan understanding of dharma as social ethics,' one expert writes of Manu. (Kosambi, 1956, 124-136)

Prejudice toward the Vaishya stems from his lowly beginnings, ritually polluting activity, and direct participation in production, as well as the threat he offers to the social order. The merchant is regarded as one of the lower classes due to their frequent interaction with them. With the emergence of empires and the merchant's ascent to riches, the merchant is seen as someone who achieves without the blessing of religious-traditional ideals, questioning the legitimacy of his achievements. (Sjoberg, 1960, 167-198) The Vaishyas were the wealthiest caste in the Mauryan period due to their reliance on trade activity. (Aiyangar, 1949, 187-201) The Vaishya landowner had already made a name for himself as a banker and commercial leader. (Law, 1941, 145-150) The Vaishyas, once a diverse community with a wide range of activities, developed caste or class awareness considerably later than the Brahmans and Kshatriyas. The blatant self-interest of the *Dharma Shastras* becomes easily obvious with the advent of such consciousness. Furthermore, the advent of an economic society establishes a new social value; the *Artha Shastra*, a Hindu scripture, asserts that the primary goal in life is riches, rather than religion (*dharma*) or pleasure, because these other goals rely on wealth for fulfillment. The expanding affluence of the merchant class generally encourages a desire to mimic the old aristocracy and eventually join them in agrarian cultures. This tendency can also be found in religious concerns. (Wach, 1951, 259)

In India, however, the caste system, with its taboos against inter-caste partnerships, stifled the Vaishyas' social mobility. When class and caste were more intimately linked, such restrictions made sense, but they did not make sense when a wealthy Vaishya was interacting with a poor Brahman or Kshatriya. When considering the above, we may conclude that there is an excellent degree of inconsistency between the merchants' economic and political success on the one hand, and their social and religious rejection on the other. Tensions emerging from high-ranking discrepancies can lead to a preference for new social and spiritual ideals that undercut the conventional elite's established beliefs and advantages.

According to Marx, there is a shift in the forces of production, resulting in a new class more suited than the previous elite to benefit from changing circumstances. We have seen that, while initially economic, these circumstances can only grow in the context of shifting political realities. Furthermore, the discrepancy in the status of the wealthy merchant class could not be remedied within the system. Buddhism provided the Vaishya with a mirror of his new economic principles as well as the ideal way of addressing his status contradiction. Let us take a closer look at this thesis.

Buddhism's egalitarian nature resembled the market-type interactions required for growing commercial business. Weber also contends that some religious ideas, particularly the presence of 'magic,' obstruct the development of rational economic activity. Early Buddhism, like Calvinism, (Weber, 1950, 124-136) was essentially atheistic and devoid of ceremony, which may have made it more amenable to economic activity. Many previous declarations indicate the ideal (if not utopian) desire of a class that stood to lose the most from any change in the status quo. Many of its decrees are unlikely to have been carried out. However, the Brahmans' authority increased from their position as the learned class, including attorneys, diplomats, and political functionaries, well-positioned to preserve their customary legal prerogatives. The Buddhist writings are more balanced in their approach. A criminal, Brahman or otherwise, is subject to punishment in the *Majjhima*-Nikaya, and no other Pali scriptures show any preference for Brahmans in the eyes of the law. Support for Buddhist organizations and guilds likely undermined the Hindu scriptures' legal or quasi-legal power.

The fate of fresh ideas is influenced by what has come before them to some extent. While Hindu *dharma* is inextricably linked to caste obligations, Buddhist *dhamma* denotes knowledge of things' true but transient essence. After realizing this, the Buddha rejected sloth and the sterile sacrificial ritual, emphasizing the virtues of self-reliance and entrepreneurship. He amassed money as a bee gathers honey. While causing no harm to anyone, his fortune grew (*Digha Nikaya* iii, 189). Such words suggest approval, if not promotion, of the merchants' activities if they were carried out ethically. The Buddhist rejection of supremacy based on birth is a consequence. Though some caste favoritism exists, Buddhist writings consistently reiterate the importance of individual endeavor. This rejection of supremacy based on birth fixed the problem with Hinduism's religious mobility. Because Hinduism emphasizes one's responsibility as defined by caste and employment, the merchant's objective was to be the most successful trader, not to become a Brahman, which was unattainable.

There was no place at the top, theologically speaking. In Buddhism, one could become a monk or remain a lay follower and enjoy religious status in exchange for a little financial commitment. Theravada was not primarily a salvation religion since it was “semi-atheistic.” It was not otherworldly, save that the monk did not care about earthly matters. Individualism is a feature of middle-class religion, representing the “worldly salvation” that its adherents have attained. Such a community does not require religion to govern its lives, but rather to ensure the continuation of its good fortune in the next world.

Despite Buddha's denial of an afterlife, Buddhist legends, donor inscriptions, and the Mahayana's growth all indicate to lay followers hoping for such advantages. There was no formal procedure for lay people who did not want to join the Order. He just had to state his faith in the Buddha, the Order, and the Doctrine. Beyond that, he was responsible for meeting the monk's material requirements, which were initially quite basic: one meal a day obtained by begging, and clothes sewn from rags. Presumably, neither the giver nor the receiver was pleased, and the small communities blossomed into massive monastic centres thanks to the contributions of estates and endowments.

Significant contributions had been made, since Bimbisara’s time and continued until the Muslims arrived. The abundance of merchants among the donors’ inscriptions supports the notion received from Buddhist literature that merchants were the religion's primary supporters. Guilds frequently made endowments for the brethren, but a broad spectrum also made them of people, including ploughmen and carpenters, clerics and fishermen, physicians, and ironmongers. (Burgess, 1964, 123-142) Even though monkhood was a higher condition than the layman, the monk-layman relationship was one of social parity, respecting the layman's need for spiritual instruction and the Order's need for bodily nourishment. The Brahman's sacrosanct and demanding claims on individuals from other castes strikingly contrasted with this. Calvinism, according to Weber, supplied a framework of social ethics that aided the growth of capitalistic industry before changes in the economic system. Marx, on the other hand, emphasizes that changes in modes of production lead to changes in institutional structures. In contrast, Tawney argues that Capitalism and Calvinism are two distinct but linked outcomes of a shift in the economic and social structure. The emergence of empires coincided with an increase in the scale of organization, which led to the growth of urban populations, greater commerce, and the creation of the merchant class.

The political and economic interests of monarchs and the economic and prestige needs of the merchant class created a cultural environment that was extremely open to Buddhism. In contrast to Weber's analysis of the Protestant Ethic, we discover an ascending economic elite chiefly responsible for the new religion's triumph. It is difficult to determine if Buddhism would have survived without the backing of the kings. Finally, while economic concerns played a role in the emergence of Buddhism, the aspiring merchant could prosper financially under the Hindu system. It is doubtful that they would have chosen Buddhism if it had not been for their other unresolved status issue.

As we have seen earlier, Buddhism was not the only “religion” or “school” which challenged the 'Brahminism'; Jainism, *Chārvāka*, other *Śraman* schools like *Ājivikas* and

Sāmkhya were also prevalent. However, Buddhism dominated and immensely contributed to the formation of early Indian civilization.

Conclusion

Thus, society underwent profound structural changes from the 6th to 3rd century BCE. Agricultural production upsurged due to the discovery of Iron and other inventions. "Trade and commercial activities" were increasing. The number of cities was increasing, and new political frameworks were undergoing formation in new empires, posing challenges to the older, semi-tribal oligarchic republics. Artisan guilds, wealthy merchants, and landowners were flourishing. People suffered from the transformation, commercialization, and the growing class society. In this backdrop, two major streams of ideas – "Brahminism" and "Śramanism" – came into contention.

The Buddha's economic vision steers a Middle Path that goes through and beyond the two models debated by contemporary economic planners: total control of production by the State, or the laissez-faire approach, which gives freedom to market forces that are in reality forces of desire. The Buddha recommends that the State should intervene and establish justice and equity to stimulate the productive skills of all, according to a rational plan that will ensure the "welfare and happiness of the people," the manifold subjects of the State. Instead of anarchic production, he advocates regulation of economic activity according to a rational plan implemented with the full and free cooperation of all. The Buddha did not share the pessimistic view that human beings are, by nature, egoistic creatures and that economic growth must necessarily take the form of a war of all against all. Human beings can infuse economic activity with better values than greed and violence. The Buddha did not moralistically deplore the miseries of the political and economic system while enjoying its benefits. He presented a solution to the problems of social inequality.

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