

Chapter II

Who Is

A Vaishya?

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Background

The word 'Vaishya' was first used in the Rigveda. The Rigveda says that the God has created four kinds of human beings viz. Brahmins, Kshatriyas, Vaishyas and Shudras. It is explained by the following shloka.

ब्राह्मणोस्य मुखासीद् बाहू राजन्यः कृतः

उरूतदस्य यद्वैश्यः पद्भ्याम् शूद्रो जायत

ऋग्वेद, १०.९०.१२

Meaning, the God created a Brahmin from his mouth, a Kshatriya from his arms, a Vaishya from his chest and a Shudra from his legs. The literary meaning of the word 'Vaishya' is 'a group'.

Different old scriptures and Sanskrit verses including the Vedas, the Ramayana, the Mahabharata, the Upanishadas, the Bhagwad Geeta etc. have used the word 'Vaishya'. The word Vaishya is used by different smrutis also. (Manu Smruti, Yadnyavaikya Smruti, Vaghul Smruti, Atri Smruti, Daksha Smruti etc. to name a few) A smruti is the matter of reference for public at large. If we read old Indian literature we find that there are over 100 Smrutis

including Manusmruti, which give different concepts, policies and procedures for matters like business, kings, kingdom, wars, family system, punishments for crimes etc. which were referred to by the masses as well as the experts.

Manusmrutiⁱ is the first written text of the Hindu Law accepted largely by the Indians. It is believed that Maharishi Manu wrote this book, some 2500 years ago. Hindus are still under a strong impact of Manusmruti. The rules and rituals depicted by it are practiced in India even today. Manusmruti also elaborates a lot of principles that can be referred to for managing businesses successfully. The Varna system suggested by Manusmruti was the first attempt to make division of labour in the society. According to it the Vaishya Varna was in charge of the businesses in traditional India.

The Varna System

The major contribution of Manusmruti from business point of view is the Varna system created by it. If we see the evolution of ancient Indian civilization into the contemporary Indian society we find that the Varna system prescribed by Manusmruti has been very dominant and

even today these Varnas exist. And they also reflect the typical behaviour of their Varnas. In modern India also, Vaishyas dominate the Indian Business and Economy. These are the people who have been in business & industry for the past several centuries. We can learn business management from them.

The word Varna is used in two different meanings. First is the colourⁱⁱ of the skin. In old Vedas they have described different communities of humans having different colours of skin viz. Shweta (white), Shyama (dark), Peeta (yellow) and Lohita (red). The other meaning of the word 'Varna' is to select. In Varna system the human beings were given the option to select their professions. A Varna is a community of individuals, which is supposed to behave in a stipulated manner. In old days the Varna system proved to be the first effort of Division of Labour. It is believed that the God has created the Varnas himself.

लोकानाम् तु विवृध्यर्थम् मुखबाहूरुपादतः

ब्राह्मणम् क्षत्रियम् वैश्यम् शूद्रम् च निरवर्तयत्

मनुस्मृति, १ . ३ १

Meaning, God created four kinds of human beings viz.

Brahmins, Kshatriyas, Vaishyas and Shudras for the prosperity of the world and entrusted different duties to them. Lord Krishna says in Bhagwad Geeta that according to the virtues of people and the work done by them, four Varnas are created in this world.

It is believed in Indian culture that the complete world is created by the God. He has created the human beings. The Vaishyas are also created by him with a specific purpose.

पशूनाम् रक्षणम् दानमिज्याध्ययनमेवच

वणिक्पथम् कुसीदम् च वैश्यस्य कृषिमेव च

मनुस्मृति, १ .८ १

Meaning, to look after the cattle, to give donations, to do 'Yadnya' (the holy fire), to take education, to do trading, to give loans and accept interest on it and agriculture are the duties of the Vaishya. This shloka tells that a Vaishya is a person who is engaged in some kind of business or agriculture.

To present this more clearly. it can be stated that the Brahmins were the academics in the society. They were supposed to learn & teach, carry out research, perform rituals etc. They would ensure Dharma being practised

properly in the society.

The Kshatriyas were the warriors in the society. Their duty was to rule, to judge, to administer justice, to fight with the enemies, to defend and to expand the boundaries of the kingdom and, as rulers, to keep their subjects satisfied.

The Vaishyas were the businessmen in the society. They would be engaged in agriculture, supply goods as per the demand of the people, trade in groceries and other things of necessity, comfort & luxury to people. They were in charge of providing good standard of living to the society.

The Shudras were the service providers to the first three Varnas. They would be engaged in manufacturing of goods and providing a broad range of services to the other Varnas.

In short, the Varna system made an effort to control & to manage the whole Indian economy through dividing the same in four broad social groups as follows.

Brahmins	The Academics	To remove Adnyan i.e., ignorance
Kshatriyas	The Warriors	To remove Anyaya, i.e., Injustices
Vaishyas	The Businessmen	To remove Abhava i.e., deprivation
Shudras	The facilitators	To provide services to Above three Varnas

(Table1: Varnas and their roles in the society)

The literary meaning of the word Vaishya is explained as “विशः मनुष्यानाम् इति वैश्यः”, i.e., the person who enters the field of commercial transactions is a Vaishya. It is also explained as “यः व्यवहारविद्यामु प्रविशति सः वैश्यः” meaning, the person who is engaged in trade is a Vaishya. Some experts define it as “व्यवहारविद्या कुशलः” meaning, Vaishya is an expert in the technique of trading.

Indian economy has been an agrarian economy. The prime occupation of the Indians has been agriculture. The side businesses done with agriculture are animal husbandry, poultry, dairy etc. These all require to be traded in the market. This will help a Vaishya to earn profits. It is advised to him that he should give loans to others as he has accumulated profits. This would satisfy the financial requirements of the needy. But he must charge some interest on such loans so that others do not enjoy his wealth without any consideration. To do agriculture, trading and money lending the Vaishyas would need education. So Manusmriti says that taking education is also a duty of a Vaishya. Besides all this he is advised to donate a portion of his profits to the benefit of the society. He is also advised to donate some funds to the Yajnya, i.e., (the holy fire) done by the Brahmins.

Education of a Vaishyaⁱⁱⁱ

Manusmriti does not stop after specifying the duties of a Vaishya. It has given the guidance about the education that the Vaishya should take. Part nine of the Manusmriti speaks about this. It says that a Vaishya should learn to identify different jewels, pearls, precious stones, metals,

fabrics, essences, chemicals etc. He should learn to make the correct valuation of such items that he wants to deal in. He should also learn various techniques of farming and allied businesses. A Vaishya must learn different languages so as to do business successfully in different states. He must be an expert in the art of weighing and calculations.

A Vaishya is expected to acquire the knowledge of purchasing and storing the goods. He should also learn the deal making skills so as to expand his business operations. He should have good knowledge of taxes and duties. Manusmriti says, "The Vaishya who has knowledge of marketing as well as taxation will be able to earn very high profits." According to the norms specified by Manusmriti a trader should pay 5% of his profits to the ruling authority (the king) as tax. A grocer should pay 6.25% tax. In case of emergency, the king can claim 25% of the profits of the Vaishya. But it is the duty of the king to ensure the security of the Vaishya first and then only he should collect taxes.

Code of conduct of the Vaishya^{iv}

A Vaishya should be a well educated and skilled person

with a mission of providing nutrition to the society.

If he is involved in matters like unauthorised exports, evading taxes or octroi, selling goods during night secretly, deceiving while selling or purchasing goods etc. he is liable for punishment.

He must disclose the details like the date of purchase of stock, method of storing, expenses incurred for selling the same etc. to the officials. He should also disclose the exact profit made by him.

The officials must check the shop/stores of the trader fortnightly. If it is found that goods sold by him are of poor quality, the trader should be punished.

The weights, scales etc. used by him should be calibrated every six months. The authorised person only should do the calibration.

The legal framework for the Vaishya^v

The eighth chapter explains different rules & regulations to be followed while doing business.

1. The fare for traveling in a boat, a ship with or without cargo should be as per the prescribed rates.
2. The procedure for insurance of the cargo sent by ship is prescribed.
3. The procedures for borrowing-lending, interest rates, evidences in case of disputes between the borrower-lender etc. are explained in detail.
4. The rules for standing as a guarantor, mortgage of property, returning / seizing the property of the borrower, selling the mortgaged property are also explained in detail.
5. Rules for accepting deposits, documentation for the same, paying interest on deposits and returning the deposits are also given in this chapter.
6. If a Vaishya is found guilty in offences like adulteration, unauthorised sales etc. he should be punished.
7. It is mentioned that it is the duty of the ruler to maintain the discipline in the market and prohibit all kinds of misconduct on the part of the Vaishyas.

All this shows that Manusmṛiti aims at protecting the interest of the society; at the same time it also ensures

that the Vaishya is not at any kind of loss. It is noteworthy that it is not written anywhere that the word Vaishya represents a particular caste. However, in the process of evolution of the Indian society the people started treating a Varna like a caste. The Manusmriti allowed marriages outside the Varna, shifting from the traditional profession of the Varna and accept the profession of a different Varna etc. but not many have exercised this option. Most of the people have been accepting the profession of the ancestors. The marriages of particular Varnas started taking place within the same Varnas only. They started following the same path of their elders and giving the typical up-bringing to their successive generations. This has resulted in development of a peculiar behaviour of the people belonging to that Varna.

The further development of the Vaishyas

The Vaishyas were further divided into several castes and sub-castes. They were spread all over India. They identified with particular names as stipulated by the Manusmriti. Brahmin should use the word Sharma in his name, the Kshtriya should use Varma, the Vaishya should use 'Gupta' and the Shudra should use 'Dasa' at the end of his

name. This developed different surnames of Vaishyas. Therefore, 'Guptas' are found in all communities of Vaishyas in North, South, East & West in India.

The Modern Vaishyas

Today the Vaishyas have not restricted themselves to the native geographical locations. They are now found in all parts of the country. They have migrated to different parts of India as well as to different countries^{vi}. In the past two centuries many of them have migrated to various countries in Europe, America, Africa and Middle East. They have been successful in these foreign countries^{vii} also. Many of them have retail shops, Ayurvedic medicine factories, ethnic garment shops, and software companies etc. abroad, which are run successfully for years.

A Vaishya would be involved only in agriculture, trade and traditional stipulated businesses. But Vaishyas have also not restricted themselves to the businesses entrusted to them by the society. They have shifted to various businesses, professions and industry as well. Many of them have accepted jobs also. The All India Vaishya Federation tried to make a census of the Vaishya settled in the Northern region of India. The Arya Vaishya Samaj in

Maharashtra also made a similar effort. But no authentic data is available on the exact number of the Vaishyas in India^{viii}.

It is seen that in Vaishya Communities, accepting a job is perceived as a low dignity work even today. Running any kind of business is an honorable occupation. Most of them believe that one should turn to serving in other's firm only if he is not able to manage his own business successfully. Some of the business practices are similar in all communities of the Vaishyas. E.g. Most of them accept dowry, most of them are vegetarians, most of them invest in gold ornaments, most of them have their community organizations etc. While some systems are very unique and are found in particular communities only. Therefore there is a further scope for doing an independent research in every community of Vaishyas.

ⁱ Swami Varadananda Bharati, Manusmriti – Sartha ani Sabhashya, 2000. p.1

ⁱⁱ Oakshastri, J. V. Sanskrit Marathi Shabdakosha, Varada Prakashan, 1997, p.447, 459.

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- iii Swami Varadananda Bharati, Manusmruti – Sartha ani Sabhashya, 2000. p.
- iv ibid
- v ibid
- vi Mahatma Gandhi, who himself was a Vaishya, was called by the Gujrati speaking traders settled in South Africa in 1908.
- vii Mahesh Jagtiyani is Middle East’s most successful businessman. (India Today, March 28 2004. p.68)
- viii The estimated number of Vaishyas in Rajasthan in 1991 was 28,72,570. (Dr. K.N. Vyas with D.S.Gahlot, Rajasthanki Jatiyonka Samajik Evam Arthik Jeevan.p144)