industry, resulting from the railway system, will dissolve the hereditary divisions of labour, upon which rest the Indian castes, those decisive impediments to Indian progress and Indian power'.

Few later Marxists have attempted to analyse or explain the caste system. Those who have done so have generally tried to assimilate the broad fourfold division of the *varnas* to a class system; thus Rosas (1943) argues that in India the caste system obscures the nature of class society, while feudal forms often obscure the character of India as an Asiatic society (p. 159). However, he concedes that the caste system in all its complexity, involving the existence of innumerable small local caste groups (*jatis*), is unique to India, and that its development cannot be definitively explained on the basis of present knowledge (p. 162). An Indian historian sympathetic to Marxism (Kosambi 1944) nevertheless criticizes Rosas's account as 'obliterating too many details to be useful' (p. 243). On the other hand, non-Marxist scholars have recognized that there are important class elements in the caste system; Srinivas (1959) observes that 'a caste which owned land exercised an effective dominance, regardless of its ritual status', while Béteille (1965) argues that 'in traditional society, and even fifty years ago . . . the class system was submerged under the caste structure [and] ownership and nonownership of land, and relations within the system of production, were to a much greater extent associated with caste' (p. 191).

In the main, however, scholars have come to regard the local caste groups (*jatis*) as status groups in Max Weber's sense (Béteille 1965, p. 188; see also CLASS; CRITICS OF MARXISM), which are defined by 'styles of life' rather than by their place in a system of production. From this point of view castes fall into a category which Marx and Engels themselves distinguished when they wrote that 'in the earlier epochs of history, we find almost everywhere a complicated arrangement of society into various orders, a manifold gradation of social rank' (*Communist Manifesto*, sect. 1). The question is whether such a 'manifold gradation', and as a particular instance of it, the caste system, can be fully explained under some *ad hoc* explanations. In these cases (e.g. the influence of religious *caste*; see Dumont 1967, and HINDUISM), though still perhaps influenced by the Marxist conception of history as a 'guide to study' (as Engels expressed it in a letter to C. Schmidt, 5 August 1890), the latter possibility derives support from the fact that both Marxist and non-Marxist scholars recognize a close interconnection between caste and class. Moreover, economic development in India has begun to affect important changes in the caste system, one of the most significant being the emergence of 'caste associations' as important economic interest groups (Bailey 1963, pp. 122–135). It is clear, however, that the study of caste by Marxist historians, anthropologists and sociologists is still in its infancy.

**Reading**


Béteille, André 1965: *Caste, Class and Power: Changing Patterns of Stratification in a Tanjore Village*.


Kosambi, D. D. 1944: 'Caste and Class in India' — 1956: *An Introduction to the Study of Indian History*.

Rosas, Paul 1943: 'Caste and Class in India'.


Thorner, Daniel 1966: 'Marx on India and the Asiatic Mode of Production'.

centralization and concentration of capital

Capital has two distinct aspects. In relation to the labour process it exists as a concentrated mass of means of production commanding an army of workers; and in relation to an individual capitalist it represents that portion of social wealth which is concentrated in his hands as capital. These aspects of capital are in turn differentially operated on by two distinct processes: the process of increasing concentration through accumulation, which Marx calls the con-
centration of capital; and the process of increasing concentration through competition and credit, which he calls the centralization of capital.

Accumulation is the reinvestment of profit in newer, more powerful methods of production. Newer methods imply an increasing minimum scale of investment and a rising ratio of capital invested per worker – hence an increasing concentration of capital vis-à-vis the labour process. At the same time, even though accumulation tends to increase the amount of capital at the disposal of an individual capitalist, the division of property among members of a family, the splitting-off of new capitals from old ones, and the birth of new capitals, all tend to increase the number of capitalists themselves and therefore decrease the social capital concentrated in any one hand. Accumulation being comparatively slow in relation to these latter factors, the net effect on ownership tends to be a decentralization. On balance, therefore, accumulation concentrates capital in the labour process but tends to decentralize its ownership.

Competition and credit, on the other hand, increase concentration on both fronts. Competition favours large scale investments because of their lower costs of production, while the credit system allows individual capitalists to gather together the large sums necessary for these investments. The concentration of capital in the labour process thereby proceeds much faster than that permitted by the mere accumulation of capital. At the same time, because competition destroys weaker capitalists and the credit system enables the strong to swallow up the weak, they lead to a gathering up of the ownership of capitals which more than compensates for the decentralizing tendencies associated with accumulation alone.

On the whole, therefore, capitalism is attended by the increasing capitalization of production, as well as an increasing centralization of the ownership of social capital. (Capital I, ch. 23; Capital III, ch. 15; Theories of Surplus Value, III). In Marx's analysis both of these phenomena arise out of the battle of competition, and in turn serve to intensify it. In bourgeois economics, however, the very concept of 'perfect' or 'pure' competition implies that any concentration or centralization at all is the antithesis of competition. Once one identifies the bourgeois conception with the reality of competition in early capitalism and/or with Marx's own analysis of it, the historical fact of increasing concentration and centralization appears to be prima facie evidence of the breakdown of competition, of the rise of 'imperfect' competition, oligopoly and monopoly. Within Marxist economics, the dominant tradition originating with Hilferding and developed by Kalecki, Steindl, Baran and Sweezy, makes exactly this double identification. This leads its proponents to argue that modern capitalism is ultimately regulated by the outcomes of the balance of power between monopolists, workers, and the state (see Economic Crises). On the opposing side, Varga (1948) and some more recent writers have argued that concentration and centralization have actually intensified competition, as opposed to negating it, and that the empirical evidence on profitability actually provides support for Marx's theory of competition (Clifton 1977, Shaikh 1982). Lenin, it should be noted, is claimed by both sides. Needless to say, this debate has major implications for the analysis of modern capitalism and the current crisis. AS

Reading
Clifton, James 1977: 'Competition and the Evolution of the Capitalist Mode of Production'.

chance and necessity. See determinism; historical materialism.

Christianity In modern society, Marx wrote in his early essay 'On the Jewish Question', men have freed themselves from the incubus of religion by relegating it to the personal sphere, cut off from the public hurly burly of competition. In this separation he saw an index of the alienation of man from man,