

# Table of Content

1. Introduction: Claiming common ground .....	11
1.1. Rules in institutional economics and in religious life .....	11
1.2. The Hindu World in transition: significant paradoxes .....	16
2. A View of the Hindu World in Institutional Economic Terms .....	28
2.1. Institutions as “ <i>explanans</i> ”: how institutions develop in a path-dependent way .....	30
2.1.1. Circumstances of institutional development and validity .....	32
2.1.2. Path-dependency in the Hindu world: transcendence matters! ....	33
2.1.3. Douglass C. North on path-development and control mechanisms .....	36
2.2. Institutions as “ <i>explanandum</i> ”: how institutions affect human behaviour .....	47
2.2.1. Rationality, bounded rationality, and irrationality in the Hindu world .....	49
2.2.2. Stenmark’s “Holistic Rationality” .....	50
2.2.3. Shared mental models and ideology: recurring ritual dynamics and the stabilization of behaviour .....	54
2.2.4. Institutional change and ‘ceremonial encapsulation’ .....	66
2.2.5. Stability, persistence, and ‘efficiency’ .....	72
3. Theoretical Conclusions from the Institutional Economic Analysis .....	78
3.1. “Solving human problems”: An appreciation of allegedly inefficient institutions .....	79
3.2. Institutional trust + transcendence matters = institutional faith .....	85
3.2.1. The theoretical frame .....	86
3.2.1.1. Trust and Williamson’s “institutional trust” .....	86
3.2.1.2. Fukuyama’s view of social capital as “mysterious cultural process” .....	93
3.2.2. Institutional faith: A concept proposed .....	97
3.2.3. Fundamentalism and/or institutional faith? A differentiation .....	110

4. The Hindu World on the Threshold of Transformation: Two Instances of Transitional Juncture .....	113
4.1. Instances of transitional juncture 1: Profession and migration .....	114
4.1.1. Profession: caste vs. global labour market .....	114
4.1.1.1. The caste order: “Caste unites while it divides” .....	117
4.1.1.2. Profession in the caste system as an ‘ontological given’? .....	121
4.1.1.3. The competition for skilled workers on the global labour market .....	125
4.1.2. Transitional juncture: “liminality of caste” and “brain circulation” .....	131
4.2. Instances of transitional juncture 2: Attitudes towards Gold .....	145
4.2.1. Gold as Hindu religious symbol and scarce resource .....	145
4.2.1.1. Gold as a religious symbol of purity .....	147
4.2.1.2. Gold as “the ultimate form of payment” .....	151
4.2.2. Transitional juncture: Prosperity and Persistence .....	156
5. Recapitulation and Prospects .....	166
6. References .....	168