

## Economic and Social Life under the Mughals

### ECONOMIC AND SOCIAL CONDITIONS

The Mughal empire reached its territorial zenith by the end of the seventeenth century. During the period it had to face many political and administrative problems, some of which we have already discussed. In the economic and social spheres, the period from the advent of Akbar to the end of the seventeenth century may be treated as one since there were no fundamental changes although there were important social and economic developments which we shall try to analyse.

#### STANDARD OF LIVING: PATTERN OF VILLAGE LIFE AND THE MASSES

During the period, many European traders and travellers came to India, and some of them have left accounts about the social and economic conditions of the country. In general, they have emphasized the wealth and prosperity of India and the ostentatious life-style of the ruling classes, on the one hand, and on the other the grinding poverty of the ordinary people—the peasants, the artisans and the labourers. Babur was struck by the scanty clothes worn by the ordinary people. He observed that 'peasants and people of low standing go about naked.' He then goes on to describe the *langota* or decency cloth worn by men, and the *sari* worn by women. His impression has been corroborated by later European travellers. Ralph Fitch, who came to India towards the end of the sixteenth century, says that at Banaras 'the people go naked save a little cloth bound about their middle.' De Laet wrote that the labourers had insufficient clothing to keep themselves warm and cozy during winter. However, Fitch

observed, 'In the winter which is our May, the men wear quilted gowns of cotton, and quilted caps.'

Similar remarks have been made about the use of footwear. Nikitin observed that the people of the Deccan went bare-footed. A modern author, Moreland, says that he did not find a shoe mentioned anywhere north of the Narmada river, except Bengal, and ascribes it to the high cost of leather.

As far as housing and furniture were concerned, little need be said. The mud houses in which the villagers lived were not different from those at present. They had hardly any furniture except cots and bamboo mats, and earthen utensils which were made by the village potter. Copper and bell-metal plates and utensils were expensive and were generally not used by the poor.

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Regarding food, rice, millet and pulses (what Pelsaert and De Laet called *khicheri*) formed the staple diet, along with fish in Bengal and the coasts, and meat in the southern peninsula. In north India, *chapatis* made of wheat or coarse grains, with pulses and green vegetables were common. The ordinary people, it is said, ate their main meal in the evening, and chewed pulse or other parched grain in the day. Ghee and oil were much cheaper than foodgrains then, and seem to have been a staple part of the poor man's food. But salt and sugar were more expensive.

Thus, while people had less clothes to wear and shoes were too costly, on balance they are better. With more grazing land, they could keep more cattle, so more milk and milk products must have been available.

The standard of living ultimately depended upon income and wages. It is difficult to determine the income of the large mass of the peasant: in real terms, for money hardly entered into transactions in the villages. The village artisan were paid for their services by means of commodities which were fixed by custom. It is difficult to compute the average size of the holding of the peasant. The information available to us shows that there was a great deal of inequality in the villages. The peasant who did not have his own ploughs and bullocks often tilled the land of the zamindars or the upper castes, and could eke out a bare existence. The landless peasants and labourers often belonged to the class of people called 'untouchables' or *hamin*.

Whenever there was a famine—and famines were frequent—it was this class of peasants and the village artisans who suffered the most. The peasants who owned the land they tilled were called *khudkashis*. They paid land revenue at customary rates. Some of them had many ploughs and bullocks which they let out to their poorer brethren, the tenants or *muzarian* who generally paid land revenue at a higher rate. These two groups were the largest section among the cultivators in the village.

Thus, the village society was highly unequal. The *khudkashi* who claimed to be the original settlers of the village often belonged to a single dominant caste or castes. These castes not only dominated the village society, they exploited the other or weaker sections. In turn, they were often exploited by the zamindars.

It has been estimated that the population of India at the beginning of the seventeenth century was about 125 million. Hence, there was plenty of cultivable land available, and it may be surmised that a peasant would cultivate as much land as his means and family circumstances would allow, subject to social restraints. Unlike many other countries in Asia and Africa, India had a well diversified economy, with the cultivation of a large variety of crops such as wheat, rice, gram, barley, pulses, bajra, etc., as also crops which were used for manufacture and could be processed locally. These were cotton, indigo, *chay* (the red dye), sugarcane, oil-seeds, etc. These crops paid land revenue at a higher rate, and had to be paid for in cash. Hence, they are often called cash crops or superior crops. The peasant not only shifted his cultivation from one crop to the other depending on prices, but was also willing to adopt new crops, if he found it profitable to do so. Thus, during the seventeenth century, two new crops were added—tobacco and maize. Silk and tusser cultivation became so widespread in Bengal during the period that there was no need to import silk from China. The adoption of potato and red chillies happened in the eighteenth century. Regarding efficiency of production, it should be noted that the countryside was able to feed a growing city population during the seventeenth century. India also exported food grains, especially rice and sugar to some of the neighbouring countries. It was also able to provide the raw materials needed for the expansion of manufactured goods during the period,

especially the manufacture of textiles. The Mughal state provided incentives and loans (*taccavi*) to the peasants for expansion and improvement of cultivation. But the expansion and growth would hardly have been possible without local efforts, initiative and investment.

Thus, the Indian cultivator was not as conservative and resistant to change as he has often been made out to be. Although no new agricultural techniques were introduced, Indian agriculture was, on balance, efficient and played a definite role in the growth of the manufacturing sector and trade during the period.

In medieval times, a peasant was not dispossessed from his land as long as he paid the land revenue. He could also sell his land if he could find a buyer, and if the rest of the community raised no objections. His children inherited his land as a matter of right after his death. The state dues were heavy, sometimes amounting to nearly half of his produce so that the ordinary peasant was left only with barely enough to keep body and soul together, and was in no position to invest anything for the improvement of land or extension of cultivation. Although the life of the peasant was hard, he had enough to eat and to meet his simple requirements, i.e., production and reproduction. The pattern of his life was fixed partly by the seasons and partly by custom and tradition in which fairs, pilgrimages, ceremonies, etc., had their due place. The condition of the landless and a section of the artisans including the menials, must have been much harder. However, not all peasants lived at this low level. Resident cultivators (*khudkashi*) had generally larger lands to cultivate, and a small section among them had large areas of land, and many ploughs and oxen for cultivation. They could also let out a part of their lands to the ordinary cultivators (*muzarian*) on profitable terms. These sections and village zamindars could and did invest in the expansion and improvement of cultivation.

As far as the cities were concerned, the largest section consisted of the poor—the artisans, the servants and slaves, the soldiers, manual workers, etc.

The salary of the lowest grade of a servant, according to European travellers, was less than two rupees a month. The bulk of the workers and foot soldiers began at less than three rupees a month. It has been

calculated that a man could feed his family on two rupees a month. Moreland, who wrote in the early part of the twentieth century, observed that during the period there was little change in the real wages of workers—they had a more balanced diet but clothes, sugar, etc., were more expensive. Moreland concluded from this that the conditions of the Indian people had not worsened under the British rule. But the matter has to be seen in a wider context. While there was a vast increase in wealth and rise in real wages in Europe during the period, there was overall stagnation, if not decline, of living standards in India under the British rule.

#### THE RULING CLASSES: THE NOBLES AND ZAMINDARS

The nobility, along with the landed gentry, the zamindars, formed what may be called the ruling class in medieval India. Socially and economically, the Mughal nobility formed a privileged class. Theoretically, the doors of the Mughal nobility were open to everyone. In practice, persons belonging to aristocratic families, whether they were Indians or foreigners, had a decided advantage. To begin with, the bulk of the Mughal nobles were drawn from the homeland of the Mughals—Turan and from its neighbouring areas, Tajikistan, Khurasan, Iran, etc. Although Babur was a Turk, the Mughal rulers never followed a narrow racist policy. Babur tried to win the leading Afghan nobles to his side, but they proved to be restless and untrustworthy and soon defected. The tussle between the Mughals and the Afghans continued in Bihar and Bengal even under Akbar. But from the time of Jahangir, more Afghans began to be recruited in the nobility. Indian Muslims who were called Shaikhzadas or Hindustani were also given service.

From the time of Akbar, Hindus also began to be inducted into the nobility on a regular basis. The largest section among them consisted of the Rajputs. At first, among the Rajputs, the Kachhwahas predominated. According to a modern calculation, the proportion of Hindus in the nobility under Akbar in 1594 was about 16 per cent only. But these figures do not give any adequate idea of the position and influence of the Hindus. Both Raja Man Singh and Raja Birbal were the personal friends and boon companions of Akbar, while in

the spheres of revenue administration, Raja Todar Mal had a place of great influence and honour. The Rajputs who were recruited to the nobility were either hereditary rajas or belonged to aristocratic families related to or allied to the raja. Thus, their incorporation into the nobility strengthened its aristocratic character. Despite this, the nobility did provide an avenue of promotion and distinction to persons drawn from the lower section of society. Thus, many *kayasthas* and *khatri*s were employed at various levels in the central and provincial governments. A few of them were elevated to the position of a noble. We even find some persons of humble origins as *mansabdars*.

The nobility attained a considerable measure of stability under Jahangir and Shah Jahan. Both these monarchs paid careful attention to the organization of the nobility (the *mansabdari* system). Rules and regulations were worked out for the orderly promotions, discipline and the recruitment of competent people into the imperial service.

The Mughal nobles, as we have seen, received salaries which were extremely high by any standards. This, as well as the liberal policy of the Mughal emperors in matters of faith, and the stable political conditions in India attracted many talented persons from foreign lands to the Mughals court. Thus, there was a brain drain in reverse. On account of the influx into India of Iranis, Turanis and many others in search of service at the Mughal court, a French traveller, Bernier, has stated that the Mughal nobility consisted of 'foreigners who enticed each other to the court'. Modern research has shown this statement to be fallacious. While talented people continued to come to India, and many of them rose to prominence in the service of the Mughals, all of them settled down in India and made it their permanent home. Thus, during medieval times as during earlier times, India continued to provide a home to many people who came from outside. But these immigrants rapidly assimilated themselves into the Indian society and culture, while at the same time, retaining some of their special traits. This accounts for the richness and diversity which has been a special feature of Indian culture. Under Jahangir and Shah Jahan, the bulk of the nobles already consisted of those who had been born in India. Simultaneously, the proportion of Afghans, Indian Muslims (Hindustanis), and Hindus in the nobility continued to rise. A new section among the Hindus which entered

the nobility during the period were the Marathas. Jahangir was the first monarch who realised that the Marathas were 'the hub of affairs' in the Deccan, and tried to win them over to his side. The policy was continued by Shah Jahan. Among the Maratha sardars who served Shah Jahan was Shahiji, the father of Shivaji, though he soon defected. Aurangzeb also gave service to many Marathas and Deccani Muslims. We shall discuss Mughal relations with the Marathas in a later section. However, it may be noted that while the Hindus formed roughly 24 per cent of the nobility under Shah Jahan, they accounted for about 33 per cent of the nobles during the second half of Aurangzeb's reign, while their total number rose by four and half times. Of the Hindus nobles, the Marathas formed more than half during Aurangzeb's reign.

Although the Mughal nobles received extremely high salaries, their expenses were also very high. Each noble maintained a large train of servants and attendants, and a large stable of horses, elephants, etc., and transport of all types. Many of them maintained a large *haram* of women, which was considered normal for a man of status in those times. The nobles aped the Mughal emperors in leading a very ostentatious life. They lived in fine houses containing gardens with fruit trees and running water. They wore the finest clothes and spent a lot on their table expenses. According to an account, 40 dishes used to be prepared for each meal for Akbar. A lot of money was spent on fruits, the choicest being imported from Samarkand and Bokhara. Ice, which was an item of luxury, was used the year round by the privileged classes. Jewels and ornaments which were worn both by men and women was another costly item. Jahangir introduced the fashion of men wearing costly jewels in their ears after piercing them. To some extent, jewellery was also meant to be a reserve to be used in an emergency. Another item of expenditure was presents to the emperor which had to be made twice a year. However, it should be remembered that the value of presents to be given was fixed according to the status of the individual. Also, the nobles received presents from the emperor in return.

Although spending, not hoarding was the dominant characteristic of the ruling class of the time, with only a few nobles remaining out of debt and bequeathing large sums of money to their children, the

nobility did, directly or indirectly, contribute to the development of the economy. This took several directions. Many nobles bought land, or land was gifted to them by the emperor in places where they wanted to settle down and make it their home. In these places, they developed orchards, or built covered markets (*mandis*) which could bring them income from rent and sales. They also lent money on interest to traders, or participated in trade, often in the name of traders or in partnership with them. In a remarkable passage, Abul Fazl had advised nobles 'to invest a little in commercial speculation and engage in remunerative undertaking'. Although usury was condemned by Islamic laws, Abul Fazl told the nobles not to hesitate in investing money on interest, thus reflecting contemporary values.

It is not easy to compute the precise share of the nobility in the commercial undertakings of the period. Sometimes, some nobles, even royal princes, tried to misuse their position to engross the sale and purchase of certain commodities, or to force the artisans and traders to sell their services and commodities cheap. But such instances were not as large as to seriously affect trade, commerce and artistic production. The English factor at Surat remarked in 1614 that 'large and small are merchants'. Even members of the royal family, including princes, princesses and royal ladies, took part in freighting goods on foreign ships, and even owned ships for trade. Mir Jumla, a leading nobleman during the reign of Aurangzeb, owned a fleet of ships which carried extensive commerce with Persia, Arabia and countries of Southeast Asia. The lure for money from commerce had reached such a stage that even the chief *qazi* of Aurangzeb had substantial commercial undertakings which he tried to conceal from the emperor.

Thus, the Mughal nobility had a number of unusual features. Though often divided on ethnic lines, it formed a composite ruling class representing different regions and religions. It also tried to promote a composite culture by extending patronage to painters, musicians, poets, both of Persian and Hindawi, and to scholars. Though essentially feudal in character, since land was its main source of income, it had developed many characteristics of a bureaucracy. It was also becoming more commerce and money-minded.

Thus, the Mughal state and ruling class did not act as a barrier to the economic development of India. Whether this development could,



by itself, have taken India to the capitalist path is doubtful, but we need not enter into this debate here. Our main concern is to see whether there was a continued growth of the economy during this period, and if so, the direction of development.

Rapid growth in the number of the nobility during the seventeenth century, tensions between different groups, individuals and sections, and a crisis in the working of the *jagirdari* system had an adverse effect on the discipline and proper functioning of the nobility under Aurangzeb and during the reign of his successors. Some of these aspects are dealt with in greater detail in a subsequent chapter.

### ZAMINDARS AND THE RURAL GENTRY

From the writings of Abul Fazl and other contemporary authors, it is clear that personal ownership of land was very old in India. The right of ownership in land depended mainly on heredity. But new rights of ownership in land were being created all the time. The tradition was that any one who first brought land under cultivation was considered its owner. There was plenty of cultivable wasteland (*banjar*) available in medieval times. It was not difficult for an enterprising group of people to settle a new village or to bring under cultivation the wastelands belonging to a village and become the owners of these lands. In addition to owning the lands they cultivated, a considerable section of the zamindars had the hereditary right of collecting land revenue from a number of villages. This was called his *talluqa* or his *zamindari*. For collecting the land revenue, the zamindars received a share of the land revenue which could go up to 25 per cent in some areas. The zamindar was not the 'owner' of all the lands comprising his *zamindari*. The peasants who actually cultivated the land could not be dispossessed as long as they paid the land revenue. Thus, the zamindars and the peasants had their own hereditary rights in land.

Above the zamindars were the rajas who dominated larger or smaller tracts and enjoyed varied degrees of internal autonomy. These rajas are also called zamindars by the Persian writers to emphasise their subordinate status, but their position was superior to that of the

zamindars who collected land revenue. Thus medieval society, including rural society, was highly segmented or hierarchical.

The zamindars, rajas and chiefs had their own armed forces, and generally lived in forts or *garhis* which was both a place of refuge and a status symbol. The combined forces of these sections, called zamindars in medieval sources, were considerable. According to the *Ain*, in Akbar's reign they had 3,84,558 *sawars*, 42,77,057 foot soldiers, 1,863 elephants, and 4,260 cannons. But the zamindars were dispersed and could never field such large forces at any time or at one place.

The zamindars generally had close connections on a caste, clan or tribal basis with the peasants settled in their *zamindaris*. They had considerable local information also about the productivity of land. The zamindars formed a very numerous and powerful class which was to be found all over the country under different names such as *deshmukh*, *patil*, *nayak*, etc. Thus, it was not easy for any central authority to ignore or alienate them.

It is difficult to say anything about the living standards of the zamindars. Compared to the nobles, their income was limited; the smaller ones may have lived more or less like the peasants. However, the living standards of the larger zamindars might have approached those of petty rajas or nobles. Most of the zamindars apparently lived in the countryside and formed a kind of loose, dispersed local gentry.

It would not be correct to look upon the zamindars merely as those who fought for control over land, and exploited the cultivators in the area they dominated. Many of the zamindars had close caste and kinship ties with the land-owning cultivating castes in their zamindari. These zamindars not only set social standard, they also provided capital and organization for settling new villages, or extending and improving cultivation.

### THE MIDDLE STRATA

There has been a lot of discussion on whether during the medieval period, India had a middle class or not. The Frenchman, Bernier, said that in India there was no 'middle state', a person was either extremely rich, or lived miserably. It is, however, not possible to agree

with this statement. If the word 'middle class' means traders and shop keepers, India had a large class of rich traders and merchants, some of them being amongst the richest merchants of the world at that time. These merchants also had rights based on tradition, such as protection of life and property. But they did not have the right to administer any of the towns. Such rights had been acquired in Europe by the merchants in special circumstances. Also, these rights tended to be abridged whenever strong territorial states grow up, as in France and Britain.

If by 'middle state' is meant a section whose standard of living was between the rich and the poor, such sections were large in Mughal India. They included the small *mansabdars*, petty shop-keepers and a small, but important section of master craftsmen. It also included the class of professionals—*hakims*, leading musicians and artists, historians, scholars, *qazis* and theologians, and the large class of petty officials or pen-pushers, who ran the large and growing Mughal administrative apparatus. While the petty officials were generally paid in cash, and supplemented their income by means of corruption, many of the others, especially the scholars, religious divines, etc., were granted small tracts of land for maintenance. Such grants were called *madad-i-maash* in Mughal terminology, or *sasan* in Rajasthan. In addition to the Mughal emperor, local rulers and zamindars, and even nobles made such grants. Although these grants were to be renewed by every ruler, they often became hereditary in practice. These sections often became part of the rural gentry, and a link between the village and the town. Writers, historians and theologians often belonged to the class. The 'middle strata' did not form a class: the interests of different sections being different. They were also drawn from various religious groups and castes.

#### ORGANIZATION OF TRADE AND COMMERCE

The Indian trading classes were large in numbers, spread out all over the country, well organized and highly professional. Some specialized in long distance, inter-regional trade, and some in local, retail trade. The former were called *seth*, *bohra* or *modi*, while the latter was called *beoparis* or *banik*. In addition to retailing goods, the

*baniks* had their own agents, in the villages and townships, with whose help they purchased foodgrains and cash crops. There was a special class of traders, the *banjaras*, who specialized in carrying bulk goods. The *banjaras* used to move over long distances, sometimes with thousands of oxen carrying foodgrains, pulses, ghee, salt, etc. The more expensive goods, such as textiles, silks, etc., were laden on camels and mules, or in carts. But it was cheaper to move bulk goods through the rivers on boats. Boat traffic on waterways, and coastal trade along the seashore was more highly developed than now. The trade in food stuffs and a wide range of textile products were the most important components of inter-regional trade during the period. Bengal exported sugar and rice as well as delicate muslin and silk. The coast of Coromandel had become a centre for textile production, and had a brisk trade with Gujarat, both along the coast and across the Deccan. Gujarat was the entry point of foreign goods. It exported fine textiles and silks (*patola*) to north India, with Burhanpur and Agra as the two nodal points of trade. It received foodgrains and silk from Bengal, and also imported pepper from Malabar. North India imported luxury items and also exported indigo and foodgrains. Lahore was another centre of handicraft production. It was also the distribution centre for the luxury products of Kashmir—shawls, carpets, etc. The products of the Punjab and Sindh moved down the river Indus. It had close trade links with Kabul and Qandhar, on the one hand, and with Delhi and Agra on the other.

It will thus be seen that India's inter-regional trade was not in luxuries alone. The movement of these goods was made possible by complex networks linking wholesalers with merchants down to the regional and local levels through agents (*gumashtas*) and commission agents (*dalals*). The Dutch and English traders who came to Gujarat during the seventeenth century found the Indian traders to be active and alert. There was keen competition for inside information, and whenever there was demand for goods in one part of the country, it was rapidly made good.

Movement of goods was also facilitated by the growth of a financial system which permitted easy transmission of money from one part of the country to another. This was done through the use of *hundis*. The *hundi* was a letter of credit payable after a period of time at a

discount. The *hundis* often included insurance which was charged at different rates on the basis of value of the goods, destination, means of transport (land, river or sea), etc. The *sarrafs* (*shroffs*) who specialized in changing money, also specialized in dealing with *hundis*. In the process, they also acted as private banks: they kept money in deposit from the nobles, and lent it. By means of *hundis*, they created credit which supplemented the money in circulation, since the merchant could cash his *hundi* after he had sold his goods at the point of his destination. Thus, movement of money which was always a risky enterprise could be reduced, especially when the rich traders such as Virji Vohra set up agency houses in different parts of India, and also in West Asia and Southeast Asia.

The trading community in India did not belong to one caste or religion. The Gujarati merchants included Hindus and Jains, and Muslims who were mostly Bohras. In Rajasthan, Oswals, Maheshwaris and Agarwals began to be called Marwaris. Overland trade to Central Asia was in the hands of Multanis, Afghans and Khattris. The Marwaris spread out to Maharashtra and Bengal during the eighteenth century. The Chettis on the Coromandel coast and the Muslim merchants of Malabar, both Indian and Arab, formed the most important trading communities of south India.

The trading community in India, especially in the port towns, included some of the richest merchants who are comparable in wealth and power to the merchant princes of Europe. Thus, Virji Vohra dominated the Surat trade for several decades. He owned a large fleet of ships and was reputed to be amongst the wealthiest men of his time. Abdul Ghafur Bohra left 55 lakh rupees in cash and goods and a fleet of 17 sea-going ships at the time of his death in 1718. Similarly, Malay Chetti of the Coromandel coast, Kashi Viranna and Sunca Rama Chetti were reputed to be extremely wealthy, and had extensive commercial dealings in India and abroad. There were many wealthy merchants at Agra, Delhi, Balasore (Orissa), and Bengal also. Some of these merchants, especially those living in the coastal towns, lived in an ostentatious manner and aped the manners of the nobles.

European travellers mention the commodious and well-built houses in which the wealthy merchants of Agra and Delhi lived. But

the ordinary sorts lived in houses above their shops. The French traveller, Bernier, says that the merchants tried to look poor because they were afraid that they would be used like 'fill'd sponges', i.e., squeezed of their wealth. This does not appear to be fully correct. Emperors from the time of Sher Shah passed many laws for protecting the property of the merchants. The laws of Sher Shah are well known. Jahangir's ordinances included a provision that 'if anyone, whether unbeliever or Musalman should die, his property and effects should be left for his heirs, and no one should interfere with them. If he should have no heirs, they should appoint inspectors and separate guardians to guard the property, so that its value might be expended in a lawful expenditure, such as the building of mosques and sarais, repair of broken bridges and the digging of tanks and wells.' However, local officials could always abuse their power to harass traders.

Despite some harassments, the property of the merchants was generally safe. Means of transport were cheap and adequate for their needs. Despite complaints by some European travellers, safety on the roads was satisfactory, and could be covered by insurance. The means of travel with sarais at the distance of 5 *kos* on the principal highways was as good as in Europe at the time. Nevertheless, trade and the traders continued to have a low social status. The influence of the merchants on political processes is a matter of controversy. Merchants in India were not without influence in political quarters where their own interests were concerned. Thus, each community of merchants had its leader or *nagarseth* who could intercede with the local officials on their behalf. We do have instances of strikes (*hartal*) by merchants in Ahmedabad and elsewhere to stress their points of view. We have also noted the involvement of members of the Mughal royal family, and prominent nobles, such as Mir Jumla, in trade.

Thus, the Mughal ruling class was not unconcerned with business and protection of the commercial interests of the country and the trading classes, though it was not as actively involved in pushing its business interests as some European states such as Britain, France and Holland were.

Trade and commerce expanded in India during the seventeenth century due to a number of factors. An important factor was the political integration of the country under Mughal rule and

establishment of conditions of law and order over extensive areas. The Mughals paid attention to roads and sarais. Taxes were levied on goods at the point of their entry into the empire. Road cesses or *rahdari* was declared illegal, though it continued to be collected by some of the local rajas. The Mughals minted silver rupees of high purity from mints scattered all over the empire. Any trader could carry silver to the royal mint, and have coins in exchange on payment of a *batta* (discount). The Mughal rupee became a standard coin in India and abroad and thus helped India's trade.

Some of the Mughal policies also helped in the commercialization of the economy, or the growth of a money economy. Salaries to the standing army as well as to many of the administrative personnel (but not to the nobles) were paid in cash. Under the *zabti* system, the land revenue was assessed and required to be paid in cash. Even when the peasant was given the option of choosing other methods of assessment, such as crop-sharing, the share of the state was, generally, sold in the villages with the help of grain dealers. It has been estimated that about 20 per cent of the rural produce was marketed, which was a high proportion. The growth of the rural grain markets led to the rise of small townships or *qasbas*. The demand for all types of luxury goods by the nobles led to the expansion of handicraft production and to the growth of towns.

Already during the sixteenth century, a number of major towns had developed in the country. According to Ralph Fitch, Agra and Fatehpur Sikri were larger than London, then one of the biggest town in Europe. Monserrate, the Jesuit priest who came to Akbar's court, says that Lahore was second to none of the cities in Europe or Asia. A recent study shows that Agra was more than doubled in size during the seventeenth century. Bernier, who wrote in the middle of the seventeenth century, says that Delhi was not less than Paris, and that Agra was bigger than Delhi. During the period, Ahmadnagar and Burhanpur in the west, Multan in the northwest, and Patna, Rajmahal and Dacca in the east grew to become big towns. Thus, Ahmedabad was as large as London and its suburbs, and Patna had a population of two lakhs—a large size by the standard of those times. These towns were not only administrative centres, but developed as centres of trade and manufacture.

The Mughal ability to collect a high share of the rural produce, which was commuted into money, and its concentration in the hands of the nobility, stimulated the demand for all kinds of luxury goods, including building materials for residential houses, sarais, *baolis*, etc. The growth of arms manufactures—guns of all types, cannons, armour, etc., and of shipping—are two primary examples of the result of direct government intervention in the matter. Both Akbar and Aurangzeb were deeply interested in the manufacture of guns of all types, including mobile guns, and took steps to improve their production. Indian steel swords were also in demand outside India. In 1651, Shah Jahan initiated a programme of building sea-going vessels, and four to six ships were built each year for voyages to West Asia. In the following year, six ships were put into commission. This was part of a ship-building programme of many wealthy merchants and nobles. In consequence Indian shipyards were soon in a position to produce ships based on European models, and freight rates to West Asia were reduced.

#### FOREIGN TRADE AND THE EUROPEAN TRADERS

We have already mentioned that there was a number of ports and towns from which brisk trade between India and the outer world was carried on. India not only supplied food stuffs, such as sugar, rice, etc., to many countries of Southeast and West Asia, but Indian textiles also played a very important role in the trade of the region. As an English agent observed, 'From Aden to Achin from head to foot, everyone was clothed in Indian textiles'. This statement, even though a little exaggerated (for Egypt and Ottoman Turkey also produced cotton and exported textiles), was essentially true. It was this which made India the virtual manufactory of the Asian world (excluding China). The only articles which India needed to import were certain metals, such as tin and copper, production of which was insufficient (tin was used for making bronze), certain spices for food and medicinal purposes, war horses and luxury items (such as ivory). The favourable balance of trade was met by import of gold and silver. As a result of the expansion of India's foreign trade, the import of silver and gold into India increased during the seventeenth century;



so much so that Bernier says that 'gold and silver, after circulating over every part of the world, is finally buried in India which is the sink of gold and silver.' This statement is also based on exaggeration for in those days every country tried to hold on to gold and silver. However, India and China were more successful in doing so because of the scale of their economies, and their being largely self-sufficient.

We have already mentioned the advent of the Portuguese into India towards the end of the fifteenth century. During the seventeenth century, many other European traders, specially the Dutch, the English and later the French came to India for purposes of trade. This enterprise was a direct result of the growth of the European economy consequent upon a rapid expansion in the fields of agriculture and manufactures.

The Portuguese power had begun to decline during the second half of the sixteenth century. Despite vehement Portuguese opposition, the Dutch established themselves at Masulipatam, obtaining a *farman* from the ruler of Golconda in 1606. They also established themselves in the Spice Islands (Java and Sumatra) so that by 1610 they predominated in the spice trade. The Dutch had originally come to the coast for the sake of the spice trade. But they quickly realized that spices could be obtained most easily in exchange for Indian textiles. The cloth produced on the Coromandel coast was the most acceptable in Southeast Asia, and also cheapest to carry. Hence, the Dutch spread south from Masulipatam to the Coromandel coast, obtaining Pulicat from the local ruler and making it a base of their operations.

Like the Dutch, the English also had come to the east for the spice trade, but the hostility of the Dutch who had more resources and had already established themselves in the Spice Islands forced the English to concentrate on India. After defeating a Portuguese fleet outside Surat, they were able, at last, to set up a factory there in 1612. This was confirmed in 1618 by a *farman* from Jahangir, obtained with the help of Sir Thomas Roe. The Dutch followed, and soon they too established a factory at Surat.

The English quickly realized the importance of Gujarat as a centre for India's export trade in textiles. They tried to break into India's trade with the Red Sea and the Persian Gulf ports. In 1622, with the

help of the Persian forces, they captured Ormuz, the Portuguese base at the head of the Persian Gulf. (See Map B, Appendix)

Thus, by the first quarter of the seventeenth century, both the Dutch and the English were well set in the Indian trade, and Portuguese control of the sea was broken for ever. The Portuguese remained at Goa and also at Daman and Diu, but their share in India's overseas trade declined continuously.

Recent research has shown that despite their domination of the seas, the Europeans were never able to oust the Indian traders from the Asian trade. In fact, the share of the European trading companies from any part of India—Gujarat, Coromandel or Bengal, remained a fraction of India's foreign trade. The reason why the Indian traders were able to maintain themselves were several: when it came to textile trade, the Indian traders knew both the domestic and foreign markets better. Also, the Indians were willing to work at a lower profit, of 10 to 15 per cent as against 40 to 50 per cent which was considered the minimum by the Dutch to meet their overhead costs: costs of factories, war ships, etc. The English approach must have been similar. The Dutch and the English found that they could not trade in India, or even feed the people in their factories without the cooperation of the Mughal government and Indian traders. For these reasons, and to reduce their cost of operations, they started freighting the goods of Indian merchants on their ships. The Indian traders had little objection to this for it made their own operations safer. At the same time, Indian shipping grew such that from about 50 ships in the middle of the seventeenth century at Surat, many of them well built, its numbers rose to at least 112 by the end of the century. This was another index of the growth of India's foreign trade and domestic manufactures.

Apart from sharing in the Asian trade, the English and Dutch searched for articles which could be exported from India to Europe. At first, 'the prime trade', apart from pepper, was indigo which was used to colour the woollens. The indigo found most suitable was that produced at Sarkhej in Gujarat and Bayana near Agra. Soon the English developed the export of Indian textiles, called 'calicoes', to Europe. At first, the produce of Gujarat was sufficient for the purpose. As the demand grew, the English sought the cloth produced in Agra

and its neighbourhood. Even this was not enough. Hence the Coromandel was developed as an alternate source of supply. By 1640, export of cloth from the Coromandel equalled that from Gujarat, and by 1660 it was three times that from Gujarat. Masulipatam and Fort St. George which later developed into Madras were the chief ports for this trade.

The Dutch joined the English in their new venture, exporting both calico and indigo from the Coromandel.

The English also explored Lahri Bandar at the mouth of the river Indus which could draw the produce of Multan and Lahore by transporting goods down the river Indus. But the trade there remained subsidiary to the Gujarat trade. More important were their efforts to develop the trade of Bengal and Orissa. The activities of the Portuguese and the Magh pirates in east Bengal made this development slow. However, by 1650, the English had set themselves up at Hoogly and at Balasore in Orissa, exporting from there raw silk and sugar in addition to textiles. Another item which was developed was the export of salt petre which supplemented the European sources for gun powder. It was also used as a ballast for ships going to Europe. The best quality salt petre was found in Bihar. Exports from the eastern areas grew rapidly, and were equal in value to the exports from the Coromandal by the end of the century.

Thus, the English and the Dutch companies opened up new markets and articles of export for India. Indian textiles became a rage in England by the last quarter of the seventeenth century. As an English observer wrote, 'Almost everything that used to be made of wood or silk, relating either to dress of the women or the furniture of our houses was supplied by the Indian trade'. As a result of agitations, in 1701, 'all calicoes painted, dyed, printed or stained' from Persia, China or the East Indies (i.e., India) were banned. But these and other laws imposing severe penalties had little effect. In place of printed cloth, the export of white Indian calicoes which had risen to 9½ lakh pieces in 1701, jumped to 20 lakhs in 1719.

Although India's trade with Europe grew rapidly during the second half of the seventeenth and the early part of the eighteenth century, intra-Asian trade still remained much more lucrative. Thus, it has been estimated, of the spices produced, only 14 per cent went to

Europe, the largest part being consumed in India and China. During the seventeenth century, India's textile exports to West Asia and East Africa also grew. A new item of trade was, coffee, produced in Yemen (Southern Arabia).

Lahore and Multan were the major centres for India's overland trade. We are told that a large colony of traders, amounting to 10,000 lived in different parts of Iran. From Iran they spread to Bokhara and Samarqand and also to South Russia. Thus, there was a large colony of Indian traders at Baku and at Astrakhan at the mouth of the river Volga, who traded upto Moscow. There were colonies of Indian traders at 'Yarkand and Khotan' (modern Sinkiang) who helped in the trade from Punjab via Kashmir and Ladakh to China. The overland trade declined only with the break up of the Safavid empire, followed by the disintegration of the Mughal empire.

The growth of India's foreign trade, the influx of gold and silver into the country, and the linking of India more closely with the rapidly expanding European markets had a number of important consequences. While the Indian economy grew, the influx of silver and gold into the country was even faster. As a result, during the first half of the seventeenth century, prices almost doubled. The effect of this price rise on different sections of society has yet to be worked out in detail. It probably weakened the old, traditional ties in the villages, and made the nobility more money-minded, greedy and demanding.

Secondly, the European nations searched for alternatives to the export of gold and silver to India. One method was to enter the Asian trade network by trying to monopolize the spice trade, and trying to capture the Indian trade in textiles. As we have seen, they had only limited success in these fields. Hence, they tried to acquire empires in India and its neighbourhood so that they could pay from the revenues of these territories for the goods exported to Europe. The Dutch were able to conquer Java and Sumatra. But the key was India. Both the English and the French competed for the conquest of India, but they could not succeed as long as India remained strong and united, first under Mughal rule and then under able provincial governors. They could only succeed when internal and external factors weakened even these states.