

INDIAN ECONOMIC HISTORY – Postclassical Period

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Part I : Economic Innovations

Overview The major economic innovations across the centuries of Indian history pertain to a mixture of objects and systems. They include smaller, more sophisticated tools, a system of weights, writing, manufacture of iron tools, uniform coinage, new banking methods and the expansion of maritime trade. The significant contribution of Indians to contemporary digital technologies is also well-known.

Early Postclassical Period

Maritime Trade Chola rulers set up a string of fortified trading towns along the east coast to facilitate growing maritime trade. Much of the Indian influence in Southeast Asia, evident in the Buddhist and Hindu temples in Thailand, Cambodia, Indonesia (especially Bali and Java), and in the names of kings, can be attributed to South India and largely to the Cholas. The Chola maritime campaigns to Sri Lanka and Indonesia were probably intended to control trade routes as much as to conquer territory. Maritime merchants became wealthy on the back of this trade and formed powerful associations that rivalled kings. One guild based in the Deccan (The Five Hundred Lords of Ayyavole) spread over the whole of South India and left inscriptions in their name in Southeast Asia.

Temples A distinctive feature of the Indian economy that developed in this period was the temple as mini-commercial centre. With kings, landowners and merchant as patrons, and artisans, ritual specialists and accountants as employees, temples became major centres of economic activity. Landowners and merchants asserted their status by making donations of land to the temple, the revenue from which was earmarked for the performance of a ritual or maintenance of a shrine. A copper-plate from about 850 CE records the gift of 90 sheep by a merchant to a temple. Another copper-plate mentions a donation of 30 copper coins by a merchant's wife for the maintenance of a temple lamp.

Production New technologies improved production in various sectors. For example, the earlier hand mill for pressing oil from seeds was replaced by a bullock-driven mill, which was far more efficient. Larger and more easily worked looms were built, which produced goods for the increasing domestic and foreign markets in woven silk, linen, calico, wool and cotton. The same is true for pearls, ivory, sandalwood gold and semi-precious stones. The spice trade, primarily in pepper, developed as well.

Late Postclassical Period

Revised grant system Like virtually all previous rulers of India, the Delhi Sultanate used the land-grant system as a means to create allies in the provinces. However, they also revised this system in an effort to prevent local elites from becoming too powerful. The revision was to introduce a money-grant. In this revised system, a Muslim official in the province was permitted to collect and keep a portion of the land tax due from Hindu landowners to the state. Over time, however, these money-grants evolved into hereditary emoluments, providing the officers with considerable land and power in the countryside. The result was that the office-holders became financially independent from Delhi, reproducing the very problem the system was intended to solve.

Currency Although bills of exchange were used to transfer debt and make land sales in the countryside, the main currency was coinage. The amount of coins minted during the Sultanate was considerably greater than during any previous period. Metal coins (mostly gold, silver and silver-alloyed) were issued by the various rulers of the Sultanate. The most common coin was the silver-based *tanka*, which had 14 different denominations, determined by

the weight of silver. Over the course of the Sultanate, the amount of silver decreased from about 30% in the beginning to only 5% by the end. In effect, the economy became demonetised.

Part II : Trade

Overview India was part of inter-regional trade from at least the time of the Indus Valley civilisation in the third millennium BCE. By 100 CE, overland and maritime routes had connected Indian traders and goods with Roman, Greek and Persian empires. Later maritime routes linked them with China and Southeast Asia, but trade across the Indian Ocean to Africa and the Middle East remained the most lucrative. The arrival of British, French and Dutch ships during the colonial era pushed India into the very centre of global trade. In general, India enjoyed a healthy balance of trade, due to the foreign demand for such commodities as sugar, spices, indigo and cotton.

Early Postclassical Period 500-1000

Indian Ocean The Indian Ocean, separating India from Africa and the Middle East, became a major trading route. The fall of the Roman Empire created a vacuum that was filled by Arab, Persian and Indian merchant. This route became a truly global one, with India in the middle, from the 8th c. CE onward, when the Tang Empire in China sought to extend its commercial connections. For centuries, this crossing was undertaken at great risk to boats, subject to unpredictable winds and the less-than-regular monsoon. By about 1000 CE, a number of depots were broke the voyage into smaller and safer segments.

South India Another major maritime trade route ran from coastal south India to Southeast Asia. This trade was largely controlled by the Chola Empire, which reached the peak of its power around 1000 CE. Chola ships sailed to the tip of Sumatra, down the straits of Malacca and up the eastern coast of the Malay peninsula and then to Cambodia and China. The medieval guilds in central and south India funded these expeditions. One guild based in the Deccan (The Five Hundred Lords of Ayyavole) left inscriptions in their name in Cambodia and Sumatra. These routes were also protected by the sophisticated Chola navy, which conducted military campaigns along the same route and controlled much of the coasts for two centuries.

Late Postclassical Period

Domestic trade Domestic trade flourished under the Delhi Sultanate, as evidenced by the descriptions of foreign travellers. The account given by Ibn Battuta (14th c.) includes details of Delhi as a major centre, where high quality goods (rice, betel leaves, sugar and wheat) were brought provincial regions. The sultans also saw to it that major roads and riverine routes were well maintained and policed. Foreign imports were also transported from coastal ports to major centres, such as the road from Goa to Hampi, the capital of the Vijayanagar Empire in the hinterland. One report mentions more than 5000 bullock carts carrying goods between the two points. The Vijayanagar Empire also carried on its own lucrative, domestic trade in diamonds.

Foreign Trade During the Sultanate major exported goods included silks, gold-trimmed clothes, guns, diamonds, elephants, pearls and coconuts. The big cash earners were sugar, indigo and spices. Chief imports were horses from the northwest, dates and precious stones from Arabia (across the Indian Ocean), satin and other luxury textiles from Persia, and raw silk and porcelain from China. Among favoured foreign goods were scented oils and perfume, wine, coral and velvet. During this period, and generally throughout history, India enjoyed a good balance of trade, with exports far exceeding imports.

Reading

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