

# INDIAN ECONOMIC INNOVATIONS

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## 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.

## Reading

Barbara Metcalf and Thomas Metcalf, *A Concise History of Modern India* (Cambridge, 2012)

Sugata Bose and Ayesha Jaylal (eds.), *Modern South Asia: History, Culture, Political Economy* (Routledge, 2011)

B. R. Tomlinson, *The Economy of Modern India* (Cambridge, 2013)