

**Economic History Association**

---

Potentialities of Capitalistic Development in the Economy of Mughal India

Author(s): Irfan Habib

Source: *The Journal of Economic History*, Vol. 29, No. 1, The Tasks of Economic History (Mar., 1969), pp. 32-78

Published by: Cambridge University Press on behalf of the Economic History Association

Stable URL: <https://www.jstor.org/stable/2115498>

Accessed: 03-09-2019 11:50 UTC

---

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



*Cambridge University Press, Economic History Association* are collaborating with JSTOR to digitize, preserve and extend access to *The Journal of Economic History*

## *Potentialities of Capitalistic Development in the Economy of Mughal India*

WHEN we ask ourselves the question why India failed to industrialize (and develop a capitalistic economy) either before or after the British conquest, we touch the core of an old and hallowed controversy in which the partisans and opponents of British imperialism once confronted each other. To admirers of British rule, generally, it seemed that the fault lay with certain inherent weaknesses in Indian society. The influence of an "enervating climate," the heritage of "oriental despotism" and recurring cycles of anarchy (inhibiting the accumulation and investment of capital), primitive techniques and ignorance, the rigidities of the caste system, the prevailing spirit of resignation rather than enterprise, all created conditions in which nothing but a subsistence economy could function. From such wretched beginnings, the British could not, whatever they did, lift Indian economy to European levels. The critics of imperialism saw things in a different light. They insisted that the primitive nature of Indian economy before British conquests ought not to be overstressed, and they ascribed India's backwardness chiefly to the strangulating effects of British rule, to "the drain of wealth," the destruction of handicrafts, heavy taxation, and discrimination against Indian industry and capital. It will thus be seen that though the controversy involved a number of important aspects of modern Indian economic history, in part at least it centered on the potentialities of development in the Indian economy prior to the British conquests.<sup>1</sup>

For a long time there was little information at hand on this particular subject; a great advance was accomplished when, under the impetus of the wider controversy, scholars like W. H. Moreland and Brij Narain attempted to study and analyze the economy of Mughal

<sup>1</sup> Instructive for an appreciation of the main points of the old controversy is the recent debate provoked by a restatement of the imperialist case by Morris D. Morris in "Towards a Reinterpretation of Nineteenth Century Indian Economic History," *JOURNAL OF ECONOMIC HISTORY*, XXIII, No. 4 (1963), pp. 606-18; for the critical comments upon it by Toru Matsui, Bipan Chandra, and T. Raychaudhuri, see *Indian Economic and Social History Review* (cited hereafter as IESHR), V, No. 1 (1968), pp. 1-100, in which Morris' paper is also reprinted.

India on the basis mainly of contemporary evidence.<sup>2</sup> A number of simple generalizations that had till then held sway were now relegated largely to the pages of the propagandists, though they still reappear from time to time in the writings of the learned. Since then, again, there have been considerable additions to our knowledge. Unfortunately, large gaps in our information still remain, and on many crucial aspects our data are pitifully few. But, while we must bear the limitations of our evidence in mind, it is yet possible to generalize. And though many of such generalizations may still be in the nature of tentative conclusions, or even speculations, these may at least possess the merit of indicating the problems that historians of Mughal Indian economy are seeking to resolve.

In the present paper we are, formally speaking, concerned not with the potentialities of growth, but specifically with potentialities for capitalistic development. It is a reasonable assumption, however, that for all societies other than those of our own day, the only possible road to modern industry lay through capitalism; and it may therefore be taken for granted that the proximity to or distance from true capitalistic relations that a given premodern or modern society maintained offers a valid criterion for judging its capacities of growth, so that, in essence, the two questions may be treated as identical. A rather more difficult question is one of definition: What do capitalistic relations consist of? For the sake of consistency and clarity, the Marxist definitions of the terms capital and capitalism, and also of certain other terms, have been followed in this paper. Capitalistic relations are, therefore, considered by us as not mere money or market relations, but relations based on a particular mode of production, in which the producer is separated from his tools, so that while he himself is a wage laborer, the implements of production, together with the raw materials and the finished product, are owned by his employer, the capitalist. This definition, in effect, restricts capitalism properly to the economic organization that became dominant with the coming of the Industrial Revolution. This may be objected to by those who regard the essence of capitalism as consisting in the prevalence of market economy, and so would date the rise of capitalism in Europe at a period much before the eighteenth and nineteenth centuries.<sup>3</sup> However, without anticipat-

<sup>2</sup> W. H. Moreland, *India at the Death of Akbar* (London, 1920), and *Akbar to Aurangzehr* (1923); Brij Narain, *Indian Economic Life, Past & Present* (Lahore, 1929).

<sup>3</sup> Cf. M. Dobb, *Studies in the Development of Capitalism* (London, 1946), pp. 5-7, for a discussion of such views.

ing our own arguments about Mughal Indian economy, it may be suggested as a possibility that a society may have a well-developed money economy without evolving machine industry, and it would therefore be better to have a definition of capitalism which is narrow, if not also more precise. At the same time the importance of market economy as a precondition (though not necessarily the fountainhead) of capitalistic development has to be given due recognition;<sup>4</sup> and therefore we shall be concerning ourselves also with the scale and nature of money relations and commodity production in the various sectors of the economy of Mughal India.

## I

Capitalism means the sway of capital, and the latter implies accumulation, which again must directly or ultimately arise out of production, or rather out of the surplus product (the total net product minus the cost of subsistence of the producer). It may be argued that the emergence of capitalism becomes possible only when the surplus products attain a certain minimum magnitude, enabling "primary accumulation" to take place. If per capita product is very low, the surplus might not reach that minimum, and accumulation might not occur. Since it has actually been said that Indian economy was precisely in such a situation before the British conquest,<sup>5</sup> we may be justified in giving some space to this matter.

For all practical purposes, in the case of Mughal India this is a question of the level of agricultural production. Though we should like to know a great deal more about Indian agriculture during the seventeenth century, some essential facts are fairly well-established. First of all, there was a great abundance of land. A study of the official Mughal area statistics and other geographical information indicates that the extent of cultivation then was about half of what it was about the beginning of this century, in the middle Gangetic basin and Central India, and from two-thirds to one-fifth in other regions.<sup>6</sup> From this it may be reasonably inferred that, compared to the conditions around the year 1900, cultivation was confined to the

<sup>4</sup> "The wealth of those societies in which the capitalist mode of production prevails presents itself as an 'immense accumulation of commodities' . . ." . . . the opening words of Marx, *Capital*, Vol. I, tr. by Moore and Aveling (reprint ed. Dona Torr, London, 1946), p. 1. All references to *Capital*, Vol. I, are to this edition.

<sup>5</sup> Morris, *IESHR*, V (1), pp. 3-7.

<sup>6</sup> I. Habib, *Agrarian System of Mughal India* (Bombay, 1963), pp. 1-24 (hereinafter referred to as I. Habib).

more fertile lands in 1600; that owing to larger wastes and pastures more cattle could be kept (indicating not only a larger output of pastoral products per capita, but also a greater use of cattle-power in agriculture); that each household farm should have approximated more closely to the optimum size; and, finally, that a greater amount of double-cropping could have been undertaken by the peasants. At the same time the agricultural technology in 1600 differed in no significant respect from what it was in 1900. A new important factor in 1900, undoubtedly, was the large-scale canal irrigation network laid out by the British in the Indus basin and the upper Gangetic region. It may also be urged that the railways facilitated the raising of crops for which particular lands or localities were most suited; and there were some new crops the cultivation of which expanded substantially during the nineteenth century, namely, maize and the plantation crops, tea, and coffee. But after weighing all these factors, it would hardly be possible to consider per capita agricultural output as being lower in 1600 than in 1900.<sup>7</sup> It is also very likely that in per capita agricultural productivity Mughal India was not in any way backward when compared with other contemporary societies, including those of western Europe.<sup>8</sup>

However, it is not simply the level of output that is to be considered in estimating the scale of the surplus. Of direct significance for accumulation is not so much the amount of the output as the size of the surplus. It is, therefore, important to consider what the cost of subsistence was. Not much argument is needed to demonstrate that the mere cost of survival in a tropical or semitropical climate is far less than in a colder one. Within India the cost of subsistence was not uniform and in fact would seem to have varied more often in an inverse ratio to the productivity of the soil. It struck a seventeenth-century observer from the north, for example, that southern India had its large and massive temples because, while the land was so immensely productive, the subsistence needs of the population (in comparison presumably with those of the

<sup>7</sup> Moreland, *India at the Death of Akbar*, pp. 100-24; I. Habib, pp. 36-57. Moreland's arguments are a little different from those presented in the text above.

<sup>8</sup> It is not clear to me why Morris, *IESHR* V(1), 3-7, insists on the "low yields" of traditional Indian agriculture. In some of his arguments there is a failure to distinguish between output per acre and output per head in conditions of a favorable man/land ratio, as when he speaks of "very short growing seasons" (owing to there being two harvests in the year). He also seems to overlook the likelihood that the seed/yield ratio in such crops as wheat was generally higher in India than in western Europe before the nineteenth century.

northern regions) were extremely few, so that the surplus available was very great.<sup>9</sup> There is little doubt, then, that the absence of capitalistic development in India cannot be attributed very simply to a low level of agricultural production.

Given the minimum size of the agricultural surplus, it is really the mode of its appropriation, and ultimate distribution, which can (but may not) contain the seeds of capitalism.

The agricultural surplus may be appropriated and shared in various ways that are reducible, theoretically speaking, to two basic forms: (A), a demand from outside imposed on the producer (e.g., rent) and (B), a gain accruing as a result of the appropriator's undertaking or organizing the productive process himself (e.g., peasant's savings; profits of the capitalist-farmer). Since this division is merely theoretical, not historical, there is no chronological sequence involved in it; each embraces numerous types of relations, found at various stages of economic development. Thus though capitalistic farming proper belongs to Form B, farming carried on through slave-labor is also a category of Form B. On the other hand, rent in kind and rent in cash are both covered by Form A, but the latter type of rent has been regarded as of considerable significance in encouraging commodity production, and thereby preparing the ground for the rise of capitalism. Form A might also be superimposed on Form B—for example, the landlord's rent from the capitalist farmer—and thus does not of itself imply any particular mode of production serving for its basis.

In Mughal India, the dominant form of surplus-appropriation was what we have styled Form A. Its two distinct elements were peasant agriculture (as the mode of production) and the land revenue (representing the bulk of surplus appropriated). Our pursuit of possible capitalistic elements in the agricultural sector must therefore begin with a closer study of the interaction of these two elements.

Our information on the point is sufficiently abundant for us to say with confidence that but for rare possible exceptions Indian peasant farming was organized on individualistic lines. Each peasant had his own separate holding. Owing to land abundance, land in

<sup>9</sup> Bhimsen, *Nuska-i-Dilkusha*, passage tr. in M. Athar Ali, "Karnatik at the End of the 17th century," paper read at the Indian History Congress, Mysore, 1966 (mimeographed). For a survey of the actual conditions of the life of the peasantry in Mughal India, see I. Habib, pp. 90-99.

most areas had little or no price, but seed and cattle were important forms of peasant property, and individual ownership must necessarily have given rise to stratification within the peasantry, even if other causative factors are ignored.<sup>10</sup> At the same time, the Indian village presented the appearance of a closed, custom-based social and economic unit. The close settlement of peasant households and the needs for peasant migrants to move in a body, for better protection, furnished the basis for a collective organization of peasants, within the framework of clan and caste, the Indian Village Community. With this community were associated hereditary artisans and village servants, who provided the peasants with goods and services needed by them. They were paid by the peasants, as a body (for the community had a financial pool), and as individuals, according to customary rates, usually in kind, or through allotments of land.<sup>11</sup> To a certain degree an Indian village was a stable economic unit, essentially self-sufficient in respect to its own consumption needs. It is, therefore, difficult to see how an inner village market, or capitalistic elements, could have arisen from any internal development in the Indian Village Community, in its classic form, despite the individualistic organization of production and the economic stratification that must have existed among the peasantry.

Nor would a simple appropriation of the surplus produce by any local potentate introduce any change, if what was appropriated was in kind and was consumed either directly in the magnate's household, or distributed among his servants.<sup>12</sup> This would be true very largely of the appropriations by the *zamindars*, hereditary possessors of a right to a share in the peasant's produce. In the only instance we have (from Awadh) of the "customary" rate of the *zamindar's* claim upon the peasant, the collection in kind (10 *ser*s of the crop per *bigha*) dwarfs completely that in cash (1 copper coin per *bigha*.)<sup>13</sup>

<sup>10</sup> I. Habib, p. 119 and n.

<sup>11</sup> I. Habib, pp. 118-29. It is not clear to me why the Soviet writers Alaev and Pavlov should attach so much importance to the existence outside the village of weavers (and, we may add, cotton carders, and oil men) and ascribe to this phenomenon a significant role in the "break-up" of the Indian village community; see V. I. Pavlov, *Indian Capitalist Class: a Historical Study*, English tr. (Delhi, 1964), pp. 12-13. So long as the relations of such artisans with villagers continued to be determined by custom, there would have been little cause for the village community to be subverted.

<sup>12</sup> Cf. Karl Marx, *Capital*, I, 610.

<sup>13</sup> I. Habib, p. 145 & n: The interpretation of this document given in the footnote,

However, the *zamindar's* share of the "rent" was, in Mughal India, definitely a subordinate one. It amounted, nominally, to 10 percent of the land revenue in Northern India and 25 percent in Gujarat.<sup>14</sup> In other words, it was the land revenue that represented the bulk of the rent,<sup>15</sup> and it is, therefore, important to study its nature and magnitude, and to consider what consequences it was likely to have for the rural economy.

*Mal*, which we render as land revenue, was not, formally speaking, rent from the land, but a tax on the crop. It was basically a share of the crop; and the most simple form in which it was collected was through an actual division of the harvest (*Batai*). But in actual practice more complex (and, administratively, less strenuous) forms were followed. The revenue, for example, was imposed in kind, but the demand<sup>16</sup> was fixed by means of surveys of the cropland, and the application of an estimated crop rate upon the area so determined, so as to give the estimate of the total crop (*Kankut*). The revenue being a given share of the produce, the total revenue demand could now be stated in kind, but might subsequently be commuted into cash at market (or arbitrary) prices. In the most developed farm, and in some provinces the most prevalent, a standard cash rate was levied per unit of area, varying according to the crop (*Zabt*). Here too, for purposes of drawing up the schedules, the revenue had to be assumed as a fixed portion of the crop, more so since land, under this system of assessment, could be placed under either of the other systems mentioned, and vice-versa. By and large, it seems that the share of the produce taken as revenue ranged from one-third to half in most parts of Northern India and the Deccan; but was less in certain arid areas, and substantially more in certain fertile tracts.<sup>17</sup>

The revenue demand was, theoretically, assessed separately on each individual peasant, according to his holding and the crops

---

however, seems to me now to need emendation at one or two points. The *ser* is a unit of weight and *bigha* a unit of area.

<sup>14</sup> I. Habib, pp. 145-50.

<sup>15</sup> It is for this reason principally that contemporary European travelers uniformly declared the Mughal emperor (and also other Indian rulers within their kingdoms) to be the sole owner of the soil, though no such claim was made by official writers. I. Habib, *Enquiry*, III (3), p. 59.

<sup>16</sup> It is best, perhaps, to explain that "demand" and "revenue demand," terms familiar in British-Indian land-revenue administration, represent the Persian term *jamer*, and mean the amount at which the revenue was assessed or fixed.

<sup>17</sup> I. Habib, pp. 190-230.



raised by him; but, in fact, the whole village body was usually made into a single assessee, and collectively called upon to pay the revenue levied.<sup>18</sup>

Finally, despite the fact that it was basically a share of the produce, land revenue was realized most often in cash, not only under *zabt*, but also under the systems through commutation of the demand into demand in cash. Often when fixed on a village it appears as an amount of money, quite arbitrarily determined. Cash nexus appears as an established institution in the Delhi region as early as the beginning of the fourteenth century.<sup>19</sup> In Mughal India our evidence indicates quite plainly that collection of revenue in cash was far more prevalent than collection in kind, throughout the Empire, although there were local exceptions, and also periods in certain regions where there might have been a shift from the one mode to the other.<sup>20</sup> Even when the revenue was collected in kind, the authorities often did so not for purposes of consumption directly, or for storage, but for sale.<sup>21</sup>

These characteristics of land revenue were historically interwoven with the emergence of a ruling class among whose members it was distributed. The revenue was collected from the peasant directly in the name of the king, either by his own officials for the royal treasury, or by his assignees for themselves. The areas from which the revenue went to the treasury were known as *Khalisa*. The *Khalisa* consisted of areas scattered throughout the Empire, and its total size varied. In 1647 the estimated revenue of the *Khalisa* amounted to about 13.6 percent of the total.<sup>22</sup> The remaining portion consisted of *jagirs*, or territories whose revenues were assigned by the king to his *mansabdars* (officers or nobles) in lieu of their personal pay, and allowances for the maintenance of their military contingents. Such assignment holders were known as *jagirdars*. But some *mansabdars* also drew their pay (wholly or in part) in cash from the royal treasury. For all practical purposes these *mansabdars*, especially those holding higher ranks, might be considered as forming the ruling class of the Mughal Empire.

This class was largely urbanized and contained a considerable

<sup>18</sup> *Ibid.*, pp. 230-36.

<sup>19</sup> Cf. W. H. Moreland, *Agrarian System of Moslem India*, Allahabad, reprint of 1929 ed., nd. pp. 11, 114, 136-37.

<sup>20</sup> I. Habib, pp. 236-39.

<sup>21</sup> *Ibid.*, p. 237.

<sup>22</sup> *Ibid.*, p. 272 & n.

foreign element.<sup>23</sup> It was largely without local roots, and was prevented from forming such roots by a system of transfers of posts as well as *jagirs*. On an average, the period for which an area was held in *jagir* by any assignee was less than three years.<sup>24</sup> Neither the rank in service, nor the *jagir* (except in the case of certain chiefs) was hereditary. It was surely this highly disciplined class, completely subordinate to a centralized royal despotism, that could make possible the realization of the massive claim on the entire rural surplus of the country that the land revenue represented.

Owing to the system of transfers, the noble's household and contingents could not naturally be established permanently on a *jagir* so as directly to live off the land. In general, the larger the *jagir*, the greater the distance of the headquarters of the *jagirdar's* establishment from the villages; and this was apart from the fact that, being highly urbanized, the Mughal nobles in any case disdained rural life. It is, therefore, no wonder that *jagirdars* preferred to collect revenue in cash, or to commute collections in kind immediately into cash. Since the royal treasury too had to pay out salaries (to the *mansabdars* and others) in cash, the tendency in the *Khalisa* too must have been overwhelmingly toward collections in cash.

The major aspects of the land revenue system that we have earlier described are thus explained by the power, organization, and composition of the ruling class. In this is also to be seen the source of an historical phenomenon which is tolerably well-documented, namely, the tendency toward a steadily intensified pressure upon the peasants and other revenue payers. The source of this tendency, as seventeenth-century writers observed so frequently, was the system of transferring *jagirs*, which meant that individual revenue assignees could have no interest in the long-term maintenance or growth in the revenue-paying capacity of any particular area.<sup>25</sup> The excessive pressure for greater revenue was ultimately self-defeating, since for immediate gain it sacrificed future possibilities; but the Mughal system did not contain any effective mechanism whereby restraints could have been put against such a fatal course.<sup>26</sup>

<sup>23</sup> Cf. Moreland, *India at the Death of Akbar*, pp. 69-70. There is a detailed analysis of the racial composition of the Mughal nobility in M. Athar Ali, *The Mughal Nobility under Aurangzeb* (Bombay, 1966), pp. 11-33.

<sup>24</sup> Moreland, *Agrarian System*, *passim*; I. Habib, pp. 257-97.

<sup>25</sup> Bernier made this a basic element in his famous analysis of the defects of Mughal polity; see *Travels in the Mogul Empire, 1656-68*, tr. A. Constance, ed. V. A. Smith (London, 1916), p. 227. Cf. I. Habib, pp. 320-21.

<sup>26</sup> For such administrative restraints as existed, see I. Habib, pp. 273-97, and for their ineffectiveness, pp. 321 ff.

The collection of land revenue would have had two important consequences for the rural economy. In the first place there was an enormous drain of wealth away from the rural sector. Part of the land revenue undoubtedly stuck to the hands of certain rural elements, through short-falls in collection, remissions, concessions, and commissions to certain local magnates (*chaudhuris*, *ganungos*) and the village headmen (*muqaddams*), salaries and perquisites of local revenue staff, etc. Some of the *jagirdars* subassigned their *jagirs* to their soldiers, who lived in the villages.<sup>27</sup> Besides these, there was a whole class of revenue grantees (comprising the intelligentsia and the idlers), the imperial revenue grants (*madad-i ma'ash*) alone accounting for 4 to 6 percent of the total estimated revenue.<sup>28</sup> But after making allowances for all these leakages, it must be assumed that the total net amount of produce annually lost by the countryside, without any return, must have amounted to a very large portion of the total—at least a fourth of it, if not a third or a half.

Secondly, the mechanism by which the bulk of the rural surplus was removed created the conditions for the establishment of the rural market. When the land revenue was collected in cash, the revenue payer was compelled to sell his produce in order to get money to pay for it, but when it was collected in kind, then too, as we have noted, the revenue authorities preferred to sell it. In either case, most of the surplus was put on the market, and, therefore, a very large portion of agricultural production would not be directly “for use,” but would be commodity production, properly speaking.<sup>29</sup> The market mechanism once established must have reacted on the mode of agricultural production. It not merely introduced money relations into a system of “natural economy,” but also engendered a shift to high-grade crops and cash crops (e.g., from coarser grains to wheat; and to cotton, sugarcane, indigo, poppy, tobacco, etc.).<sup>30</sup>

<sup>27</sup> I. Habib, pp. 285-86.

<sup>28</sup> *Ibid.*, pp. 298-316.

<sup>29</sup> So far as I know, attention to this major economic implication, or even consequence, of the Mughal revenue system was drawn first by W. C. Smith in *Islamic Culture* (1944), pp. 358-59; and, subsequently, by K. Antanov (1957), cited by V. I. Pavlov, *The Indian Capitalist Class: A Historical Study*, English ed. (Delhi, 1964), p. 10.

<sup>30</sup> This progress in cropping was summed up during the fourteenth century in a simple formula by Muhammad Tughlaq, who enjoined his revenue officials to encourage the peasants to improve their cropping by shifting from barley to wheat, from wheat to sugarcane, and from sugarcane to grapes. See Moreland, *Agrarian System*, p. 51.

This two-fold impact of the Mughal revenue system<sup>31</sup> must have led to a considerable subversion of the "pure" peasant economy, and an alteration in the nature of other methods of exploitation belonging to our Form A.

The land revenue represented, as we have seen, an enormous drain on the countryside. Moreover, the built-in tendency in the Mughal system was toward an increase in pressure upon the revenue payers. If the estimated-revenue statistics do not show any real increase in the totals (i.e., in terms of prices), this provides no ground for supposing that the degree of exploitation (in terms of real share in the produce) remained stable. Excesses in the latter were bound to reduce the total produce and so adversely affect actual revenue collection in the long run.<sup>32</sup> Nor would the cash nexus provide any lasting relief to the peasantry in case of an increase in prices, as one would expect to have happened from one's reading of European economic history. Unlike the lord's "rents," the land-revenue rate was firmly based on the conception of its being a set proportion of the produce, and was accordingly variable when stated in cash. As a result, though agricultural prices appear to have risen during the seventeenth century,<sup>33</sup> the revenue demand did not fall in real terms.<sup>34</sup>

Now, within the peasantry, the land revenue, being in essence a regressive tax, fell more heavily upon the poorer than upon the richer strata. When it represented a set proportion of the produce, it is obvious that the peasant who produced less would have a smaller amount left to him than the one who produced more. It is also possible to argue that when each individual peasant was assessed separately, the village community was naturally bypassed, and the individual was alone made to face all the risks as a revenue payer. This too should have led to economic differentiation. In practice, however, as we have noticed, the village was the usual unit of assessment, and we have evidence that the village community had

<sup>31</sup> The wording of this clause needs two qualifications. The Mughal revenue system was not unique; the characteristics it possessed were really implanted during the earlier part of the fourteenth century, in the Delhi Sultanate. (Cf. I. Habib, *Enquiry*, N.S., II(3), pp. 45-46). Secondly, cause and effect are difficult to distinguish, and some allowance should be made for the argument that the Sultanate-Mughal revenue systems became possible owing to certain developments in Indian rural economy (e.g., growth of trade and commodity production), which we are here viewing virtually as consequences of these revenue systems.

<sup>32</sup> Cf. I. Habib, pp. 326-28.

<sup>33</sup> *Ibid.*, pp. 81-89.

<sup>34</sup> *Ibid.*, pp. 190-96.

a distinct role to play in the payment of revenue by means of a financial pool into which all the peasants paid, and out of which the revenue demand, the other fiscal burdens, and the expenses of the village establishment were met.<sup>35</sup> Significantly, for this shows at once the degree of monetization and the degree of flexibility of the village community as an economic organization, the accounts were kept in cash. However, the danger in this arrangement was that the stronger (and richer) peasants would dominate the community and distribute the revenue demand at will among their brethren to the great detriment of the poorer peasantry (*reza ri'aya*). Individual assessment was indeed often seen by the officials as a device to prevent such unjust distribution.<sup>36</sup> Sometimes, too, the whole village could be so heavily assessed that the peasant population was threatened with slaughter and enslavement, in case the revenue demand was not met.<sup>37</sup> We may say, then, that in its initial impact the tendency generated by land revenue was toward increasing stratification and pauperization of the poorer strata, though in the long run it pressed upon the whole peasantry as a class.

Monetization could also directly or indirectly lead to pauperization. Prices could fluctuate to the great detriment of peasants as commodity producers.<sup>38</sup> Moreover, most of the cash crops involved larger investments in cattle (owing to the necessity of more frequent ploughing and watering) and in installations (such as the sugarcane press and boilers, indigo vats, etc.), and heavier risks, in respect of harvest and prices. It was unlikely that poorer peasants could compete with their richer brethren in the raising of such crops.

In such circumstances, it was inevitable that the peasant should contract debts in order to pay the land revenue or to obtain his "subsistence, food and cattle," as a *farman* of Aurangzeb put it. Once the rural market had developed to a certain degree, moneylending could have extended rapidly. It is, indeed, likely that peasant indebtedness in Mughal India was more widespread than has hitherto been supposed.<sup>39</sup> The ultimate effect of usury, particularly since the

<sup>35</sup> *Ibid.*, pp. 124-27.

<sup>36</sup> I. Habib, pp. 128-29 & n. As T. Raychaudhuri (*Enquiry*), n.s., II (1), pp. 96-97) points out, the status and economic position of peasants did not always correspond; for example, the technically lower peasants (*paikasht*) might be better off (in some cases) than the headmen. But it would be unlikely if such differences were anything more than exceptions, and were not "corrected" over a long period, only to arise, of course, in some other localities in the meantime.

<sup>37</sup> I. Habib, pp. 322-23.

<sup>38</sup> *Ibid.*, p. 249.

<sup>39</sup> *Comparative Studies in Society and History*, VI(4) pp. 394-5, 397. I have,

interest rates were extremely high,<sup>40</sup> must have been to add to the burden borne by the peasantry. Usury, whatever its actual forms, thus really represented exploitation of our Form A type. The beneficiaries were not only *zamindars* (especially *chaudhuris*) and headmen, who thus added to their customary exactions,<sup>41</sup> not only professional usurers, who thereby augmented their usurious capital, but also merchants (who often gave advances to the peasants to establish claims on their produce) and, quite generally, merchant-moneylenders.<sup>42</sup> In the last case, usury could have fed merchant capital, and so led to an expansion of trade.

While the land revenue and monetization thus added—or at any rate increased—another means of exploitation of the peasantry in the shape of usury, they also created the conditions for increased pressure upon the peasantry from yet another source, namely, the *zamindar* class. The pressure came, first, through an alteration in the substance of the *zamindar's* economic right, and secondly, through an expansion of the area under that right.

The land revenue, as the principal claim upon the surplus, appears to have pressed upon the *zamindar's* fiscal claims, which were of independent origin, so much so as to annex them to itself; these claims then reappeared as claims on the land revenue collected (as a share thereof, whether as *malikana* or *nankar*, or both), and the *zamindar* was transformed into an intermediary (e.g., *ta'alluqdar*) responsible for the collection of the revenue and its payment to the authorities.<sup>43</sup> As a result, the *zamindars* found themselves obliged, when the revenue demand increased, either to lose their share or to recompense themselves at the expense of the peasantry. It is possible that the rights of the *zamindars* to distribute vacant lands among the peasants, or even to evict a peasant in order to install another on the land,<sup>44</sup> were assumed in order to increase their authority over

---

however, slightly corrected my own previous rendering of the clause from Anrangzeb's *farman*.

<sup>40</sup> In eighteenth-century Bengal, 150 percent per annum at the simple rate was usual, but the loan was usually advanced to the peasants for two or three months, at the end of which interest was added to the principal (*ibid.*, p. 395). In Maharashtra villages, the interest on cash loans was generally 24 percent per annum, but on smaller loans it worked out at 40 percent; see Thomas Coats in *Transactions of the Literary Society of Bombay*, III (London, 1823), pp. 212-13.

<sup>41</sup> *Comparative Studies in Society and History*, IV (4), p. 397 & n.

<sup>42</sup> *Ibid.*, pp. 394-95.

<sup>43</sup> I. Habib, pp. 169-79.

<sup>44</sup> *Ibid.*, pp. 143-44. See also Qaz i A'la, *Risala Ahkam al-Arazi*, MS. Aligarh,

the individual peasants, although in conditions of land abundance the economic significance of such rights must have been limited.

There is, simultaneously, evidence for extension of *zamindari* right over areas which were previously *ra'iyati*, i.e., purely peasant-held without any superior right.<sup>45</sup> This expansion had, it would seem, two major sources. First, owing to monetization, the *zamindari* right became a fully salable commodity, at least from the sixteenth century onward.<sup>46</sup> This meant that new elements, including a small section of the nobles and officials, and cavalry troopers and revenue grantees, or, in other words, persons who obtained their wealth initially out of the distribution of land revenue, purchased *zamin-daris*.<sup>47</sup> Urban merchants did not yet seem to have found in *zamin-dari* purchase a suitable avenue for investment of their superfluous capital;<sup>48</sup> but rural usurers sometimes converted their capital into *zamindari* right.<sup>49</sup> Such a market in landrights not only contributed to the increasing heterogeneity of the *zamindar* class (hitherto comprising in the main distinct castes and clans), but also placed larger "capital" at the disposal of that class as a whole.<sup>50</sup> This should have enabled the *zamindars* either to expand the area under them by organizing new peasant settlements or to buy out established peasant rights and convert them into *zamindari*.<sup>51</sup>

Secondly, the increasing economic differentiation and social stratification within the peasantry could lend to the emergence of a dominant section (*muqaddams*, headmen, etc.) whose claims might in time grow into *zamindari* rights.<sup>52</sup>

There is thus the greatest likelihood that the exploitation of the kinds we have grouped under Form A steadily intensified during the Mughal period, causing a crisis in peasant agriculture. We know that

---

Abdus Salam, Arabiya(4): 331/101, f. 44a. This work was written during the earlier part of the eighteenth century.

<sup>45</sup> I. Habib., pp. 141-43.

<sup>46</sup> *Ibid.*, pp. 157-58; *IESHR*, IV(3), p. 216.

<sup>47</sup> Cf. S. Nurul Hasan in *IESHR*, I(4), p. 9. For documentary evidence of such transactions, see Munshi Muzaffar Husain, *Nama-i Muzaffari* (Urdu), I, P. 315 & II, p. 163; Shamsabad Docs. 7 (photograph in the Library of Department of History, Aligarh); I. Habib, p. 309 & n; *IESHR*, IV(3), p. 217.

<sup>48</sup> Cf. English factors' report from Surat, 1669, in *English Factories in India, 1668-69*, ed. W. Foster, p. 184.

<sup>49</sup> *IESHR*, IV(3), pp. 216-17; *Comparative Studies in Society & History*, VI(4), p. 398.

<sup>50</sup> *IESHR*, IV(3), p. 215.

<sup>51</sup> *Ibid.*, pp. 215-16.

<sup>52</sup> I. Habib, pp. 133-34.

the peasants' flight from the land was a common phenomenon of the seventeenth century, being noticed by both Indian and foreign observers, and it is indeed possible that there was a net decline in cultivation over the period.<sup>53</sup>

In itself, the subversion of peasant agriculture might or might not pave the way for capitalistic or semicapitalistic farming. Some Soviet writers appear to assume that the *zamindari* right already contained within itself the seeds of "capitalist private property."<sup>54</sup> The question should perhaps be more specifically posed. Was the subversion of peasant agriculture leading not simply to a decline in the rural economy, but also to a shift from Form A to Form B of agrarian exploitation? For it is only out of such a shift that capitalistic relations in agricultural production, and therefore "capitalist property" could conceivably evolve.<sup>55</sup>

There are two principal categories classifiable under Form B that appear to have been the most widespread, namely, (a) orchards, and (b) direct cultivation of agricultural land by the superior classes themselves (*khud-kasht*).

Orchards were laid out by members of almost all the higher classes of society, by the emperor himself, by the princes and nobles, by revenue grantees, by the *zamindars*, and by village headmen and even (the richer?) peasants.<sup>56</sup> "Capital" invested in horticulture thus not only came from rural sources but also from outside. The scale and economic significance of the latter should not be underrated. The king and the nobles laid out orchards not only to secure fruits for their table but also (and mainly) to sell on the market, either doing it directly themselves, or leasing the season's crop to professional contractors.<sup>57</sup> Their investments and the yields of their orchards were both considerable, since they planted fruits from various regions, imported seeds as well as gardeners, laid out expensive systems of irrigation, and improved varieties of fruits (especially mangoes and oranges) by propagating

<sup>53</sup> I. Habib, pp. 324-29.

<sup>54</sup> Pavlov, *Indian Capitalist Class*, pp. 4-9. This is also apparently the view of K. F. Ashrafiyan, *The Agrarian System of North India in the 13th-mid-18th centuries* (Russian; Moscow, 1965). Unfortunately, not knowing Russian, I am unable to follow the details of the argument developed in this well-documented work.

<sup>55</sup> This argument may not necessarily be acceptable to non-Marxists, but Soviet scholars ought to see the justice of it more readily.

<sup>56</sup> I. Habib, pp. 48-49, 303; *IESHR*, IV(3), p. 215.

<sup>57</sup> I. Habib, p. 49.



grafting techniques.<sup>58</sup> The pull of the urban market, together with revenue concessions,<sup>59</sup> should also have encouraged the rural classes, principally the revenue grantees and *zamindars*, in taking to horticulture. The rapid acclimatization of some new fruits introduced from the New World (e.g., pineapple)<sup>60</sup> might also have contributed to the expansion of fruit-growing in some areas.

But, however extensive might have been the expansion of horticulture, it cannot be regarded as having been at any time an alternative to peasant agriculture, and while its expansion sheds much light on the growth of market relations and commodity production in the countryside, it has little bearing on the possibilities of the genesis of capitalistic agriculture. In this respect, it is the other category under Form B, that we have mentioned, namely, the *khud-kasht* mode of cultivation, which is of much greater importance.

The term *khud-kasht* literally means "self-cultivated" but it has a distinct technical meaning attached to it.<sup>61</sup> Headmen "who organize *khud-kasht*," it is stated in a reliable account, "employ labourers as their servants and put them to the tasks of agriculture; and making them plough, sow, reap and draw water out of the well, they pay them their fixed wages, whether in cash or grain, while appropriating to themselves the gross produce of cultivation."<sup>62</sup>

The most interesting feature of *khud-kasht* is the use of hired labor. Although slavery existed in Mughal India, it was almost universally domestic slavery; semiservile relations in agriculture existed sometimes but in certain regions only, like parts of Bihar; and labor services for agricultural or semiagricultural purposes were not exacted (except perhaps in Kashmir), being confined mainly to the transport of baggage and other noneconomic operations.<sup>63</sup> The relative absence of the use of unfree labor in production is, perhaps,

<sup>58</sup> *Ibid.*, pp. 50-51.

<sup>59</sup> *Ibid.*, pp. 244-45.

<sup>60</sup> *Ibid.*, p. 50.

<sup>61</sup> I. Habib, pp. 114-5, 175, 300, 303 & n. for the use of this term in the Mughal period.

<sup>62</sup> *Diwan-pasand*, MS. Br. Mus. Or. 2011, f. 8a. This Persian work, written during the first decade of the nineteenth century, describes the agricultural conditions and revenue practices in the Doab practically at the same time as the British occupation of the area. Many of its statements are in line with those made by the authorities of the Mughal period.

<sup>63</sup> I. Habib, p. 239; Grover in *IESHR*, I(1), p. 15. For evidence relating to agricultural debt-bondage in Bihar, see *Journal of Bihar Research Society*, XLIV (1958) (I & II), pp. 50-51.

to be explained by the presence of a very large class of landless laborers, who could be called upon to work in the fields in return for the provision of their barest needs of subsistence. The existence of this large class in conditions of land abundance did not derive initially or in the main from any failure of peasant cultivation but from a social structure maintained by custom and force. The landless belonged to the menial castes, compelled to serve the interests alike of peasants and of superior cultivators, and forming therefore a vast rural semiproletariat, maintained entirely through noneconomic compulsions.<sup>64</sup> In time, however, their numbers could have been added to by caste peasants who, unable to pay the revenue, abandoned cultivation on their own fields.

This rural proletariat was not a creation of the Mughal period, but was the legacy of centuries. Cultivation by superiors could also have come down from earlier times, during which we actually catch glimpses of it here and there.<sup>65</sup> It could have easily prevailed in a natural economy, or in one where production was directly for use. But there are reasons to believe that in Mughal India much of such superior or *khud-kasht* cultivation was being linked to the market, and that in this way it was incorporating into itself another essential element of capitalistic farming (besides the use of wage labor), namely, commodity production.

We have already noted how the cultivation of cash crops generally required a larger investment than an ordinary peasant could afford; so that these were precisely the crops in the production of which farming on a larger scale could have economic superiority over small peasant farming. Similarly, the bigger men could also have easier access to credit<sup>66</sup> and to the market.<sup>67</sup> The extreme limit of commercialization of superior agriculture was reached when at Bayana, the great center of indigo trade, "rich and substantial merchants" turned into farmers, producing the commodity in which they dealt.<sup>68</sup> It may also be mentioned that cash wages, which the

<sup>64</sup> I. Habib, pp. 120-22; T. Raychaudhuri, *Enquiry* n.s. II(1), pp. 97-98.

<sup>65</sup> Cf. Raychaudhuri, *Enquiry*, N.S. II(3), pp. 38-39, 40, 54-56.

<sup>66</sup> For the close relations between *zamindars* and usurers, see *Comparative Studies in Society and History*, VI (4), p. 398.

<sup>67</sup> In 1630 the headman (*patel*) of a village near Broach negotiated with the English the sale of 1000 Gujarat *maunds* (= 33,190 lb. avdp.) of wheat to be supplied at Surat. Of this, half belonged to the *patel* himself and the remainder to the other villagers (*English Factories in India, 1630-33*, p. 91).

<sup>68</sup> Pelsaert, "Remonstrantie," tr. in Moreland and Geyl, *Jahangir's India* (Cambridge, 1925), p. 17.

description of *khud-kasht* quoted above refers to, could not have been paid unless the employers sold at least a portion of the produce on the market.

The classes that carried on *khud-kasht* were principally the *zamin-dars*, and village headmen, and also revenue grantees and revenue officials.<sup>69</sup> It is noticeable that the nobility, whose members showed such interest in horticulture, almost never undertook the establishment of agricultural farms. Their lack of interest in agriculture is also reflected in contemporary Persian works on horticulture and agriculture, where much the larger space is given to the former and relatively little is said about the latter.<sup>70</sup> The merchant farmers, such as those at Bayana, were also exceptions, and as a general rule, mercantile classes do not appear to have assumed the role of agriculturists. We may, therefore, suppose that by and large, the capital for *khud-kasht* came out of the accumulations of the rural superior classes themselves.

Unfortunately, we have no statistical information about the area under *khud-kasht* or its expansion. That it did, in fact, expand, and in the course of such expansion it pressed upon peasant cultivation, is suggested by official bans upon the conversion of peasant-cultivated lands (*ra'iyat kashta*) into their *khud-kashta* by revenue-grantees and revenue officials.<sup>71</sup>

In so far as *khud-kasht*, organized for commodity production, comes closest to capitalistic farming, its expansion at the expense of peasant agriculture would have great significance for us. But there seem to be certain strong reasons why such an expansion on a very large scale cannot be easily postulated.

For one thing, other conditions (such as imposition of land revenue) remaining the same, it is difficult to believe that in crops other than cash crops, the *khud-kasht* could have compared with peasant cultivation in productivity per acre. Moreover, whether under cash crops or under ordinary crops, personal supervision in *khud-kasht* would become less and less effective as its area expanded.

<sup>69</sup> I. Habib, pp. 114-5, 141, 175, 300, 303 & n. The peasants who cultivated lands in their own village were (in post-Mughal times, so far as our present evidence goes) termed *khud-kasht* peasants, as against those who cultivated outside their village *pai kasht* (See Grover in *IESHR* I(1), pp. 4-5). This usage has, of course, nothing to do with the *khud-kasht* that we are here considering.

<sup>70</sup> See, e.g., *Nuskha dar fan-i Falahat*, MS.1.0.4702; & Aligarh Lytton Forsiya 'ulum, 51. This work was written during the earlier half of the seventeenth century by an important noble, Amanullah Hsaini Khanazad Khan.

<sup>71</sup> I. Habib, pp. 114-15.

Accordingly, the expansion of an individual unit of *khud-kasht* beyond a certain size would have become uneconomical. Finally, since the entire "capital" for *khud-kasht* came from the rural classes alone, it could not show such improvements in production as horticulture under royal and aristocratic auspices did, owing largely to heavier investment.

It does not, therefore, seem possible to argue that the increasingly heavy pressure of direct appropriation (Form A) upon the peasant in conditions of extensive commodity production led to a substantial or critical increase of appropriation through control over production (Form B). In other words the subversion of peasant agriculture did not lead directly to a semicapitalistic form of agriculture. What seems to have happened instead is that the economic crisis transformed itself into a political crisis, marked by agrarian uprisings often under *zamindar* leadership, bringing about in the end the collapse of the Mughal Empire and, with it, the weakening of several aspects of the economic and social structure that it had sustained.<sup>72</sup> It would be interesting to seek parallels in Chinese history, where too the repeated agrarian crises resulted in cycles of massive peasant revolts that overthrew dynasties but did not lead to the rise of capitalism.<sup>73</sup>

## II

From the agrarian economy, we may now transfer our attention to the nonagricultural sector. Since capitalism alters fundamentally the relationship between these two sectors, increasing phenomenally the nonagricultural (industrial) production, it is natural to look for the signs of the beginnings (or, at any rate, the seeds) of capitalism in conditions that obtained in the nonagricultural sector of the economy.

One of the many difficulties that face the student of the economic history of Mughal India is the lack of quantitative information, especially, the lack of census data of almost any type (enumeration of inhabitants in general; enumeration by profession, or by income, or by property). It is therefore not surprising that we should not be able to establish directly from our evidence the relative size of the population dependent on the nonagricultural sector, the propor-

<sup>72</sup> For the detailed argument on these lines, see I. Habib, pp. 317-51.

<sup>73</sup> We are indebted, for this insight, to Mao Tse-tung, *Selected Works*, English edition, Vol. III, London, 1954, pp. 75-76.

tion of such population that lived in the towns or was engaged in craft industries. One must draw such inferences as one can from other, largely indirect, evidence.

The surplus taken away from the peasant in the form of land revenue, other dues and claims by superiors came to about a half of the produce in most areas. Superficially, this fact may be taken to suggest that as many mouths could be fed outside the agricultural sector as within it; or, in other words, that the population in the nonagricultural sector amounted to a half of the total. But one would be assuming, then, that the physical composition of the surplus was the same as that of the portion retained for subsistence (of the peasant and the agricultural laborer). In actual fact, it is possible that a much larger proportion of the surplus produce alienated by the peasant consisted of superior food crops (e.g., wheat, high-quality rice), products of luxury consumption (e.g., sugar, opium, high-quality tobacco), and raw materials (e.g., cotton, indigo, sesame). It is to be borne in mind that owing to the high prices fetched by the cash crops, the cash return from an acre sown with them would have been much greater than that of an acre under ordinary food grain crops. This may be seen from the following tabulation, which compares cash return on various crops in the same locality in the years 1595 and 1922.<sup>1</sup>

	Food Grains			Cash Crops	
	1595	1922		1595	1922
Wheat	100.0	100.0	Wheat	100.0	100.0
Rice	82.5	66.6 to 77.7	Cotton	153.0	66.6 to 77.7
Barley	65.3	55.5	Sesame	76.9	44.4
Bajra	38.4	44.4	Sugarcane (ordinary)	211.5	n.a.

This tabulation shows that in 1595 not only was the value of the return on the cash crops per acre much higher than on wheat, and on wheat much higher than on the other food crops, but also that the relative value of the return on the cash crops was much higher in 1595 than during this century.<sup>2</sup> This would imply that a relatively

<sup>1</sup> Habib, p. 432. The *Ain-i-Akbari* gives cash revenue rates for different crops sanctioned for each locality. The rates given here for 1595 and 1922 appertain to the district of Meerut (U.P.). The general picture is practically the same in other localities. See also Moreland, *India at the Death of Akbar*, *Journal of the Royal Asiatic Society* (JRAS) (1918), pp. 375-85.

<sup>2</sup> Except in the case of sugarcane, and the relative value of the output of this has apparently remained stable (Moreland, *India at the Death of Akbar*, 103-4).

small acreage under cash crops would have yielded in value a far larger proportion of the total produce. Thus, for example, while the area under cash crops (sugarcane and cotton) is estimated at 8.0 percent of the total area sown for the autumn harvest in a *pargana* in Eastern Rajasthan in 1690, as against 72.9 percent under food grains, the percentages in terms of the value of the total produce work out at 32.6 percent and 60.6 percent, respectively.<sup>3</sup>

A change in the physical composition of the surplus, especially if it involved a reduction in the food grain component, would have considerable effect on the size and composition of the nonagricultural population. If the food grain component was practically the same in the surplus as in the portion of the produce retained for subsistence, then it follows: (a) The population in the nonagricultural sector bore roughly the same proportion to the agricultural population as the surplus bore to the remainder of the produce and its consumption approximated to subsistence-level. (b) The fraction of the population engaged in industrial or craft production would be very small, since about the same amount of raw materials would be retained for meeting the needs of the peasants as for meeting those of the population fed out of the surplus. Finally (c), the overwhelmingly larger portion of the population in the nonagricultural sector should, therefore, have been engaged in unproductive labor or personal service. It was therefore likely to have been heavily dispersed and ruralized. This, let us say, is Phase I. If, on the other hand, the surplus contained a higher proportion of the yield of cash crops—and as we have seen, yield accounting for a very high proportion of value could have come from a very small acreage—(a) the size of the nonagricultural sector, in terms of population, would have been much smaller than the relative size of the appropriated agricultural surplus; (b) within this population a much larger section would be engaged in productive labor (crafts); and (c) the nonagricultural population would probably tend to be concentrated in cities, so that there should have been an urban population of considerable size.

Obviously, from the point of view of the emergence of capitalism, Phase I may be regarded as representing the more backward stage;

<sup>3</sup> S. N. Hasan (the late Mrs.), K. N. Hasan, and S. P. Gupta, "The Pattern of Agricultural Production in the Territories of Amber, c. 1650-1750," paper submitted to the Indian History Congress, 1966 (mimeographed), Tables I & V. The figures used here are those for *pargana* Malarna.

and a high development of nonagricultural production would not be possible unless Phase II arrived. Capitalism can hardly be conceived of unless a minimum concentration of nonagricultural labor (in cities) has been achieved, and, therefore, a labor market created.

To determine the phase with which the Mughal Indian economy had greater affinities, it would naturally be best if we could study the actual physical composition of the agricultural surplus (as distinguished from the total produce). Since, however, we cannot establish what it was in quantitative terms (and it is difficult even to suggest how it can be done from our documents),<sup>4</sup> the only possible alternative before us is to trace the directions in which the surplus (or claims to the surplus in the form of money) was channeled, and the ways in which it was consumed. From information on these matters, we may then be able to decide whether the nonagricultural sector fitted more with Phase I or Phase II, both of which are theoretically possible for Mughal India.

First of all, as we have seen, a certain portion of the surplus was left in the countryside, in the shape of the fiscal dues, allowances, perquisites, etc., of the *zamindars* and village headmen, the claims on revenue collection by officials and men of the revenue establishments of the *Khalisa* and *jagirs*, the income of the revenue grantees, the profits of usurers, etc. Among all these local or rural claimants to shares in the surplus, the *zamindars* were, in quantitative terms, the most important. We know little, it is true, of the expenditure pattern of the *zamindars*. What we know for certain is that, either for maintaining their authority or for achieving status, they zealously pursued the ideal of possessing the largest possible number of servants and retainers. According to a detailed official census, c. 1595, the *zamindars* maintained within the Mughal Empire (Northern India) nearly 4.7 million retainers (4.3 million "infantry," and 0.3 million horsemen). There is no reason to doubt these totals which are based on figures meticulously obtained for each locality.<sup>5</sup> They suggest an almost staggeringly large number of persons, namely, about 21 million (assuming an average family to be of 4.5

<sup>4</sup> It is obvious that revenue accounts will not give us this information when the cash nexus prevailed. Even where crop-sharing took place, it is not possible to assume that the produce collected was actually consumed in the nonagricultural sector. Produce of one kind might have been sold in the rural market by the revenue authorities and so channeled for ultimate consumption by the peasants, while the money obtained in return was later on spent on the purchase of a quite different set of agricultural commodities.

<sup>5</sup> I. Habib, I, pp. 163-64.

persons), dependent upon the service of the *zamindars*. It is possible that many such retainers were part retainers, part peasants; but even when this qualification has been made, the number remains impressive. Whatever might have been the total population of the Mughal Empire at the time,<sup>6</sup> this would still have comprised a very high proportion of it.

Using the argument we have advanced previously, we may take this large number as indicative of the fact that the expenditure of the income of the *zamindars* went largely to subsistence level consumption and could not have generated a very large demand (per head in the nonagricultural rural sector) for the products of craft industries. This ought not to be taken to mean, though, that they did not generate any additional demand whatsoever for such goods. The same 1595 statistics show that the *zamindars* of Bengal were possessed of 4260 pieces of cannon and 4400 boats,<sup>7</sup> and these at least were products fashioned by smiths and carpenters. But we may suppose, on the whole, that the share in the surplus exacted by the *zamindars* accorded largely with the conditions of what we have designated Phase I.

However, *zamindars* only commanded a part of the surplus. We have seen in the previous section that after allowing for all "leakages" the net revenue collection taken completely outside the sphere of rural economy probably amounted in value to a fourth or a third if not a half of the total agricultural produce. This naturally dwarfed all other claims on the agricultural surplus, and from our present point of view it is its distribution and ultimate disbursement that would be of the most crucial significance.

The land revenue (together with income from other taxes) was distributed directly (either by way of revenue assignments, *jagirs*, or through cash salaries paid out of the imperial treasury which itself received the revenues from a portion of the Empire, the *Khalisa*) among members of a small ruling class. This class consisted, beside the emperor himself, of about 8000 *mansabdars*, according to an official estimate of 1647. Among these again, there was an enormous concentration of resources. The income of 445 *mansabdars* amounted to 61.5 percent of the total revenues of the

<sup>6</sup> Moreland estimated the population of the whole of India at 100 million, but he based this very largely on his own estimate of the total area under cultivation, and that is probably too low (*India at the Death of Akbar*, pp. 9-22).

<sup>7</sup> I. Habib, p. 164 & n.



Empire; and of these again a mere 73 (or 0.9 percent of the total) claimed for their share 37.6 percent of the total revenues.<sup>8</sup> The concentration would appear to be substantially greater still if the income assigned to the emperor's own establishment (i.e., total *Khalisa* revenues, less salaries paid out to *mansabdars*) is also taken into consideration.<sup>9</sup>

The actual consumption of the enormous portion of the produce appropriated as land revenue thus depended mainly upon the manner in which this small ruling class spent its income.

The first claim upon their income was that of the army. Among the top 445 *mansabdars*, the total pay against their *sawar* ranks—the amount from which they were expected by the emperor to maintain cavalry contingents on his behalf—came to 77.2 percent of their total pay, and we may well infer that while for all the 8000 *mansabdars* the percentage might have been lower than this, it could not have been much lower.<sup>10</sup> It may be conceded that the actual expenditure on these troops probably seldom accorded with the official expectations; the suspicion existed that the nobles really spent much less.<sup>11</sup> The nobles, on the other hand, usually pleaded that while their obligation to pay the salaries of their troopers was fixed, their income fluctuated and was sometimes even uncertain, owing to the transfer of *jagirs*.<sup>12</sup> It is, therefore, difficult to fix the relation of the actual expenditure on the army to the total income of the nobility; it may, however, be safe to say that it was probably around two-thirds.

Such a large diversion of resources to the maintenance of armed men is to be expected in a system where exploitation was principally of our Form A, being superimposed, that is to say, on the productive system, and so requiring for its enforcement constant use or menace of armed power. To some extent, therefore, the crowds of armed retainers of the *zamindars* and the enormous expenditure on the

<sup>8</sup> A. Jan Qaisar, "Distribution of the Revenue Resources of the Mughal Empire among Nobility," *Proceedings of the Indian History Congress*, Allahabad Session (1967), pp. 239-40.

<sup>9</sup> The net expenditure on the royal establishment amounted, according to the *Ain-i-Akbari's* figures, to about 6 percent of the total estimated revenue (1594-95) (*Ain*, ed. Blochman, I, p. 9).

<sup>10</sup> A. J. Qaisar, "Distribution," pp. 240, 242.

<sup>11</sup> Pelsaert, *Jahangir's India*, tr. Moreland and Geyl, p. 54.

<sup>12</sup> See *Riyazu-v Wudad*, Br. Mus. Or. 1725, f. 18 b; *Waga'i Ajmer*, transcript, p. 413.

army by the Mughal ruling class were based on the same economic reality.

But here the similarity ceased. Though the military expenditure, in absolute figures, of the Mughal ruling class was much greater than that of the *zamindars*, the number of men among whom it was distributed was much smaller. The most complete official figures are available for 1647. There were then 7000 cavalymen and mounted matchlock bearers in the emperor's own establishment, and an estimated 185,000 horsemen maintained by the *mansabdars* against their *sawar* ranks. In addition there was 40,000 infantry, consisting of "matchlockmen, gunners, cannoniers and rocketeers," 10,000 of them posted at the capital and the remainder in the provinces and forts.<sup>13</sup>

The cavalry probably accounted for the overwhelmingly larger portion of the military expenditure. The cavalryman of the Mughal armies was really a professional gentleman trooper. In most cases he had more than one horse.<sup>14</sup> The horses were required to be of standard breeds. Since Indian breeds were notoriously indifferent, good horses were expensive, fetching during the eighteenth century four times the price in England,<sup>15</sup> and had to be constantly imported from Persia and Central Asia.<sup>16</sup> The import of horses could naturally have created a counterdemand for Indian goods. Besides this indirect support to the market for craft products, the troopers created it more directly by their demand for armor and weapons and for certain comforts and luxuries for themselves and their families. Yet they also maintained a relatively large human establishment, comprising servants and slaves,<sup>17</sup> so that part, at least, of what they received went ultimately into subsistence level consumption. We may estimate the population dependent upon them (including their own families) at about 5 million or so.

Besides cavalry, there was artillery. It is not possible to estimate the amount of metal used in the artillery of the Mughal army, or

<sup>13</sup> Lahori, *Padshahnama*, Bib. Ind., II, 715. Lahori's figure for 200,000 cavalry is arrived at by counting the 8000 *mansabdars* as cavalymen as well.

<sup>14</sup> Cf. Moreland, "Rank (*Mansab*) in the Mogul State Service," *JRAS*, 1936.

<sup>15</sup> Orme, quoted in W. Irvine, *The Army of the Indian Moghuls*, p. 47.

<sup>16</sup> Cf. Irvine, *The Army*, pp. 51-52.

<sup>17</sup> "Peons or servants are exceedingly numerous in this country, for every one—be he a mounted soldier, merchant or king's official—keeps as many as his position and circumstances permit." (Pelsaert, *Jahangir's India*, p. 61). Cf. Fryer's description of the "Adilshahi horseman on the march," *A New Account of East India and Persia, being Nine Years' Travels, 1672-81*, Vol. I (London, 1909), p. 341.

the amount of gunpowder it consumed. But in view of the numbers employed in the artillery (over 40,000 men), it is certain that at any time some tens of thousands of matchlocks (surely not less than 25,000, on these numbers) must have been in use; and we know that excessively heavy cannon were much favored in India.<sup>18</sup> It is, therefore, likely that the increasing employment of artillery helped extensively to develop the saltpeter industry and the metallurgical and associated crafts. When Indian copper mines proved insufficient, there were heavy copper imports,<sup>19</sup> which could only have been met by corresponding exports of Indian commodities.

The emperor and his nobles were generous patrons of the professions and arts—according to their lights. Through pensions or gifts, they maintained scholars, poets, theologians, physicians, painters, musicians, and dancers.<sup>20</sup> Among the ranks of this professional “middle” class may also be counted the accountants and officials who were employed in large numbers in the nobles’ establishments, ten being employed, says Pelsaert, where one would have sufficed.<sup>21</sup> This was also true of the vast bureaucratic apparatus of the imperial administration and the royal establishment. Many members of this middle class reproduced or tried to imitate on a smaller scale the mode of living of the nobility.<sup>22</sup> But the total income and the pattern of expenditure of this class are both difficult to work out, owing to the very heterogeneous character of the class.

If we assign two-thirds of the nobles’ income to the maintenance of cavalry and artillery and about one-tenth to the support of the professional classes (probably a generous estimate), they should still have had about a fourth of their income to spend on themselves.

Much of this went undoubtedly to maintain their notoriously huge establishments, for the nobles loved to spend “great sums on an extravagant display of elephants, horses, and servants.”<sup>23</sup> The

<sup>18</sup> Irvine, *The Army*, pp. 118-28.

<sup>19</sup> Cf. Moreland, *Akbar to Aurangzeb*, pp. 183-85; K. Glamann, *Dutch-Asiatic Trade*, 176-77, and “The Dutch East India Company’s Trade in Japanese Copper,” *Scandinavian Economic History Review* I(1), 1953, pp. 50 ff.

<sup>20</sup> M. Athar Ali, 167 & n. See the account of the leading men of letters, poets, singers, musicians, dancing girls, etc., of Delhi, from the pen of a Mughal aristocrat, 1738-39, in Dargah Quli Khan, *Muraqqa’-i Dihli*, ed. Sayyid Muzaffar Husain, Hyderabad-Deccan.

<sup>21</sup> Pelsaert, *Jahangir’s India*, p. 55.

<sup>22</sup> On the good life led by the low-ranking bureaucrats during the early years of Aurangzeb’s reign, see Bhumsen, *Muskha-i-Dilkusha*, Br. Mus. Or. 23, ff. 20b-21a. See also Dargah Quli Khan, *passim*.

<sup>23</sup> Pelsaert, *Jahangir’s India*, p. 54. Cf. Bernier’s remark that the Indian nobles are

imperial household similarly had an enormous entourage of slaves and servants serving the harem and the stables.<sup>24</sup> We should thus expect to find a very large number of people engaged in purely unproductive services and drawing from the nobles just the minimum provision for subsistence.<sup>25</sup>

If the contemporaries marked anything else besides the nobles' love for a large train of servants and slaves, it was their love of hoarding coin and treasure. The "escheat" system of the Mughal Empire has long been misunderstood, and it has been urged that since the emperor took away the nobles' property at their death, they should have tended to be spendthrifts.<sup>26</sup> The question has now been more or less satisfactorily elucidated, and it has been found that in fact the emperor's claims upon the property of a dead noble followed certain norms beyond his simple first right as a creditor.<sup>27</sup> In any case, the nobles left behind vast treasure hoards. The official history refers to the emperor's acquisition of 6 millions of rupees *in cash*, from the property of a very high noble upon his death (1645);<sup>28</sup> another noble, higher still in rank, left behind "in cash and goods" 10 millions of rupees, at the official valuation (1657).<sup>29</sup> The imperial treasure hoard was, in comparison, enormous. Rather exaggerated accounts circulated of what Akbar had left at his death;<sup>30</sup> but we know from an official source that his treasure contained 70 millions of rupees in cash.<sup>31</sup> Hoarding of treasure, especially gold and silver, created no direct demand for craft products and might be regarded as so much wastage of capital; but in so far as imports of gold and silver, like horses and copper, had to be counterbalanced by exports, such hoarding could lead indirectly to the expansion of demand for craft goods.

---

not ruined "by the extravagance of their table like the nobles of other countries, but by costly gifts made to the Emperor and by their large establishments of wives, servants, camels and horses." See M. Athar Ali, pp. 167-68.

<sup>24</sup> Moreland, *India at the Death of Akbar*, pp. 87-89.

<sup>25</sup> Cf. the very low wages or maintenance costs in the *Ain-i Akbari* sanctioned for ordinary servants and slaves in the various departments of the imperial establishment.

<sup>26</sup> Moreland, *India at the Death of Akbar*, pp. 262-63. Pelsaert, however, was puzzled why this did not happen in practice, and why the nobles yet accumulated treasure (*Jahangir's India*, pp. 55-56).

<sup>27</sup> M. Athar Ali, *Mughal Nobility*, pp. 63-68.

<sup>28</sup> Lahori, *Padshahnama*, II, 472-78. Each rupee weighed 178 grains and was of practically pure silver.

<sup>29</sup> *Amal-i Salih*, Bib. Ind., III, 248.

<sup>30</sup> V. A. Smith, "The Treasure of Akbar," *JRAS* (1915), pp. 231-43, cited in Abdul Aziz, *Imperial Treasury of the Indian Mughals* (Lahore, 1942), pp. 28-29.

<sup>31</sup> Amin Qazwini, *Padshahnama*, Br. Mus. MS. Or. 173, f. 221a-b.

As for the direct demand for goods of consumption by the nobility, a quantitative statement is not possible. But inferences may be drawn from some general evidence.

The Mughal nobles were, like their emperors, great builders, and their palatial houses, for their scale and comforts, even passed the standard of the severest European critic of the time.<sup>32</sup> They built, besides, tombs, mosques, *sarais* (inns), paved tanks and bridges,<sup>33</sup> which have survived the ravages of time better than their houses.

The nobles' expenditure on articles of furniture and decoration as well as of personal use must have been truly great. Amidst the vast variety that was in demand, the emphasis was on the more expensive material and finer workmanship. Thus the articles ranged from the most precious jewels to the finest muslin.<sup>34</sup> Many of the articles the nobles needed came from their own workshops (*karkhanas*). The imperial *karkhanas* have been better described; but they were the same in nature. A *karkhana* seems usually to have been a sort of hall, and there was a different one for each craft. Here the artisans were set to work, under close supervision, on material provided by the noble. Almost every kind of article was turned out in these *karkhanas*, the products made being either for use of the master or for gifts.<sup>35</sup> But it is certain that the nobles also bought finished goods on the market. Indeed, it is unlikely that the smaller nobles could have supplied themselves adequately from their own establishments. There were shops which sold the most expensive articles for aristocratic customers.<sup>36</sup> Indeed, Bernier, while disparaging the appearance of the Delhi shops, speaks of "an infinite quantity of the richest commodities" being collected there.<sup>37</sup> Many of the goods that the nobles wanted came from abroad, particularly Persia and Central Asia; the demand for European goods was more

<sup>32</sup> Bernier, *Travels*, pp. 246-48.

<sup>33</sup> Cf. M. Athar Ali, *Mughal Nobility*, pp. 165-66.

<sup>34</sup> An interesting work giving all the various articles needed in an aristocratic household is *Bayaz-i Khushbu'i*, I.O. MS. 828. It was written during the reign of Shahjahan (1628-58).

<sup>35</sup> M. Athar Ali, *Mughal Nobility*, pp. 157-58. Moreland is obviously wrong in supposing that the *karkhanas* were maintained by the Emperor alone (*India at the Death of Akbar*, p. 186).

<sup>36</sup> See Dargah Quli Khan's enthusiastic description of the famous Chandni Chauk at Delhi, *Maraqqa-i Dihli*, pp. 17-19. A young noble could not here purchase more than the "bare necessities" amongst the articles he fancied, though furnished with a sum of 100,000 rupees.

<sup>37</sup> Bernier, *Travels*, p. 248. He remarks that the "costly merchandise" was actually kept in warehouses and not in the shops themselves, as in Paris.

limited and less certain.<sup>38</sup> This too, as we have argued above, was an indirect way of supporting craft production through stimulating exports.

From all these general facts, can we conjure up a definite picture of the pattern of distribution of the land revenue resources, showing at least the portion that went to maintain and reproduce unproductive labor, and the portion that supported craft production? With our existing evidence, definiteness can hardly be thought of. But we are probably entitled to infer that the pattern of distribution accorded with both Phase I and Phase II of our definition; that is to say, there were, on the one hand, large numbers dependent on the service of individual nobles and their troopers and hangers-on, thus giving even a city like Delhi the appearance of a camp.<sup>39</sup> On the other hand, there was a substantial population of artisans and unskilled laborers employed in handicraft production and in trade and transport in order to meet the requirements of the aristocrats.<sup>40</sup> In actual fact, the proportion of the artisan population should have been much higher than this number would indicate. This was because the satisfaction of the bare subsistence needs (especially for clothing) of the laboring population, including those unproductively and productively employed, would call into being a large class of artisans and unskilled laborers employed in production and transport. The multiplier effect must have been high, for if the manufactures needed for subsistence per head were only of small value, the productivity per capita was also very low. It is possible then that elements of Phase II were quite strongly established in Indian economy, though they coexisted to a certain degree with those of Phase I. We should therefore expect to have had an urban population of a considerable size, but probably amounting to less than a fifth of the total population.<sup>41</sup> This is largely corroborated by our

<sup>38</sup> Moreland, *India at the Death of Akbar*, p. 227; K. N. Chaudhuri, *The East India Company, 1600-1640* (London, 1965), pp. 117-21.

<sup>39</sup> See Bernier's reference to the small mud and thatched roofed houses "in which lodge the common troopers, and all that vast multitude of servants and camp-followers who follow the court and the army." (*Travels*, p. 246).

<sup>40</sup> Cf. Babur's enthusiastic comment: "Another good thing in Hindustan is that it has unnumbered and endless workmen of every kind." (*Barburnama*, tr. Beveridge, II, 520).

<sup>41</sup> This is based on the simple inference that the nonagricultural population maintained on the net revenue collection would have amounted to a fourth or a third of the whole, if there had been no difference in the physical composition of the surplus

information about the size of Indian towns. Toward the beginning of the seventeenth century, the largest towns of Mughal India appear to have been much larger in population than the largest European towns; but during the course of that century, as the urban population in Europe grew, the largest towns in both seemed to be of equal size to contemporary European visitors.<sup>42</sup> Their population estimates for some of the towns (not reliable, but quoted here for all they are worth) are as follows:<sup>43</sup>

<i>Town</i>	<i>Year</i>	<i>Population</i>
Agra (reputedly the largest city)	1609	500,000
Patna	1629-1643	660,000
Masulipatam	1671	200,000
Surat	1672	200,000
	1663	100,000
	1700	200,000

We may conclude, then, that based on the collection of enormous revenues from the agricultural sector and their concentration in the hands of a small ruling class, the Indian economy had achieved a considerable expansion of its urban sector during the Mughal period. Not only was a high proportion of the urban population employed in industrial crafts, but it would appear that in actual volume of output per head the period could invite comparison with the early decades of this century.<sup>44</sup>

taken as revenue and of the remainder. But since craft production accounted for a significant portion of consumption in the nonagricultural sector, the food grain component in the surplus must have been much smaller than in the remainder of the agricultural produce. The nonagricultural population should therefore have been much smaller as well, though it should have been more highly urbanized.

<sup>42</sup> See the statements comparing Lahore with Constantinople, Ahmadabad with London, and Delhi with Paris: Moreland, *India at the Death of Akbar*, pp. 12-13; I. Habib, pp. 75-76 & n.

<sup>43</sup> All figures, with sources, are mentioned in I. Habib, p. 76 n., except for the estimates about Surat, which came from tr. Manuel Godinho, tr. G. M. Moraes, *Journal of the Bombay Branch of the (Royal) Asiatic Society (JBBRAS)*, n.s., XXVII, pp. ii, 124-25; and Hamilton, *A New Account of the East Indies*, ed. W. Foster, I, 89.

<sup>44</sup> For the most detailed comparison yet attempted, see Moreland, *India at the Death of Akbar*, pp. 143-84, 286-94. It must be remembered that although Moreland did not deliberately underestimate Indian production during the seventeenth century, he tended to make several assumptions about the economic and political environment which were bound to color his judgment. It is therefore all the more noteworthy that his ultimate conclusions should be so little in favor of the per capita volume of production in his own time.

## III

Little detailed work has been done so far on the techniques employed to obtain this large volume of production. This is, from our point of view, an extremely important matter, for it is of course through an increasing sophistication of tools that the machine can develop in time.

A common feature in the tools of Indian crafts has been the extremely sparing use of metal, wood often serving where iron might be expected. European travelers of the seventeenth century, therefore, found Indian implements of production rather simple and crude: Bernier even speaks of the Delhi artisan as "destitute of tools." The development of tools seemed to be in an inverse ratio to the skill of the artisans, for in spite of indifferent tools they yet managed to produce works of the highest quality.<sup>1</sup> The development of skill involved extreme specialization. Pelsaert speaks of a hundred crafts in Agra—"for a job which one man would do in Holland, here passes through four men's hands before it is finished."<sup>2</sup> As a result, Indian craftsmen were thought to be good at imitation, but not at designing anything themselves.<sup>3</sup> However, the manufacture of certain mechanical devices, such as clocks, was not attempted, even in imitation.<sup>4</sup> There was another great deficiency, the true significance of which we can see now: namely, the lack of development of mining engineering. Iron ore was collected through surface excavations, and coal was not mined at all.<sup>5</sup> In general, there were no deep mines. The salt mines of the Salt Range excited wonder, although actually the shafts there were horizontal, going into the sides of the hills, and each shaft was excavated by an individual miner.<sup>6</sup>

From such facts, it would doubtless be tempting to take the view that development in production in India was more a matter of improving human dexterity than the quality of tools.<sup>7</sup> However, such

<sup>1</sup> Bernier, *Travels*, p. 254.

<sup>2</sup> Pelsaert, *Jahangir's India*, p. 60.

<sup>3</sup> *Ibid.*, p. 9. Cf. J. Ovington, *A Voyage to Surat in the Year 1689* (London, 1929), p. 166.

<sup>4</sup> Ovington, *Voyage*, pp. 166-67. He contrasts the Indians with the Chinese, who, he says, had taken European clocks to pieces and then reassembled them. He attributes the Indian lack of interest in making clocks to the difficulties caused by dust, which clogged the wheels.

<sup>5</sup> Moreland, *India at the Death of Akbar*, pp. 146-48.

<sup>6</sup> See the passage in the *Ain-i-Akbari*, account of the *suba* of Lahore; and Sujan Rai, *Khulasatu-t Tawarikh*, ed. Zafar Hasan (Delhi, 1918), p. 75.

<sup>7</sup> Morris seems to come very near to this view. See IESHR, V(1), p. 6.



a view would appear to be rather naïve in that while the roles of skill and tools in the productive process might vary in different societies and under different circumstances, no amount of human dexterity could substitute for certain basic tools if particular products were desired. Thus, for lifting water from depth for irrigation, it was essential to have the Persian wheel, which contained toothed-wheels, a gearing mechanism, and a bucket chain. In Mughal India it was made of wood, rope, and earthen pots.<sup>8</sup> The all-metal machine did not come into use until the latter half of the nineteenth century. Its substitution for the earlier machine became possible only when the additional cost of metal became less than the cost of the greater application of cattle power and labor time needed to provide the same amount of irrigation from the less efficient wooden machines. There was little question of any basic improvement in the technical principles of the mechanism. Similarly, the ordinary spinning wheel included in it two important mechanical devices, namely belt transmission of power and flywheel principle, though it was entirely made of wood.<sup>9</sup> In other Indian crafts, the wheel was used for boring and for cutting and polishing metals and precious stones.<sup>10</sup> Thus, while it is true that extensive development in technology can only occur when metal, particularly iron, replaces other materials, this change may be delayed in a particular situation for no other reason than that a tool of lower efficiency can be used to manufacture the same commodity by employment of cheap skilled labor. Thus Pelsaert attributes the relatively high degree of skill specialization itself to the low wages prevailing in India.<sup>11</sup>

The crucial question would then be whether in cases where it was not possible to substitute skilled labor for improved tools and devices, the latter were yet rejected. In this respect, a study of the manufacture of artillery, the real "heavy industry" of the time both in Europe and in Asia, is likely to be the most instructive. The requirements of this industry led to the manufacture of cast iron in Europe. In India, while heavy brass guns were cast, all iron guns, together with many brass guns, were not cast but were made of welded bars hooped round.<sup>12</sup> Yet in Orissa, where iron was reported

<sup>8</sup> See Babur's description in *Baburnama*, tr. A. S. Beveridge, II, p. 486. Cf. I. Habib 26-27 & n.

<sup>9</sup> Cf. Lynn White, *Medieval Technology and Social Change*, p. 119.

<sup>10</sup> See the eighteenth-century dictionary, *Bahar-i'Ajam*, s.v. *Charkh*.

<sup>11</sup> Pelsaert, *Jahangir's India*, p. 60.

<sup>12</sup> W. Irvine, *The Army of the Indian Mughal*, pp. 113-28.

to be plentiful, "they cast anchors (of iron) for ships in moulds," though the quality was stated to be not so good as that of cast iron made in Europe.<sup>13</sup> It is also noteworthy that during the seventeenth century there was little dissatisfaction with the quality and efficiency of the artillery pieces manufactured in India. Bernier, for example, praises Indian muskets and fowling pieces for their excellence.<sup>14</sup> There is also evidence of a conscious effort at mechanical innovation in the curious devices of Akbar's minister, Fathullah Shirazi, though there was in them little of economic significance.<sup>15</sup>

There was, therefore, in India no rigid barrier to technological innovation or adaptation. If during the seventeenth century it had begun visibly to fall behind Europe in its level of industrial development, the cause of this must be sought for in factors other than a mystic predilection for manual skill. One possible explanation has been found by some in the social institution that sustained craft specialization in India, namely, the caste system.<sup>16</sup> It has been held, and the opinion has been powerfully reinforced by Weber, that the caste system put a severe brake on economic development, through separating education from craft, segregating skills, preventing inter-craft mobility, and killing or restricting individual ambition in the artisan.<sup>17</sup>

There are good grounds, however, for throwing doubt on this entire theory, for it depends so largely on one's assumptions of how a caste system, perfectly based on the Law Books, should have operated.<sup>18</sup> Three or four points ought to be borne in mind. First, the mass of ordinary or unskilled people formed a reserve, from which new classes of skilled professions could be created when the need arose. Thus diamond miners in the Karnatik must have come from the ranks of the peasantry or agricultural laborers, for when some mines were abandoned the miners went "back to tillage."<sup>19</sup> Secondly, in any region there was often more than one caste following the same

<sup>13</sup> A. Hamilton, *A New Account of the East Indies*, ed. W. Foster, I, 217.

<sup>14</sup> Bernier, *Travels*, p. 254.

<sup>15</sup> See M. A. Alavi and A. Rahman, *Fathullah Shirazi, a Sixteenth-Century Indian Scientist* (New Delhi, 1968).

<sup>16</sup> Cf. K. Marx, *Capital*, I, ed. Dona Torr, pp. 330-32, for the connection between craft-specialization and caste.

<sup>17</sup> On the last point, Pelsaert, *Jahangir's India*, p. 60, and Bernier, *Travels*, p. 260. See also B. B. Misra, *Indian Middle Class* (London, 1961), pp. 37-39.

<sup>18</sup> See the stimulating article by M. D. Morris, "Values as an Obstacle to Economic Growth in South Asia," *JOURNAL OF ECONOMIC HISTORY*, XXVII (Dec. 1967), 588-607.

<sup>19</sup> Tavernier, *Travels in India*, tr. V. Ball, ed. Crooke (London, 1925), I, 230.

profession, so that where the demand for products of a craft expanded, new caste artisans could normally be drawn to that place.<sup>20</sup> More important still, the castes were not eternally fixed in their attachment to single professions or skills. Over a long period, economic compulsions could bring about a radical transformation in the occupational basis of a caste. A well-documented case is that of the caste of tailors in Maharashtra, a section of which took to dyeing and another to indigo-dyeing, early in the eighteenth century.<sup>21</sup> Finally, there is evidence that sometimes at least administrative action was in favor of keeping the gates to the professions open. Aurangzeb ordered that at Ahmadabad all persons who so wished should be allowed to learn the crafts of weaving, needle-making, and embroidery.<sup>22</sup> It seems that castes were sometimes not even as strong as guilds, for owing to their comparatively loose organization they had often to depend upon the support of the administration or to suffer its interference in their internal affairs.<sup>23</sup>

We may infer, therefore, that caste did not represent an insurmountable obstacle to the mobility of craft labor. It is significant that while European merchants and travelers repeatedly speak of the hereditary nature of skilled occupations in India, they do not ascribe to this cause the shortage of labor in any branch of production. On the other hand, they usually refer to the large numbers and low wages of the artisans.<sup>24</sup> A much greater impediment to the free supply of craft labor appears to have been the nobles' extortion

<sup>20</sup> See the report of the Madras factors, 1662: it was possible to bring weavers and merchants from Wasimbazar to Hugli, though not possible to bring them to Madras "for their cast or lineage is such that they shall loose their birthright if they come upon salt water." *English Factories, 1661-64*, p. 65). The factors seem unaware of the fact that Madras was as far from Bengal as Spain from England.

<sup>21</sup> H. F. Fukazawa, "State and Caste System (Jati) in the Eighteenth Century Maratha Kingdom," *Hitotsubashi Journal of Economics*, IX(1), pp. 39-4.

<sup>22</sup> 'Ali Muhammad Khan, *Mirat-i-Ahmadi*, ed. Nawab Ali, Baroda, I, 260. See also Aurangzeb's order refusing to recognize the monopoly of the Simal caste in the work of smelting and drawing wire at the Ahmadabad mint, on the explicit ground that such restrictions were against the law (*ibid.*, pp. 292-93). Of Ahmadabad, it was said earlier, in 1629, that "any merchant, or artisan is free to settle here, and live by his craft, or his business without molestation or interference by anyone." (Geleynssen, tr. Moreland, *JIH*, IV, p. 75).

<sup>23</sup> See the *Ain's* injunction to the head of the city police (*Kotwal*) that he should appoint the head and broker of each professional group in the town *Ain-i-Akbari*, ed. Blochmann, I, 284. Cf. on this, Pavlov, *Indian Capitalist Class*, p. 24. Fukazawa, "State and Caste System," pp. 32-44, assembles considerable evidence to show how the Maratha State authorities served as arbiters, and even legislators, in caste matters.

<sup>24</sup> *Relations of Golconda in the Early Seventeenth Century*, ed. & tr. Moreland (London, 1931), p. 27; Pelsaert, *Jahangir's India*, p. 60.

of forced labor from the artisans and other forcible restraints placed upon them.<sup>25</sup>

Having established, then, that there was a large urban market for nonagricultural goods, and a division of labor based on skilled specialization, coupled with certain technological advances, and the superfluity rather than scarcity of skilled labor, it is desirable to enquire how far in these conditions the organization of production had progressed toward capitalistic or semicapitalistic forms.

We may exclude from our consideration such artisan production as was directed to supplying the needs of peasants and village communities. Some of these artisans lived in the village and offered set products and services in return for set remuneration; others went from village to village to buy materials and sell their wares, with the prices possibly fixed in kind. In neither of these forms would real commodity production have taken place.

It was otherwise with the urban artisan. We find him usually a commodity producer, placed in either of two different situations. In the first, he is the master of his product until he sells it on the market; in the second, the material may remain in his hands until the productive process is completed, but all this time it is not his, but someone else's.

Of the first situation, we may cite for an example, the English factors' report from Patna in 1620:

. . . the usual custom of buying the amberty calicoes at Lackhoure (which is the pente (*penthe*) or fair for that commodity, and is a town 14 course (*kos*) from this place) is as follows: They are daily brought from the neighbouring gonges (*ganj*) by the weavers, from whom they are bought raw (i.e without being "whited" and starched) of length 13 coveds Jehangerye,<sup>26</sup> . . . and the abatements and disturies<sup>27</sup> in buying them raw from the weavers [is] 4/16 per rupee or 25 per cent. In this manner, by report, daily may there be bought 50, 60 and some days 100 pieces. Almost in the like nature are they sold here in Patna being likewise brought thence by the weavers, but ready whited and cured . . . .<sup>28</sup>

Here we find the weavers producing the calicoes on their own account in anticipation of the demand. What is still more interesting is that they sometimes enlarged their "investment" by having their

<sup>25</sup> Pelsaert, *Jahangir's India*; Bernier, *Travels*, pp. 228-29. Cf. *Mirat-i-Ahmadi*, I, 260. For the conduct of the governors of Broach and Baroda, Gujarat, see *English Factories*, 1662-23, p. 97 & 1634-36, p. 290; *English Factories*, N.S., III, 352-53.

<sup>26</sup> *Gaz-i Jahangiri*, 40 and 40.5 inches.

<sup>27</sup> *Dasturi*, commission.

<sup>28</sup> *English Factories*, 1618-21, pp. 192-93. The spellings have been modernized.

product “cured” by washers, a process taking, according to the same report, 3 months, and costing three rupees for 20 pieces. Weavers who arranged for such processing themselves must have been able to sell their wares dearer on the larger market.

Enrichment through such ventures might in time have enabled some weavers to expand their production by no longer confining it to the household but engaging apprentices and servants. This would have been an important development, possibly representing a step in the evolution of capitalism “from below”—the “really revolutionary way,” according to Marx.<sup>29</sup> But of such development there is little evidence in Mughal India. Possibly trade in the precious metals yielded a sufficiently large margin of profit to goldsmiths for them to set up *karkhanas*, or workshops.<sup>30</sup> But in general in the various crafts there were only very few independent master craftsmen of any substance.<sup>31</sup>

In the second situation the artisans did not undertake production on their own but on behalf of merchants and others. When the merchants wished to have supplies of particular commodities according to their specifications at fixed rates and at stipulated times, they advanced money to artisans who bound themselves to fulfill these conditions. This system of advances appears to have prevailed all over India, though it was probably more extensive in commodities required for long-distance trade than in others.<sup>32</sup>

Under this system the artisan was left to buy the material himself. But such processes as washing and dyeing naturally required that the material after being sold to the merchant should again be given out.<sup>33</sup> From this the next step would have been for the merchant to provide yarn to the weavers, as well, and it is possible that the practice was actually adopted by the English factors in Gujarat.<sup>34</sup> In

<sup>29</sup> *Capital* (English ed., Foreign Languages Publishing House, Moscow, 1959), pp. 329-30. A fruitful discussion of the meaning of Marx's original passage, and its elaboration in the light of existing evidence, will be found in *The Transition from Feudalism to Capital*, containing chiefly the contributions of Paul M. Sweezy, M. Dobb, and H. K. Takahashi (London, n.d.).

<sup>30</sup> See the reference to *karkhana-i zargaran* in *Bahar-i-Ajam*, s.v. *Khak-bez*.

<sup>31</sup> Cf. Bernier, *Travels*, pp. 228-29.

<sup>32</sup> Some of the passages in the English records on which this paragraph is based are *English Factories*, 1624-29 p. 149; 1637-41, p. 137; 1646-50, p. 159, 1661-64, pp. 111-112; *Hobson-Jobson*, s.v. DADNY, quotations for 1678 and 1683. On one occasion the Surat artisans also demanded payment of the cost of alterations in their looms for meeting the specified dimensions of cloth required by the English. (*English Factories*, 1661-64, pp. 208-9).

<sup>33</sup> See, e.g., *English Factories*, 1618-21, pp. 192-3; 1624-29, p. 149.

<sup>34</sup> Fryer, *Account of East India*, I, 221.

Bengal, the English found it cheaper to discontinue cash advances to weavers, and instead to buy the silk raw and then give it out to the weavers. The reason for this was said to be that the latter, out of poverty, could not buy raw silk of the requisite quality even when granted advances.<sup>35</sup>

It can be seen, therefore, that the putting-out system was widely in use; and that both cash advances and the giving-out of the raw material were established practices.

Beside the forms corresponding to the putting-out system, there existed forms of productive organization corresponding to the manufactory. It goes without saying that the large architectural monuments and other buildings of the Mughal period could not have been built without large numbers of craftsmen and ordinary laborers being assembled together and made to work under unified supervision. Yet this assemblage must generally have remained accidental, breaking up when the work of construction was over. The same could also have been the case with shipbuilding. Though some of the heaviest seagoing ships were built in India, it is possible that the organization brought into being to build a particular ship did not survive its construction.<sup>36</sup>

More significant for potential capitalistic development was the assembling of numbers of artisans and laborers for continuous production. Tavernier's detailed description of diamond mines in the Deccan shows that the fields were divided up among plots leased by individual merchants, who then employed laborers, of which the number on a plot might be as high as 300. In all, 60,000 laborers are said to have been employed.<sup>37</sup> A similar form of organization prevailed in the saltpeter industry.<sup>38</sup> These do not yet bring us to manufactories proper, for though merchants are here seen as large-scale producers, the productive process involved neither specialized skill nor complex tools.

The real counterpart of the manufactories was the *karkhana*. The royal *karkhanas* at Delhi are thus described by Bernier:

Large halls are seen in many places, called Kar-kanays or workshops for the artisans. In one hall embroiderers are busily employed, superintended by a master. In another, you see the goldsmiths; in a third, painters; in a fourth,

<sup>35</sup> *English Factories, 1655-60*, p. 296.

<sup>36</sup> Moreland, *India at the Death of Akbar*, pp. 185-86. For shipbuilding, see also A. J. Qaisar, "Shipbuilding in the Mughal Empire" *IESHR*, V(2), pp. 149-70.

<sup>37</sup> Tavernier's information is summarized in Moreland, pp. 151-52.

<sup>38</sup> See Pelsaert, *Jahangir's India*, p. 46.

varnishers, in lacquer work; in a fifth, joiners, turners, tailors, and shoe-makers; in a sixth, manufacturers of silk, brocade, and those fine muslins. . . The artisans repair every morning to their respective Kar-kanays, where they remain employed the whole day; and in the evening return to their homes. In this quiet and regular manner their time glides away . . .<sup>39</sup>

The *karkhanas* thus reflected the specialized skills developed outside but they converted the artisan, previously an independent or contract-producer, into a wage laborer.<sup>40</sup> It is likely that he still retained ownership of his tools, or some of them; and it is not certain that there was any such further detailed division of skilled labor as developed within the European manufactory.<sup>41</sup>

And we have noted, the *karkhanas* of the Emperor and the nobles did not undertake commodity production, but production of luxury articles directly for use. This naturally set limits to their economic significance. But at least one royal establishment was different, namely, the mint. The Mughal coinage was "free"; that is, it was open to anyone to take silver bullion and get it coined into rupees, which were of practically pure silver, on payment of seignorage and mint charges. The output of these mints was considerable. The Surat mint, for example, once turned out 30,000 rupees a day for the English alone.<sup>42</sup> We must therefore imagine the mints to have been very large establishments where men of different skills had to work together under the closest supervision.

The very fact that contemporary observers were so greatly impressed by the royal and aristocratic *karkhanas* while they had nothing or little to say about similar establishments maintained by the merchants suggests that the latter were far smaller in size. Bernier's reference to "rich merchants and tradesmen, who pay the workmen rather higher wages"<sup>43</sup> probably applies to such private "manufactories." In certain trades, such as the silk trade in Bengal, it appears to have been more economical for the bigger merchants

<sup>39</sup> Bernier, *Travels*, pp. 258-59.

<sup>40</sup> For the association of wages with *karkhana*, see the couplet from Saib, quoted in *Hahar-i 'Ajam*, s.v. *karkhana*.

<sup>41</sup> Marx, *Capital*, I, ed. Dona Torr, pp. 330-32.

<sup>42</sup> This happened in 1672. The source is the Surat Factory Outward Letter Book, Vol. II, 1663-71/72, p. 187, in the Department of Archives and Archaeology, Bombay; I owe the reference to Miss Aziza Hasan. In certain documents, also of Aurangzeb's reign, recently acquired by the Department of History, Aligarh, we find individual merchants being granted permission to get up to Rs. 4000 worth of gold and silver coined each day at the Surat mint. A rupee, in Aurangzeb's reign, weighed 180 grains.

<sup>43</sup> Bernier, *Travels*, pp. 228-29.

(like the English) to undertake the processes of winding, dyeing, and cleaning the raw silk in their own premises.<sup>44</sup> But on the whole it would seem that despite the development of manufactories in the nonmercantile sector, the characteristic form of advanced commodity production had not yet proceeded beyond the putting-out system.

The advance from the putting-out system to the commodity-producing manufactory would undoubtedly have represented an important stage in the progressive control of labor by capital. That it did not really occur in Mughal India, except sporadically, is perhaps largely to be attributed to the better adaptability of domestic industry to excessive exploitation of labor. The paid labor of the domestic artisan included the labor of his wife and children, an advantage that would be lost in the merchant's manufactory. The merchants would not, therefore, have found it profitable to establish *karkhanas* unless the material used was too valuable to be risked by being given out to the artisans, or was too heavy, or the process of production was too short to justify the distribution of the material.

Mughal India, then, had extensive commodity production, without showing much trace of the emergence of industrial capital. Since to a number of scholars, the distinction between merchant capital and industrial capital is one of degree, and not of essence, it is necessary to enquire whether the absence of industrial capital did not stem from a lack of development of merchant capital.

A strong body of scholarly opinion has held that merchants in Mughal India could not obtain sufficient or secure profits and accumulate wealth, owing to various political and administrative causes: the insecurity of roads; the insecurity of merchants' property, it being threatened constantly by the avarice of the emperor and his nobles; the high taxes; and, finally, the interference with the conduct of free trade by the Mughal officials, who established their monopoly in various lines of trade within the area under their jurisdiction.<sup>45</sup>

It will not be of much use to go into the details of the evidence that can be cited to urge the acceptance of this view. What is in dispute is really not whether the factors mentioned operated at all, but the extent to which they did so.<sup>46</sup>

<sup>44</sup> *English Factories, 1655-60*, p. 296.

<sup>45</sup> Moreland, *India at the Death of Akbar*, esp. pp. 35-52; B. B. Misra, *The Indian Middle Classes*, pp. 22-35; M. D. Morris in *IESHR*, V(1), p. 6. For the opposite view, see Brij Narain, *Indian Economic Life, Past & Present*; P. Saran, *Provincial Government of the Mughals (1526-1658)* (Allahabad, 1941), pp. 399-403.

<sup>46</sup> See my own remarks on security of trade and on taxes, I. Habib, pp. 65-69; and some perceptive remarks by T. Raychaudhuri, *IESHR*, V(1), pp. 88-90.



For example, security of roads can hardly be considered as non-existent if an individual traveler met with robbers. The best indicator of the degree of security should be the inland insurance rates. The few rates available are quoted below.<sup>47</sup> The distance between the points here given is not road distance, but “as the crow flies.”

Year	Goods Insured	Route	Approximate Distance (miles)	Insurance Charges (percent)
1646	Treasure	Daman-Surat	60	1
1647	Commercial goods	Ahmadabad-Thatta	315	½
1655	Cochineal	Surat-Agra	550	2½
1655	Cash	Masulipatam-Surat	675	1

Surely, these rates do not suggest any stifling of commerce through “political instability.” At the present state of our knowledge we cannot provide similar quantitative tests for the other propositions, but this particular case may be taken as a warning against the dangers of generalizing from a few bits out of a very large mass of evidence.

What we know, in positive terms, is that merchant capital was considerable in size and that an efficient system of credit not only enlarged it but also gave it great mobility.

The vast system of agrarian exploitation that the Mughal Empire represented was based, as we have seen, on the large drain of food grains and other agricultural produce from the countryside to the towns. The supplies were largely marketed, and in some cases the peasants themselves brought the supplies to the local market.<sup>48</sup> But whether the peasant sold the grain in his village or at the nearest fair or in the urban market, the merchant usually took over. The importance of the grain trade in Indian commerce may be judged from the simple fact that the term, *baqqal*, “grain merchant,” was employed in Indo-Persian as the name for the *banya* (the traditional Indian merchant).<sup>49</sup> For the long-distance carrying trade, there had developed the famous nomadic class of *banjaras*, who first appear in our records during the fourteenth century. During the seventeenth century they probably carried many hundreds of thousands of tons of agricultural produce across most regions of the country.<sup>50</sup> The total capital involved in the trade in agricultural produce cannot be computed but must surely have been enormous.

<sup>47</sup> From the table in my article, “Banking in Mughal India,” *Contributions to Indian Economic History*, ed. T. Raychaudhuri, p. 16.

<sup>48</sup> I. Habib, pp. 78-79.

<sup>49</sup> *Comparative Studies in Society and History*, VI(4), p. 412 n.

<sup>50</sup> I Habib, pp. 61-63.

In urban commodity production, many artisans must have been selling directly to the consumers. Some worked for the nobles, producing goods directly for use. This would have restricted the limits of the operations of merchants, but not perhaps to a very great extent. In any case, in the trade of all valuable commodities, especially those for the long-distance market, we find merchants buying up large quantities from the artisans.

For the size of the capital involved in these dealings we may cite the information we have about the merchants of Surat from European sources. It was stated in 1663 that the Surat merchants were "very rich," some of them worth more than 5 or 6 millions (of rupees). They had fifty ships trading with various oversea countries.<sup>51</sup> Virji Vora, reputedly the richest Surat merchant at that time, was said to have an "estate" of 8 million rupees.<sup>52</sup> Subsequently another merchant, Abdul Ghafur, was said to be worth the same sum, and it was reported that he possessed twenty ships, of between 300 and 800 tons each. He alone conducted trade equal to that of the whole English East India Company.<sup>53</sup> It is not to be supposed that Surat was exceptional in respect of its merchants' wealth. A well-traveled European visitor said that of the three great surprises at Agra, one was "the immense wealth or fortune of the merchants"; and the writer alleged that he saw such vast sums of money piled up in some houses that they looked like grain heaps.<sup>54</sup> There is little doubt then that in spite of certain unfavorable factors the wealth accumulated by Indian merchants was considerable.<sup>55</sup>

Beside the wealth of merchants, we may also count the sums invested in commerce by nobles. The outstanding example was Mir Jumla, one of the greatest merchants of the time and also one of the premier nobles of the Mughal Empire.<sup>56</sup> The nobles had little hesitation in turning money to profit if the opportunity arose, and they

<sup>51</sup> Godinho, tr. Moraes, *JBBRAS*, n.s. XXVII (part ii), p. 127. I owe some of the references in this and the following two footnotes to Mr. A. J. Qaisar.

<sup>52</sup> *English Factories, 1661-64*, p. 308; *Indian Travels of Thevenot and Careri* (New Delhi, 1949), p. 22.

<sup>53</sup> H. Das, *Norris' Embassy to Aurangzeb (1699-1702)*, condensed and ed. by S. C. Sarkar (Calcutta, 1959), p. 224 n; Hamilton, I, 89.

<sup>54</sup> Manrique, *Travels*, tr. C. E. Luard, II, p. 156. The other two surprises, significantly, were the vast imperial treasure and the large income of the nobles.

<sup>55</sup> Interesting information on the actual accumulation of Indian merchant capital is brought together in V. I. Pavlov, *Indian Capitalist Class*, pp. 76 ff.

<sup>56</sup> See J. N. Sarkar, *Life of Mir Jumla* (Calcutta, 1951), for the large amount of information available on Mir Jumla's mercantile activities which often guided him in his political actions.

even speculated in the financing of ship cargoes.<sup>57</sup> But in many cases when their investment was combined with monopoly imposed by coercion the investment can hardly be regarded as an addition to the fund of commercial capital.<sup>58</sup> On the whole it would appear that compared to their enormous resources the Mughal nobles made very few investments in commerce.

A patriotic Indian during the seventeenth century could justly take pride in the system of credit and banking that prevailed in India.<sup>59</sup> Tavernier remarks that "in India a village must be very small indeed, if it has not a money-changer, called shroff (*sarraf*), who acts as banker to make remittances of money and issue letters of exchange.<sup>60</sup> The *sarrafs* not only transmitted money through their own *hundis* (bills) but by discounting the merchants' *hundis* they financed commerce, particularly long-distance and international trade, to a very large extent. So brisk was the use of these bills that in the Ahmababad market merchants made their payments, or adjusted their obligations, almost entirely through transfer of paper.<sup>61</sup> The prevalence of the system is shown also by the fact that almost any order of payment by anyone (such as a noble's order of payment of salaries to his troops) could become commercial paper, discounted by the *sarrafs*.<sup>62</sup>

The discount on *hundis* included the cost of insurance, since if the goods against which it was drawn were lost, the *hundi* could not be presented for payment. Insurance (*bima*), a business also carried on by the *sarrafs*, was fairly well-developed. *Hundis*, goods in transit, and cargo could all be insured.<sup>63</sup>

Since the *sarrafs* accepted deposits while they also advanced loans directly, they acted practically as deposit bankers.<sup>64</sup> Thus they appear to have acquired even sums intended for the imperial treasury as deposits on loan. It is true that they too lent large sums to "men of quality" and others at high rates, and thus converted part of their deposits into purely usurious capital. Yet it is possible, owing to their ability to advance large loans to merchants, that some of the capital

<sup>57</sup> Tavernier, *Travels in India*, I, 31.

<sup>58</sup> M. Athar Ali, *Mughal Nobility*, pp. 154-60.

<sup>59</sup> See Sujana Rai, *Khulasatut Tawarikh*, ed. Zafar Hasan, p. 25.

<sup>60</sup> Tavernier, *Travels in India*, I, 24.

<sup>61</sup> *Mirat-i-Ahmadi*, I, pp. 410-11.

<sup>62</sup> Cf. Manucci, *Storia do Mogor*, tr. W. Irvine, II, 379.

<sup>63</sup> See I. Habib, *Contributions to Indian Economic History*, I, 13, 15-17, for a more detailed treatment.

<sup>64</sup> *Ibid.*, pp. 17-19.

mopped up through deposits with the *sarrafs* did turn into merchant capital.

From the point of view of the development of merchant capital, Indian economy appears to have reached a fairly advanced stage. It is noticeable that seventeenth-century European merchants and factors make no serious criticism of the Indian credit system, and there is little inclination to compare it unfavorably with the European, although most of its particularities, or differences, are noted.

But despite all this, the Indian credit system seems practically to have been formed for the requirements of commerce alone. Thus there was no provision for long-term investment. Rates of interest were calculated by the month.<sup>65</sup> A loan was not expected to be carried beyond a year, since by customary practice the creditor could double the rate of interest on the completion of a year.<sup>66</sup>

Another feature, which is difficult to explain, is the consistently high rates of interest prevalent in India. The rates of interest current at Surat, Ahmadabad, and Agra and in the Deccan show uniformly a sharp fall, which by comparison with other information may be assigned to the early 1640's.<sup>67</sup> In Northern India there was a fall from about 1 percent and 1½ percent per month to ¾ percent or ⅝ percent or even ½ percent; in the Deccan from above 2 percent per month to 1½ percent and below. The reasons for this fall remain obscure, unless it was linked up in some ways with the influx of bullion from the West. In any case, even afterward interest rates in India remained much higher than in England, and the difference was so great that it was suggested that the English East India company might send treasure to India solely for the purpose of being lent out at interest.<sup>68</sup>

The high interest rates do not suggest an intrinsically capital-

<sup>65</sup> *Comparative Studies in Society and History*, VI(4), pp. 401-2.

<sup>66</sup> English factors at Ahmadabad report to Surat, May 17, 1647: "Surat Factory: Inward Letter Book, 1646-47", p. 130 (Department of Archives & Archaeology, Bombay). I am indebted for this reference to Miss A. Hasan.

<sup>67</sup> See the tables in *Comparative Studies in Society & History* VI(4), pp. 402-4. The rate of interest shown under Agra against the year 1628 should read 2 percent and not ¾ percent. In this article, I suggested that the rates fell as the accounting control in the East India Company improved. This suggestion I should now like to withdraw, though there is little doubt that in the earlier years the English factors must have concealed the true rates.

<sup>68</sup> *Ibid.*, pp. 404-5. Higher interest rates naturally meant higher discount rates on bills, a phenomenon to which Tavernier, in *Travels in India*, I, 31, refers, although he himself considers this due, in part at least, to the insurance costs that the discounts included.

starved economy. They may, on the other hand, have been due to the steady expansion of mercantile activity, following upon the wider and wider imposition of the cash nexus, from Akbar's reign onward. It is also possible that tradition gave the merchant a larger margin of profit on commodities than in Europe, so that the higher interest rates represented a higher return on commercial investment, which was not greatly affected by competition. But on all these matters we have practically no detailed information, and it will avail little merely to speculate.

What we know of the Mughal-Indian economy thus tends to confirm Marx's judgment that merchant capital, through its own development, cannot lead to industrial capital: "The independent and predominant development of capital as merchant's capital is tantamount to the non-subjection of production to capital, and hence to capital developing on the basis of an alien social mode of production which is also independent of it. The independent development of merchant's capital, therefore, stands in inverse proportion to the general economic development of society."<sup>69</sup>

Finally, we may consider the impact on the Indian economy of the great changes in the pattern of international trade during the sixteenth and seventeenth centuries, following the discovery of the New World and the rounding of the Cape of Good Hope. In Europe expansion of the oversea trade and the price revolution which accompanied it and was intensified if not entirely caused by it, helped to create considerable shifts in the distribution of income and wealth in different countries of Europe. This had a lasting effect on the economic life of Europe, and it is possible to trace the strands of capitalism back to the changes which these developments made possible.

Largely because information on the history of prices in the Mughal period has been so insufficient, a suggestion found in James Grant long remained practically unnoticed. This was that the large influx of bullion, especially silver, from the New World through Europe was bound to raise prices in India.<sup>70</sup> Recent research has suggested that the increase in prices during the first half of the seventeenth century was so considerable as to deserve, in patches at least, the designation of inflation. In the course of the century prices appear to have almost doubled. This is suggested by our in-

<sup>69</sup> Marx, *Capital*, III, English ed. (Moscow, 1959), p. 322.

<sup>70</sup> James Grant in *Fifth Report*, ed. Firminger, II, 483.

formation on the silver values of gold and copper and on the prices of major agricultural commodities.<sup>71</sup> It is also confirmed by the extraordinary approximation, with just the time gaps we would expect, that an attempted Mughal mint-output curve (based on the number of catalogued coins of each year) bears to the curve suggested by Hamilton's histogram for the influx of American treasure into Spain.<sup>72</sup> It is, therefore, certain that the price revolution steadily affected India, as bullion flowed through the Middle East and round the Cape of Good Hope.

But, to us, as important as the outcries heard in Europe against the export of bullion eastward must be the silence of Indian writers in respect to the seventeenth-century inflation. We know of the process from the prices they quote, but they themselves are unaware of it. It is possible that the general trend was concealed from men's eyes by the wide price fluctuations caused by the harvests each year.<sup>73</sup> But this very fact suggests that the larger trend caused less economic disturbance than the annual fluctuations. It is probable that this was because neither the revenue rates nor wages were fixed in cash by custom or tradition. As we have noticed above, the Mughal authorities not only modified the cash revenue schedules when prices showed long-range changes, but could also shift from basic assessment in cash to assessment in kind (with subsequent commutation into cash at market prices). Similarly, if wages were already at subsistence level and were therefore governed directly by grain prices they would have risen as prices rose. Here, for example, are three quotations of the monthly wages of the lowest paid "peons" or unskilled servants at Surat.<sup>74</sup>

Year	Wages (rs.)	Index
1616	2.40	100
1623	3.00	125
1690-1693	4.00	166

<sup>71</sup> I. Habib, pp. 81-89, 384-94, & the table on p. 327. Moreland in his *Akbar to Aurangzeb* (London, 1923), pp. 160-64, 183-85, also examines some price-evidence, but concludes, largely on the basis of the prices fetched by the Sarkhej indigo, that the price level did not move up during the earlier half of the seventeenth century.

<sup>72</sup> Aziza Hasan, "Currency Output of the Mughal Empire, and the Price-changes during the 17th century," paper (unpublished) read at the Indian History Congress, Mysore, 1966.

<sup>73</sup> Cf. Pelsaert, *Jahangir's India*, p. 44, for the effect of the harvests on general demand for commodities.

<sup>74</sup> Foster, *Supplementary Calendar*, p. 66; Pietro Della Valle, *Travels in India*, tr. E. Grey, I, 62; Ovington, *Voyage to Surat*, ed. Rawlinson, p. 229.

Unfortunately, detailed statistics of wages and prices in the same localities have yet to be collected. It is not yet clear how the real wages of skilled laborers behaved. But we must remember that most of them, even under the system of advances, sold their wares, and the prices paid to them should have broadly followed the trends of market prices. It is therefore unlikely on the whole that the merchants reaped long-term extra profits from the seventeenth-century inflation.

In other words, in so far as we can judge in the present state of our knowledge, the structure of Mughal-Indian economy weathered the effects of the worldwide price revolution without much difficulty.

Our principal conclusions with regard to the extent of capitalistic development within Mughal India may now be summarized. We find that in both agricultural and nonagricultural production, production for the market formed a very large sector. In agriculture, there existed *khud-kasht* cultivation, based on hired labor, representing an advance, in form, toward capitalist farming. In handicrafts, merchant capital had developed considerably and had brought artisans under control through forms of the putting-out system. But the manufactory as an established form was yet largely outside of the sphere of commodity production. In other words, capital was by and large merchant-capital, and though the economy was fairly highly monetized, domestic industry still predominated.

Any number of reasons may be offered why a society exhibiting such features should or should not have developed into full-blown capitalism in due course. By and large, our enquiry has disclosed that while some factors, such as political environment and caste, were not as effective in checking commercial expansion as has sometimes been thought, many elements actively generating capitalistic growth are also not met with.

Here it must be considered whether the entire commercial structure of the Mughal-Indian economy was not largely parasitical, depending upon a system of direct agrarian exploitation by a small ruling class. It is not to be forgotten that practically no rural market existed for urban crafts; rural monetization was thus almost entirely the result of the need to transfer surplus agricultural produce to the towns.

Accordingly, when a crisis developed within the agrarian system, it was bound to extend to the entire structure of Indian economy. In so far as capital, confined practically to the sphere of commerce, had failed to develop any independent basis for itself, its fortunes would lie with the Mughal ruling class, and, after its collapse, with such other classes as imitated or inherited the methods and institutions of that class. Denied during the eighteenth century the large market that it had been provided with by the Mughal Empire, merchant capital had no choice but to atrophy. With this also receded into the background those prominent economic landmarks, which in the better days of the Mughal Empire might have been mistaken for capitalistic features.

IRFAN HABIB, *Aligarh Muslim University, India*