1 Introduction: India and Global History

Global historians remind us that the cross-cultural exchange of goods and ideas by means of trade, conquest, migration, and investment forms an important part of human history. Almost all significant examples of change in the conduct of material life contain elements of borrowing. Equally, the desire for goods and services acts as a strong motivation behind attempts to establish new channels of transaction, sometimes by force.

The Indian subcontinent has long enjoyed a pivotal place within overlapping webs of cross-cultural exchange. A coastline thousands of miles long; convenient access from West Asia, Central Asia, Africa, and East and Southeast Asia; the presence of skilled artisans; a robust mercantile tradition; states created by warlords and nobles of foreign origin; and kings who sponsored and protected merchants all secured the strategic position of the world economy in Indian life and of India in the world economy. Classics of Indian literature are replete with the heroic undertakings of the itinerant trader. Sanskrit and Persian works on statecraft set out kingly duties toward the merchant. Medieval ballads recorded how fortunes were made, and lost, in a business environment that posed great risks and yet promised huge returns for those intrepid enough to take the risks.

From the sixteenth century, Portuguese mariners, followed by English, Dutch, French, Danish, and American merchants, joined the commercial world of India. At first lured by the extraordinary profits that Asian spices and silk fetched in European markets, they found in Indian cotton cloth both a means of payment for the spices and a promising consumer good in Europe. As states in Europe, as well as those in India, plunged into warfare in the eighteenth century, rivalries in trade spilled over into contests for territory and led to the colonization of large parts of India by the English East India Company. Directly or indirectly, the company's empire enormously expanded channels of transaction. Even after Indian cotton cloth ceased to be in demand, new channels of transaction emerged as Indian labor and markets for new commodities came in contact with British capital and technology. India became a force in global capitalism once again, if this time on a different foundation.

India, this sweeping view would suggest, was a point of intersection for many transactions across many cultures and, therefore, is a useful example for global historians. And a useful way to examine Indian history is to study the region in its interactions with the world. Indeed, there is hardly any other way of reading Indian economic history. The present book explores this two-sided relationship. A number of questions arise, each one quite wide in scope. The history of India's transactions with the outside world is thousands of years old. Can we fit all these years into one narrative? What are the common threads that run through such a narrative? Are there elements that make it a distinctively Indian story? Would that story tell us when the big transitions occurred? How do we distinguish the modern from the premodern pattern of exchange?

These questions have yet to be addressed as a group. Most writing on Indian economic history emanates from region-bound scholarship and has been preoccupied with issues of land control and land revenue. Within that intellectual tradition, however, there have been notable attempts to discern long-term patterns of change. Thus the pioneering works of William Moreland and D. D. Kosambi come to mind.[1] But these attempts focused on the relationship between the land and the state, confining foreign trade to a place on the margins of a fiscal system dominated by the taxation of agriculture. The capacity of the plow to sustain urban societies drove these visions of the rise and fall of states, dynasties, empires, and civilizations. The two pioneers just named, and other scholars influenced by a reading of long-range history, did not exactly neglect trade; but they did not offer a definite perspective on long-distance trade before European entry either. This oversight persisted into the historiography of the Aligarh School, which dealt with medieval Indian economic history. A good argument can thus be made that shifting the focus of economic history from land to trade should enable us to bring into the story of economic change over the long run a relatively neglected, and yet a very important and dynamic equation, that is, the one between the land and the sea, or between the settled and the mobile components of society. We should, then, see how the world of coastal commerce both responded to and contributed to state formation in ancient, medieval, and modern

[1] William H. Moreland, *India at the Death of Akbar: An Economic Study*, London: Macmillan, 1920; Moreland, *The Agrarian System of Moslem India: A Historical Essay with Appendices*, Cambridge: W. Heffer & Sons, 1929; D. D. Kosambi, *An Introduction to the Study of Indian History*, Bombay: Popular Book Depot, 1956.

India, eventually reaching the point at which seafaring merchants could take control of land-based states.

If such is the situation with Indian economic history, few global historians would dispute the proposition that the Indian subcontinent holds interesting lessons for their discipline. But few global historians venture beyond the last two or three hundred years to draw out the lessons. Few have asked the kinds of long-range questions that the Indianists have. The frameworks of interaction used by most global historians concentrate on the problem of "the modern" and tie the notion of the modern to European ascendance in the Indian Ocean, as if only one epochal transition should really matter in the study of Indian history. In other words, these historians have not yet tried to tell the story of globalization from a regional perspective.[2] To see why a regional perspective should matter, a fuller discussion of the existing frameworks is necessary.

Envisioning contacts

Serious interest in cross-border economic exchange goes back to the classical economists of the nineteenth century. The *Wealth of Nations* by Adam Smith often refers to the English East India Company and the trade between Europe and Bengal in the eighteenth century. Such interest stemmed from the belief that market integration, unencumbered by monopoly and regulation, was a foundation not only for modern economic growth but also for the transmission of the growth impulse worldwide.[3] The theory predicted a convergence among countries' average level of living the more the countries traded with each other.

[2] I use the term "globalization" in the generic sense of an increase in the long-distance exchange of goods, services, labor, capital, and knowledge. Recent attempts to define the term employ it to explore the implications of increased transactions for the nation-state, a problem not relevant to this book. See J. Osterhammel and N. Peterson, *Globalization: A Short History*, Princeton, NJ: Princeton University Press, 2005, for more discussion.

[3] "Modern" economic growth is defined as growth based on the productivity of resources rather than on the accumulation of resources. Much of comparative economic history today explains the genesis of modern economic growth and the uneven spread of growth in the world with reference to the uneven distribution of factors necessary for modern economic growth to start. Such factors include energy resources, fertile land, private property rights, and the cultural makeup of entrepreneurs. For further readings on entrepreneurial culture and institutions, see Douglass North, *Institutions, Institutional Change and Economic Performance*, Cambridge: Cambridge University Press, 1991; and Avner Greif, *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*, Cambridge: Cambridge University Press, 2006. On a modern argument about resources,

Although this idea found some relevant fields of application internationally, it encountered a problem in that the world did not become more equal as it traded more. Most critiques of liberalism inserted a political element into the story of market integration to explain this anomaly. Usually, this political element came from a concept of European state systems and politics.

According to one of the more widely held conceptions, the rest of the world was "incorporated" into a process of politico-economic development that began in early modern Europe and culminated in the European empires.[4] Whereas the economic relationship between the ruling core and the colonized periphery in the premodern empires was often based on fiscal and military ties, in the modern European empires the relationship was capitalistic, that is, based on commodity trade, capital export, and labor migration. Cross-border economic exchange was an explicit aim of these empires, which are seen as expressions of a type of state that lived to advance capitalistic market integration.

Using the nineteenth-century empire as a tool of economic history can be questioned on the grounds that the empire itself is left unexplained and somehow unconnected to trade and empire in other times. The concept of the "world system," introduced in the 1970s, bypasses this difficulty by tracing the origins of modern forms of international economic exchange to European commercial expansion, which took off in the 1500s. The emergence of a worldwide pattern of exchange dominated by European agents and supported by European states defined the modern capitalist world economy.[5] This is largely where the "grand narrative" of globalization in the long-term stands today.

I take from these formulations the insight that states make a crucial difference to market integration. Beyond that point, these ideas – empire and world system – do not suit the purpose of this book. First of all, the pursuit of a grand narrative in global economic history is more or less driven by a need to explain the genesis of world economic inequality. The present book is not about world inequality. If our main interest is not inequality, then looking at the world through the prism of hierarchical arrangements between places, as the economic history of empires and world system theory tend to do, is not very useful. Rather than a model of a

see Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy*, Princeton, NJ: Princeton University Press, 2000.

4 See, for example, Immanuel Wallerstein, "Incorporation of the Indian Subcontinent into Capitalist World-Economy," *Economic and Political Weekly* 21(4), 1986, pp. PE28–PE39.

5 Immanuel Wallerstein, *World-Systems Analysis: An Introduction*, Durham, NC: Duke University Press, 2004.

European core and an Indian periphery, a more flexible conception that allows for economic emergence all the time would suit this project better.

Furthermore, the histories of empires and world capitalism tend to explain inequality using the concept of the "incorporation" of a region into a Europe-centered world economy. This approach, which places a single huge epochal change at the center of the history of transactions, has been questioned by sympathetic critics.[6] For a region like India that has been doing business with the outside world for two thousand years, we cannot assume that the history of its interactions had only one turning point. Such a belief would entail reducing all of the "premodern" into one featureless period and would be, as well, a misreading of what the "modern" has meant in Indian history.

Through the mediation of concepts such as "empire" or "world system," the world enters Indian history via a stylized "Eurocentric" idea of the world rather than through a historically and geographically particular idea of India. The aim of global history, then, is to show how the world economy was constituted and how it changed. We run the risk of losing a specific sense of the region when we try to fit the many diverse units that make up India into the larger picture of exchange between Europe and India. This is a serious issue if a region is in fact as large and as heterogeneous as India is. We need, instead, an account of transactions that can avoid creating cleavages between a region's history and global history.[7]

This book, it should be clear, hopes to offer a somewhat different narrative of globalization in the long run. It is global history with the axis located in one region, rather than in a conception of the world. Its goal is to show how a people that tended to share some cultural practices, institutional traditions, and resource endowments, as well as a political

[6] Major recent works have moved away from the idea that significant forms of interaction in Asian regions began in 1500 and with the coming of the Europeans. See Janet Abu-Lughod, *Before European Hegemony: The World System, A.D. 1250–1350*, New York: Oxford University Press, 1991; and André Gunder Frank, *ReOrient: Global Economy in the Asian Age*, Berkeley and Los Angeles: University of California Press, 1999. Such rethinking also finds that South Asia is a poor fit in any model of the world economy. Christopher K. Chase-Dunn, Thomas D. Hall, and E. Susan Manning, "Rise and Fall: East-West Synchronicity and Indic Exceptionalism Reexamined," *Social Science History* 24 (4), 2000, pp. 727–54. The lack of fit is owed to the geographical positioning of India, which meant that the region could access a variety of trading networks not necessarily connected with the Eurasian ones.

[7] An interesting example of such cleavage is the divergent ways that leading texts in global history account for the decline of the Indus Valley civilization, though all relied on region-centric archaeology. See Padma Manian, "Harappans and Aryans: Old and New Perspectives of Ancient Indian History," *History Teacher* 32(1), 1998, pp. 17–32.

heritage, engaged in transactions with those who hailed from different backgrounds. It shares with global history the premise that a great deal of what any "settled" population consumed or made productive use of arose from its contacts with more "mobile" and "foreign" elements. And yet, what was borrowed from those elements, and with what effect, depended on institutions, geographies, cultures, and traditions that were often deeply rooted in space. I cannot claim that all these regional markers are adequately discussed here, but they do play a relatively larger role in the present narrative than do exchange relations as such. Using Patrick O'Brien's distinction between analytical narratives of global history, I would place the present work nearer a history of "connections" than of "comparisons."[8] It is, however, a story of connections mediated by a host of local constraints upon which the emphasis of the present work falls.

In spirit, this project is closer to the scholarship on the Indian Ocean in its preoccupation with a large region's endogenous structures and dynamics.[9] But this is not a maritime history. It is as much concerned with the land as it is with the sea and, even more, with the relationship between the land and the sea. Nor is this a history of trade; its interests encompass all axes of globalization, including trade. In its orientation, the present work is distinct from Indian Ocean scholarship also in its interest in the premodern and the postcolonial, whereas Indianist maritime history remains anchored in the European era in the Indian Ocean.

The scope of this book is comparable to that of the region-centric studies of globalization offered by Anthony Reid on Southeast Asia or Joseph Inikori on Africa.[10] Like them, I aim to write a "longue durée" narrative wherein the world is one of the main ingredients in a large region's economic transformation. I find Inikori's distinction between a trading system and an economic system, and the suggestion that the one did not necessarily induce changes in the other, useful. The distinction between land and oceans, which is a frequently used organizing concept in this book, likewise shows us that the two worlds followed sometimes

8 Patrick K. O'Brien, "Historiographical Traditions and Modern Imperatives for the Restoration of Global History," *Journal of Global History* 1(1), 2006, pp. 3–39.

9 K. N. Chaudhuri, *Trade and Civilisation in the Indian Ocean: An Economic History from the Rise of Islam to 1750*, Cambridge: Cambridge University Press, 1985; Abu-Lughod, *Before European Hegemony*; Kenneth Macpherson, *The Indian Ocean: A History of People and the Sea*, New Delhi: Oxford University Press, 2004; Ashin Dasgupta, *The World of the Indian Ocean Merchant, 1500–1800*, New Delhi: Oxford University Press, 2001.

10 Reid, *Southeast Asia in the Age of Commerce*, vol. 1, *The Lands Below the Winds*, New Haven, CT: Yale University Press, 1988; and Inikori, "Africa and the Globalization Process: Western Africa, 1450–1850," *Journal of Global History* 2(1), 2007, pp. 63–86.

1.1. Geographical zones.

independent and sometimes intersecting pathways. That being said, this book does not share Inikori's particular interest in the modern era defined by European intrusion or Reid's in "the age of commerce."

The easiest way to launch a project like this one is to start with geography.

Early trade

It is a cliché, but it bears repeating, that the Indian subcontinent is not one homogenous region. It is geographically diverse, and partly because of this geographical diversity, culturally diverse as well. All parts of this complex whole did not engage in transactions with the outside world quite to the same extent or in a similar fashion. Even as late as 1700, it was mainly the littoral regions that engaged in foreign trade; the Gangetic plains traded with the littoral regions, and the central and southern Indian uplands traded with few, if any, outsiders. The nature of merchant firms and their interests diverged between the coastal regions, where merchants engaged in maritime trade, and the capital cities, where they served the fiscal system and the grain trade.

The relationship between the parts of the Indian subcontinent that did transact with outsiders and those that did not, changed continually. Before 1800, a history of their transactions was mainly a history of trade; after 1800, it was also a history of mobile labor and capital. Before 1600, the history of maritime trade was a history of the Arabian Sea and the Bay of Bengal; after 1600, it was a story of growing interconnections among the Atlantic Ocean, the Indian Ocean, and, to a smaller extent, the Pacific Ocean. Before 1950, a history of the transactions was mainly a history of private enterprise. For the next thirty years, however, the most vital forms of international economic relations occurred under the aegis of the national government, a new concept in the region.

Given the quality of the historical sources available, a long-range narrative should perhaps begin with the commodity trade around the beginning of the Common Era. A glance at a map of the South Asian landmass will tell us that the most obvious geographical asset relevant to long-distance trade was the region's strategic location in the Indian Ocean and convenient access to East and West Asia. For a number of reasons, overland transportation was a comparatively minor business and a weak integrative force almost anywhere in the region before the railways in the nineteenth century. Overland transportation at this time can be divided into three classes: wheeled carriages, caravans of pack animals, and boats plying rivers. The wheeled carriage was of marginal use in the uplands of Central and South India, and the numerous large rivers made the deltas unsuitable for road traffic. Caravans of bullocks and camels traversed the east-west and north-south roads. But even in the best of conditions, caravans did not carry more than a tiny proportion of what the land produced (see also Chapter 6). If much later data are any indication, the costs of carrying goods per ton per mile were several times more for caravan traffic than for carts, and the costs for carts several times more than those for boats. Industrial raw materials such as iron ore and major agricultural produce such as grain, therefore, moved across space only to a limited extent.

From the beginning of the Common Era, if not earlier, trans-Himalayan caravans carried valuable goods such as horses and silk along the six major trade routes that connected the plains of India with Tibet, China, and Central Asia. But under the best of conditions, the cargo capacity of cross-border caravan traffic was extremely limited. Ordinarily, a horse or a camel could carry one hundred kilograms of goods, but much less than that quantity on a Himalayan journey. On that assumption, one average-sized oceangoing ship of the early era would be equivalent in cargo capacity to several thousand animals. The peak scale attained by the Himalayan caravans in the more recent times would not exceed one hundred thousand animals. In volume, then, trans-Himalayan trade was small compared with maritime trade. Such a comparison, however, should not mean that it was unimportant. Overland trade was essential to the consumption and livelihood of mountain societies. For them, it carried such basic necessities as salt and wool. For the plainspeople, it carried such valuable and coveted merchandise as warhorses.

The corollary to the marginality of roads was that navigation was, relatively speaking, a more effective and more widely used means of bulk transportation, whether we look at the interior of the subcontinent or consider foreign trade. The ancient trading zones in India formed around two critical resources: a navigable river, and a port located on the estuary of the river or near it. Coastal trade, caravan trade, and port-to-port "looping" trade increased the options for moving cargo, but in the main, the ports used the rivers adjacent to them to bring in supplies of food and traded goods from the interior. The physical link between the sea and the land was achieved by means of the rivers more than by the roads. Cambay/Khambat on the river Mahi, Surat on the Tapi, Broach/Bharuch/Bharukacchha/Barigaza on the Narmada, Arikamedu on the Ponnaiyar, Tamralipti/Tamluk on the Rupnarayan, Saptagram on the Saraswati, Masulipatnam in the Krishna delta, Hooghly on the Bhagirathi, Balasore/Baleshwar with easy access to Budibalang and Subarnarekha, Sonargaon on the Shitalakhya, Old Goa on the Mandovi, the Malabar ports of Muziris (exact site still debated) and Kollam/Quilon on the inland waterways – all of these sites were simultaneously within easy reach from the sea and from inland via the rivers on which they were situated.

The positioning of ports on inland waterways carried advantages other than easy access by river to the interior. The delta soil was usually better than soil further inland for cultivation, so that much food and even some raw materials could be grown locally. A slightly inland location, as opposed to one that opened out to the sea, provided a shelter from storms and pirate attacks. In the Ganges and the Indus plains, maritime trade was well connected with river-borne trade deep into the plains because these rivers were navigable with boats for hundreds of miles. Even when the river itself was not navigable for more than a few miles, the river valley supplied easy access to the interior by land. Many caravan roads followed the course of a river. Such a pattern for the location of commercial hubs also carried risks, however. One common reason for the decline of the ports was the silting of the rivers, which happened often in the Gangetic delta. Changes in the navigability of the rivers affected the integration of regional and maritime trade networks, even when such circumstances did not necessarily stop contacts with overseas trade.

This pattern of land-and-sea integration imposed a seasonal rhythm on trade. River-borne trade was seasonal, and so was trade at the seaports. Historians of trade have noted the significance of the monsoon wind for sea navigation, a field of knowledge that seventeenth-century European visitors to India needed to master. Another source of seasonality, which the Europeans did not need to know and the modern historians tend to overlook as well, was that inland navigation depended on the rains. The summer months did not bring many valuable goods from the interior because most peninsular rivers dried up. Owing to the pronounced seasons, large and permanent urban settlements did not always form at the sites of even the most considerable ports. Many ports had the character of a seasonal fairground. Further, the spatial reach of rivers was limited in peninsular India. Even the largest of the rivers were not navigable beyond a hundred odd miles, and some of the smaller ones were not navigable beyond a few miles.

Although the port-hinterland nexus enabled valuable trade, it was biased in favor of articles with high value-to-bulk ratios. Spices, silks, pearls, diamonds, fine ceramics, and gold entered trade easily; cotton cloth became a favorite where there was local cultivation of cotton. But grain was virtually absent except for meeting the needs of the mariners and merchants in the port cities. Trade remained largely unspecialized. It was necessary to distribute risks over many commodities. A huge variety of goods, individually or in small quantities, was sold at the seasonal fairs and carried by ships into maritime traffic. The opportunistic nature of trade made for commercial relationships of a contingent and impermanent kind. Auctions and spot sales were far more common than were long-period bulk contracts in the fairground trade.

The limits on volume imposed by dependence on rivers meant that only simple ships and rudimentary harbors were needed. A study of the design