

# Emergence of Super-Merchants

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MERCHANTS, MARKETS AND THE STATE IN EARLY MODERN INDIA

Edited by Sanjay Subrahmanyam

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The familiar view of the eighteenth century as one of general decline, following the breakup of the Mughal Empire, was challenged some years ago by Christopher Bayly, who tried to rectify the picture of economic collapse attributed to war and chaos in the eighteenth century. He argued, in *Rulers, Townsmen and Bazaars*, that the so-called 'Black Century' saw the redeployment of merchant capital within India, not its destruction.

The concluding essay in the present volume, jointly authored by Sanjay Subrahmanyam and Christopher Bayly, apparently carries forward this line of argument. The sixteenth century saw the emergence of super-merchants, labelled as 'portfolio capitalists' because they meddled in several spheres—revenue farming, local agricultural trade, commanded military resources, and even dabbled in the great game of Indian Ocean Commerce. Although portfolio capitalists flourished in the South, elements of portfolio capitalism could be seen in North India, which had bigger merchants and bankers, like the house of Jagat Seth, the Benares Agarwals, and the Kashmiri Muls. These great merchant families actually increased their importance over the first half of the eighteenth century, partly as a result of the disintegration of the Mughal system, and partly as a result of new opportunities afforded by the entry of European seaborne trade in India.

In the process, the nature of commercialization in medieval India is questioned, and its origins are also antedated. In his essay on the Portuguese rice trade in the Port of Basrur, 1600-50, Sanjay Subrahmanyam shows that between 3.5 to 4.5 million kilograms of rice was exported annually from Basrur to Portuguese destinations such as Goa, Malacca, Muscat, Mozambique and Mombassa. We are also reminded that Basrur was only one of

the many rice trading ports along the Kanara coast. Much of this trade was contracted through local merchants, the prosperous 'Chatins', who dominated Basrur and enjoyed a good deal of autonomy from imperial authority at the time of Vijayanagar.

Sanjay Subrahmanyam contends that since the region was not harshly taxed, production for the market took place quite independently of the exigencies of 'forced commercialization'. This refrain is picked up by David Ludden in his essay based on the 1823 Tirunelveli census. It would be too simplistic to see commodity circulation in pre-British India as entirely dependent on the system of state-enforced 'agrarian capitalism'. The works of several scholars relating to expanding craft production, capital accumulation, labour specialization and product diversification in pre-British India are cited to buttress the argument which challenges some of the basic premises of Irfan Habib's medieval classic, *The Agrarian System of Mughal India*. The logical corollary of this is to antedate the emergence of the 'rich peasant' producing for the market well before the nineteenth century.

There are two excellent essays on indigenous textile production in the volume—one by Joseph J. Brenning on late seventeenth century Coromandel, and the other by S. Arasaratnam on south-eastern India in the second half of the eighteenth century. After supplying relatively stable markets in southeast Asia for centuries, the cotton textile industry of the Coromandel found a new market for its calicos in Europe. The Coromandel industry was fed by huge imports of raw cotton from the black soil districts of central deccan, which were transported by Banjaras in huge caravans which could comprise as many as 40,000 bullocks.

Brenning and Arasaratnam have also given us interesting vignettes of life in weavers' villages—their income levels, their economic differentiation, the role of head weavers and merchants, and their ability to vote with their feet when the going got too oppressive.

The arrival of European trading companies, and consequent expansion in demand, benefitted both weavers and merchants. However, as the East India Company established its monopoly and political hegemony, Indian merchants were eliminated by the company's agents, and the weaver was coerced to operate in a harsh monopolistic environment. His real income diminished as grain

prices went up.

The relationship between the commodity producer and the merchant has been explored in some depth. The picture that emerges suggests that weavers of the Coromandel possessed the capacity to resist merchant demands; and the latter did not command such control over production as they did in the early stages of capitalism in Europe through the 'putting out' system.

The weavers opposed the elimination of brokers and merchants by the East India Company because the former gave weavers great flexibility in their operations, providing vital credit which extended beyond the needs of the manufacturing process. The merchant looked after the needs of the weaver family in times of sickness, robbery, fire famine, etc. He was a friend and a patron in addition to being a merchant. This contrasted with the harshness of the methods used by the company's servants, who stormed weavers' houses at the slightest conflict. Although the resistance of weavers was gradually worn down, their hostility, impoverishment and tendency to flee en masse were already adversely affecting the indigenous cotton textile industry as the eighteenth century opened.

As the Company established its political hegemony and monopoly over lucrative export items like cotton textiles and opium (Om Prakash has analyzed the opium trade in India and Indonesia in comparative perspective), indigenous merchants suffered and were marginalized in the grain trade in which the British rarely evinced interest, except for a brief—and abortive—attempt towards the end of the eighteenth century, described by Kum Kum Bannerjee. Madhavi Bejalkal suggests, on the basis of evidence gathered from eighteenth century eastern Rajasthan, that while the State in medieval India was the major player in the grain market as it had to perforce sell a substantial proportion of the produce collected in kind as revenue, it never sought to displace merchants. While compelling them to purchase grain stocks, it nevertheless allowed for a margin of profit, as the trading community could otherwise resort to collective refusal to trade, which was of course disastrous. The Company's attempt to directly participate in the grain trade was hastily abandoned as it resulted in huge losses.

The hierarchy of trading structures which provided the conduits through which grain moved from the production zones to 'hats', market-towns and points of export are now fairly well delineated in the historiography on the subject. At the very base of the structure was the *gnhastha-bepari*. The *baladiya* occupied the middle-tier, and he was financed by the *mahajan* residing in big towns to buy and fetch grain on pack-bullocks.

In the eighteenth century, where roads were 'kachcha' and vulnerable to predatory groups, water was the most favoured mode of transport,

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and major markets consequently tended to cluster on the banks of rivers and watercourses. Since most rivers were navigable only for 3-4 months in a year, from July onwards, most of the transportation of grain from the countryside took place during this time.

The symbiotic relationship between merchants and political authority most notably local zamindars, has been underscored by the essayists. The rise and subsequent decline of Burhanpur has been meticulously reconstructed by Stewart Gordon. Cotton textiles, opium and tobacco were transported to the port of Surat via Burhanpur, along well-defined Mughal roads. The Mughals provided necessary protection to this trade route, as did the Marathas later. Far from disrupting commerce, the Marathas in fact competed for traders and tried to attract them by offering lower transit duties. The Marathas, however, had less resources than the Mughal State, and could not effectively protect the trade route and its hinterland, as a result of which Burhanpur never recovered. The new channels of trade and communications developed by the British, the metalled roads and railways, bypassed the old city of Burhanpur.

Rural markets also owed their origin and continuance to the support of zamindars, ijaradars and revenue officials, and it was for this reason

traders voluntarily continued to pay various types of 'sayer' to their patrons long after the British

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abolished all such taxes.

Rajat Datta has focussed on the merchant-peasant interface in the grain trade, and emphasizes the 'underdog' position of the latter. The three essays on the grain trade in the volume purport to set right the relative neglect of the local grain trade in earlier studies, which had focussed mainly on long distance trade and trade in luxury or export commodities.

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This is of course a rather simplistic rendering of the rich, complex historical detail woven into this absorbing volume. The editor, Sanjay Subrahmanyam, must be complimented for bringing together some fine recent and ongoing research into the

eighteenth century in one volume of exceptionally high scholarship. The only weakness in this otherwise well edited work perhaps lies in the hastily written introduction, which could possibly have articulated a more holistic picture of the eighteenth century as evident in the essays contained in this volume. Instead, we are presented with theoretical issues deriving from the works of John Hicks, Karl Polanyi, Robert Frenner, et al, which are not addressed at all by any of the individual contributors. The publishers could also have taken as much pains in ensuring quality binding as they have obviously taken in eliminating typographical errors. □