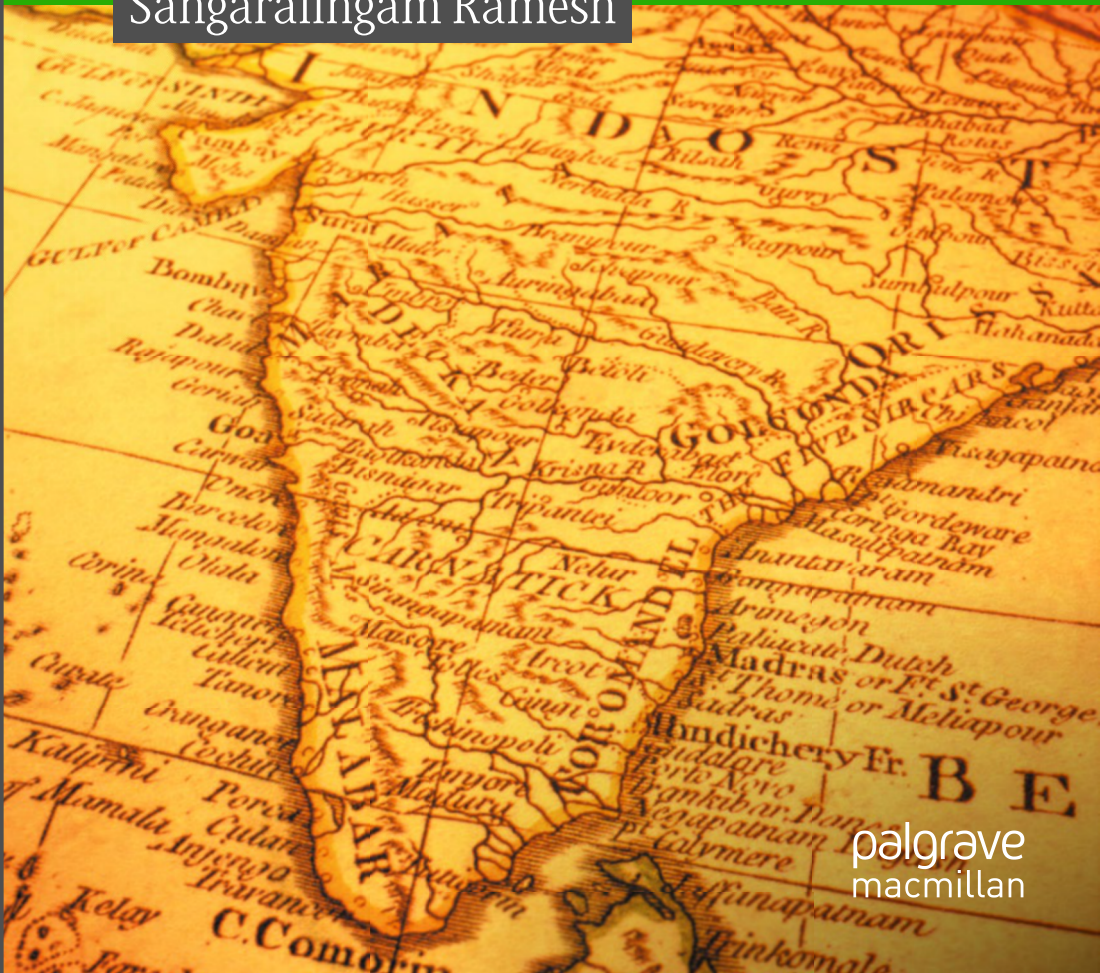




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The Political Economy of India's Economic Development: 5000BC to 2024AD, Volume II *The Gupta Empire to an Independent India and Beyond*

Sangaralingam Ramesh



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*For my father and my mother,
Nallathamby Sangaralingam and Pathmarani Sangaralingam
Inuvil and Karinagar, Ceylon.
'Om Asato Maa Sad-Gamaya, Tamaso Maa Jyotir-Gamaya, Mrityor-Maa
Amritam Gamaya'
'Lead me from the unreal to the real, Lead me from darkness to light, Lead
me from mortality to immortality.'*

PREFACE

The traditional measure of economic development adopted by neoclassical Economics is an increase in GDP per capita over time. This is in conjunction with the idea that economic policy which aims to maximise economic growth will facilitate the diffusion of economic prosperity to the entire population over time. This was the economic ideology which the countries of the world, led by the United States, followed following the end of World War 2. However, the embracement of this ideology has led to increases in income disparity in countries as well as between countries. Moreover, the impact of a focus on maximising GDP growth has led to environmental damage and climate change. New thinking suggests that maximising economic growth should not be the focus of economic policy but that maximising improvements in the well-being of individuals should be. This has led to a policy shift away from a focus on GDP to the six capitals—natural, physical, human, institutional, knowledge and social capital. These capitals give a new dimension to the meaning to the economic development of a country. In this case, a study of the political economy of the economic development of a country should embrace an analysis of the history of the development of its politics, religion, philosophies, regional-ity, property rights, market activities and the rise and fall of its civilisations. Moreover, a policy focus on these six capitals will allow for the development of human well-being and sustainable development over time. In accomplishing India's economic rise, the government should embrace this new policy dogma and let go of the old dogma.

The purpose of this book will evaluate India's Economic Development from 5000BC to 2022AD in the context of four core themes. Volume 1

covered the period 5000BC to 399AD. Volume 2 will focus on evaluating the four core themes from the 400AD to 2024AD. The first core theme is with regard to the political economy of trade. This is because societies and nations have never been able to prosper and accumulate wealth without trade with other societies and nations. The second core theme will be to determine development paths India can pursue which will allow it to develop sustainably in the twenty-first century. This is contextual in the current debate which circumnavigates the world with regard to climate change and the growing demand of an increasing global population for the world's limited resources. Climate change is also visibly impacting on India's population with extremely high temperatures being experienced in the last few years. It is estimated that by 2050 the demand for air conditioners in India will experience an increase equivalent to nine times the current demand.¹ The increase in the use of air conditioners will require more fossil fuels to be used to produce the electricity needed to fuel their use. The immense size of India's population, 1.4 billion people, will mean that as the use of air conditioners increase then India will become hotter.² Moreover, India's contribution to CO₂ emissions is about 7% while that of the United States with a much smaller population is around 13%.³ Furthermore, increasing urbanisation is leading to water shortages. For example, since the 1990s the population of Bangalore has increased from 4 million to 12 million. The increasing urbanisation being fuelled by developers cutting down forests and layering the ground with tarmac. With 83% of Bangalore covered in tarmac rain water cannot be absorbed into the soil and make its way to the Cauvery River from which 70% of the city's drinking water comes from.⁴ Climate change is also increasing gender inequality as people lose their homes, girls and women are

¹ IEA (2018), The Future of Cooling, IEA, Paris <https://www.iea.org/reports/the-future-of-cooling>, License: CC BY 4.0.

² Mogul, R., and Iyer, A. (2024), Extreme heat is pushing India to the brink of survivability. One obvious solution is also a big part of the problem, Extreme heat is pushing India to the brink of 'survivability.' One obvious solution is also a big part of the problem | CNN

³ IEA (2023), CO₂ Emissions in 2022, IEA, Paris <https://www.iea.org/reports/co2-emissions-in-2022>, License: CC BY 4.0.

⁴ Mogul, R., Meenketan, J., Farooqui, S. (2024), India's 'Silicon Valley' is running dry as residents urged to take fewer showers and use disposable cutlery, [Bangalore water crisis: India's 'Silicon Valley' is running dry as residents urged to take fewer showers, use disposable cutlery | CNN](#)

vulnerable to sexual exploitation.⁵ Another important contributor to climate change is the dairy farm industry; and in India this industry is very big. In fact, in 2023, 231 million tons of milk was produced in India by 80 million dairy farmers.⁶ Methane is produced by cows and buffalo as a byproduct of their digestion. In comparison to carbon dioxide, methane can trap up to eighty times more heat in the atmosphere.⁷ The contribution of livestock to methane emissions in India is about forty-eight percent.⁸ However, the Indian government's policy focus is not to reduce methane emissions by livestock but to mitigate its effects on the climate by reducing emissions from other sectors of the economy by adopting a renewable energy strategy.⁹ However, methane emissions from livestock in India can be reduced by improving the quality of the feed farmers use to feed their cattle and buffalo. Farmers in India are unable to afford the high-quality feed which if fed to livestock would reduce methane emissions, instead they rely upon low quality feed which contributes to higher levels of methane production.¹⁰ Perhaps, the Indian government should subsidise the provision of high-quality feed to dairy farms to reduce the methane contribution of livestock. The use of non-organic chemical fertilisers should also be eliminated because this incorporate nitrous oxide which is also a potent heat capture gas.¹¹ India needs to think about climate change mitigation policies both for its traditional industries such as farming as well as the new industries which are emerging has economic policies transform India's economy. It is evident that India cannot successfully follow the development paths taken by other countries in Europe, the United States, Japan and more recently China. In this case, the traditional model for the economy of countries to develop as involved the transition from the primary sector to the secondary sector, through the process of industrialisation and into manufacturing before evolving into the services sector. Therefore, perhaps Indian policy makers need to think of economic

⁵ CNN(2023), How the Climate Crisis Fuels Gender Inequality, [How the climate crisis fuels gender inequality - CNN.com](#)

⁶ Arasu, S. (2024), India has millions of dairy farmers. Its creating a methane problem that is tricky to solve, [India has millions of dairy farmers. It's creating a methane problem that's tricky to solve \(msn.com\)](#)

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

development policies which are based on sustainable development as well as climate change mitigation. This needs the embracing of a green technology strategy. One particular feature of India's economic development after independence from Great Britain has been the transition from the primary sector into the services sector. A fundamental shift in the thinking of economists and policy makers within Public Policy, with regard to the focus of economic policy, is now also taking place with sustainable development practices very much at the forefront. This shift in economic thinking is one which emphasises the maintenance and the accumulation of the six capitals rather than on a focus of maximising flows such as GDP. The six capitals include physical capital, financial capital, natural capital, intangible or knowledge capital, human capital and social and institutional capital. The third core theme will seek to evaluate and to understand why the economic development of the Indian sub-continent is so different from that of modern China. In this case, China and India are different in many ways. This is specifically the case in the context of the development of cultural values and institutions over time. Buddhism developed in India. However, Buddhism spilled over into China over the centuries from India. Christianity also emerged in China following the country's contact with the European powers whose appearance in China signalled the arrival of Christian missionaries. The works of Confucius have also dominated Chinese cultural life for centuries. Moreover, China has formed as one country with a common racial identity over the centuries. It is also the case that China transitioned in the twentieth century from a country which for centuries had been ruled by emperors to a one-party communist state in 1949 when Chairman Mao announced the formation of the People's Republic of China. Since that year China has been ruled as a Communist led one-party state. However, China began economic reforms in 1978 which by 2010 would lead it to become the world's second largest economy after the United States, overtaking the Japanese economy in doing so. On the other hand, India's emergence has led a different path. First and foremost, India was never a united country. This only occurred after the departure of the British in 1947 after one-hundred and ninety years of colonial rule. The closest India came to become partially unified as a unitary state was under the Mauryan Empire in the fourth century BC; and then again under the Gupta kings in the second/third century AD. However, the Gupta Empire did not cover as much land area of the Indian sub-continent as did the Mauryan Empire. Nevertheless, even under the Mauryan Empire the southern region of the Indian

sub-continent remained beyond the grasp of the Mauryan kings. Furthermore, India is a country of many different languages although the dominant religion is Hinduism. But there is a sharp distinction between the pseudo-Aryan north of India and the Dravidian south. The north is much more related to Iran and to Central Asia. The south however is linked with other parts of South-East Asia especially with countries like Indonesia. In this case, some may argue that India is not one country but two distinct countries.

The emergence of the Vedic religion and then Hinduism followed the arrival of the lighter skinned Vedic Aryans at around 1500BC coincided with the end of the Indus Valley Civilisation. There may have been a mix of the descendants of the people of this civilisation, who may have been darker skinned, and the arriving Aryans. A hypothesis exists that the caste system emerged in India in order to separate the darker skinned people from the lighter skinned Aryans, who were seen as Brahmins. The latter were at the top of the caste system. Overtime, domestic institutions such as the caste system, the Hindu religion, royalty, temples and Nadus, a group of villages in the eleventh century AD Chola dynasty, developed in India. In a historical context, the institutions which developed in India from the time of the Indus Valley Civilisation have been different to those it inherited from the British Raj. However, present-day India ended up using the institutions which it had inherited from British colonial rule. This encompassed two periods. The first period was one in which British encroachment of the Indian sub-continent occurred incrementally with the use of the British East India Company. The second period of British colonial rule was by the British state itself after the Indian mutiny of 1857. Both periods of rule lasted for about one-hundred and eighty years. It began with the British East India Company's troops under the command of Robert Clive defeating the army of the young Nawab of Bengal, Siraj-ud-Daula in 1757. Robert Clive's victory was only made possible because Mir Jafar, the commander of the Nawab's military forces betrayed his master. The father of Siraj-ud-Daula was the ruler of Bihar and his mother was the daughter of the previous Nawab of Bengal, Ali Vardi Khan who passed away with no successor. In order to prevent a power vacuum when the old Nawab died, Siraj-ud-Daula was named Crown Prince in 1752, ascending to the throne of Bengal in 1756 when the old Nawab Ali Vardi Khan died. The British East India Company expanded its territories on the Indian sub-continent but its authority in India was replaced by the British state in 1857 following the Indian Mutiny. As a result, the British Raj followed,

and India was a British colony until it gained its independence in August 1947. The institutions which India inherited from the British Raj included a multi-party democratic system based on the Westminster model of governance. Moreover, India inherited the legal system based on British Common Law but with some indigenous institutional elements. Furthermore, India's educational system was also modelled on that of Great Britain, especially in the context of higher education quality. The latter can be associated with state government inspections and audits of schools and colleges, colleges and universities affiliating, and performance appraisal and reviews by funding agencies. The fourth core theme of this book is to evaluate whether the institutions in use in India today are the best for the country to be able to optimise economic growth or not. In this case, it may be necessary to analyse the characteristics and the features of institutions which optimise economic growth in comparison to institutions which do not do so.

Volume 1 evaluated the four core themes, discussed above, from 5000BC to 399AD. Trade has been an economic feature in the development of the Indian sub-continent from the time of the emergence of the Indus Valley Civilisation, the rise of the Mahajanapadas and the power of the Mauryan Empire. Through these different historical periods, it is clear to see that as the size of the state increased then so did the volume of trade. Much of the evidence of the trade engaged in by the Indus Valley Civilisation is provided by archaeological evidence and the literary evidence found on the cuneiform tablets of ancient Mesopotamia. It would seem that the peoples of the IVC would have traded finished products with the peoples of the contemporary civilisation of the times, ancient Egypt, ancient Mesopotamia, and the Minoan Civilisation of the Mediterranean. However, the collapse of the IVC and the subsequent migration of Vedic Aryan pastoralists from the steppes of the Russian and Ukrainian steppes into the former lands of the Indus led to the transition from the bronze age to the iron age, the subjugation of the darker skinned indigenous peoples of the Indus Valley and the emergence of the Mahajanapadas. While there was trade between the smaller republics and the larger kingdoms as well with civilisations outside of the Indian sub-continent, over time the larger kingdoms like Magadha, in the present-day Indian state of Bihar, became dominant. Firstly, under the Nanda Dynasty and then under the Mauryan Empire. It was during the time period of this Empire that the unit of production on the Indian sub-continent has become the village. Today 67% of India's rural population lives in village

while in China only 37% of the population does so. From the perspective of sustainable development, it would seem sensible that India's economic growth and economic development policies should be centred on 'upgrading' the village type strategies rather than the rush to urbanisation. The urbanisation led economic model of development has led to damage and destruction to the environment. This has particularly been with regard to greenhouse gas emissions which have led to climate change. The warming of the earth due to trapped carbon dioxide, the melting of the ice caps on the north and the south pole as well as the glaciers on mountains and ice shelves around the world. India, perhaps from the perspective of climate change cannot follow the same development strategy that China began in 1978. India's institutions are also different but similar to the ones which emerged in China. In India, Brahmanism and later Hinduism became closely entwined with the caste system. This may have acted to constrain social mobility through entrepreneurship. However, Kautilya wrote a scholarly work on the political economy of statecraft, the Arthashastra. At around the same time emerged the work of Shang Yang, Legalism. And in the sixth century BC emerged the philosophy of Confucianism, the idea that individuals are born good but behave badly due to a lack of a moral code of conduct. Confucianism also embraced the idea that thrift, hard work; and the family are important for the well-being of the state. Moreover, Confucianism also viewed the role of the senior male member of the family as the central family provider as being important. The use of Legalism by the state of Qin allowed for the unification of China and the establishment of the successor Han dynasty. Legalism and Confucianism were active in this dynasty which laid the foundations of Chinese civilisation to the present day. Indeed, without Confucianism and Legalism, China's incremental economic reforms of 1978 may not have been as successful as they eventually were in upgrading China's economy. Unfortunately, institutions which can successfully sustain economic development in India did not occur. The successful Mauryan Empire was not replaced by a more successful dynasty or empire. It is here that the divergence in the economic and political development of China and India begins. The divergence in the economic development of the two countries continues with the economic reforms of the Gupta kings, who in response to a cash shortage turned villages into self-sufficient villages which traded on the basis of barter rather than cash. The division of labour within the self-sustaining villages also become more pronounced with greater levels of specialisation. This allowed for the deepening of the embedding of the

caste system in Indian society. Perhaps if the Indus Valley Civilisation had prospered, developed, and sustained itself to this day like the rise of the Han in China, then perhaps not just the history of India but the history of the world today would be a different one than it actually has become.

Volume 2 has focused on evaluating the four core themes from the 400AD to 2024AD. The first core theme is the political economy of trade. The second core theme is sustainable development. The third core theme will seek to evaluate and to understand why the economic development of the Indian sub-continent is so different from that of modern China. The fourth core theme of this book is to evaluate whether the institutions in use in India today are the best for the country to be able to optimise economic growth or not. In the context of the political economy of trade a big change occurred during the Gupta period. A monetary crisis and a shortage of gold and silver coins meant that villages had to be self-sustaining and trade between them and within them became possible only through barter. As a result, a feudal Hindu society arose and it became impossible for a central state to collect taxes. This is probably why that after the Gupta Empire no central unifying Hindu empire ever arose on the sub-continent again and its borders became ripe for invasion by the Muslims in the eighth century AD, the twelfth century AD, the sixteenth century AD and then came the British East India Company in the eighteenth century and the British Raj in the nineteenth century. The latter occurred in 1857 when the Indian Mutiny ended the commercial hegemony of the British East India Company on the Indian sub-continent. This then passed to the British state and the Crown who tried and banished the last Mughal Emperor and executed his sons ending Mughal rule. Queen Victoria became Empress of India and was continued to be governed through evolving political reforms by a British Viceroy until gaining independence in 1947 and British Raj India was split into East and West Pakistan and India. Indian policy makers and politicians then followed the strategy of central planning, heavy industrialisation, import substitution and import controls. The economy was heavily controlled until small steps were taken towards liberalising the economy in the late 1970s and the 1980s culminating in stronger reforms in 1985 which gave way to a spurt in economic growth. However, too much government expenditure financed by external borrowing, the collapse of the Soviet Union and the dramatic fall in remittances from Indians working in the Middle East led to a balance of payments crisis in June 1991. India had enough foreign exchange reserves to pay for two weeks of imports. As a result of an IMF-led bailout the

Indian government agreed to take measures to fully liberalise the economy and to follow the Washington Consensus set of economic policies. The Washington Consensus set of economic policies emphasis free trade, little government intervention in the economy, low inflation, and free markets. Even deeper economic reforms were made in the 1990s in India but even then India's economic growth and development was no match for the rise of China. Unlike India's ad hoc patch work economic reforms, China started its economic reforms at the same time as India in the late 1970s. However, these economic reforms were well though through and implemented incrementally over a series of successive four-year plans encompassing all areas of the economy starting with agriculture. The success of China's reforms is evidenced by the fact that China became the world's second largest economy in 2011. Although after the election victory of the BJP and Prime Minister Modi in 2014 the Indian economy began to stir and show signs of life. Modi had been Chief Minister of the state of Gujarat from 2001 where his business-friendly policies and transparency of government allowed Gujarat to become a powerhouse of the Indian economy. Since 2014 he has used the same model for India and in 2024 he and the BJP are poised for a big win in the general election. The promise is to continue economic policies which are business friendly, continue with the transparency of government and invest more in new infrastructure development. Modi and the BJP are also planning to expand social welfare programmes—millions of free homes for the poor, free health care, free cooking oil, free grain, and income payments to farmers.¹² But given Great Britain's experience with the welfare state this could be a big mistake. Giving people something for free will incentivise them to work less and the resources which could be used for productive activities will be wasted. China's economic rise did not incorporate welfare payments so Chinese people worked hard. In order to be sustainable, there also needs to be significant labour market and land reforms. Moreover, due to climate change India's economic development cannot follow that of China's via manufacturing led export growth. India's economic development needs to happen via green technology, innovation, entrepreneurship, agricultural reform, and the development of the village. In other words, India's economic development needs to be based on capitalism with

¹²Sharma, A. (2024), India's Modi vows to boost social spending, make country into manufacturing hub ahead of election, [India's Modi vows to boost social spending, make country into a manufacturing hub ahead of election \(msn.com\)](https://www.msn.com)

Hindu characteristics in a secular economy in which the rights of every single citizen should be respected. Finally, due to its diversity India is similar to the European Union rather than to Great Britain. It should therefore adopt the constitution of the United States with the four pillars of government—a directly electable President, a Senate, a Congress and a judiciary. Furthermore, the Indian states and the central government should also be constituted in the same way as the US states and the US federal government with each state acting in its own sovereign capacity as guaranteed by the 10th amendment of the US constitution. This type of governance reorganisation will facilitate greater economic dynamism and the embracement of diversity. It's a pity that India's independence leadership did not follow the path of the American revolutionaries in the eighteenth century when they fought the British and won their freedom but at the same time sticking together to embrace the freedom of religious worship, the embracement of diversity and the rejection of tyranny and oppression. This laid the foundations for the newly independent United States to become an economic and technological superpower within two hundred years. In the contemporary world, another country close to India which embraces the diversity amongst its population is Indonesia. Indonesia until the sixteenth century AD has Hindu kingdoms. Although the country of over one thousand six hundred islands as a majority of the population (231 million people) whose faith is Islam, yet they live amicably and inclusively alongside Hindus, Christians, and Jews. After the resignation of President Suharto in 1998, President Habibie was sworn in as President of Indonesia, serving in this capacity from 1998 to 1999 and managing the country's transition from dictatorship to democracy. Habibie realised that keeping Indonesia together as a country would be difficult given its diversity unless a secular and decentralised governance system was put into place. And this is what he did, he decentralised transferring more power from the central government to the regions. This is what the Government of India should be doing, which unfortunately it is not embracing the country's diversity, trying to force form a nation of homogeneity out of its heterogeneity.

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CONTENTS

1	The Gupta Empire: 400AD to 600AD	1
2	The Western and the Eastern Chalukyas: 600AD to 1200AD	43
3	The Pallava Dynasty: 275AD to 897AD	81
4	The Chola Dynasty and Southeast Asia: 350BC to 1279AD	117
5	The Delhi Sultanate: 1226AD to 1526AD	155
6	The Mughal Dynasty: 1526AD to 1857AD	179
7	The British East India Company and the British Raj: 1757AD to 1947AD	213
8	An Independent India: 1947AD to 2020AD	265
9	Conclusion	303
	Index	325

LIST OF FIGURES

Fig. 1.1	The Gupta Empire—320AD to 535AD. (Source: The Map Archive)	9
Fig. 4.1	Asian Exploration—The Hindu Kingdoms of South-East Asia. (Source: The Map Archive)	138
Fig. 5.1	The Delhi Sultanate—1100AD to 1400AD. (Source: The Map Archive)	162
Fig. 6.1	The Mughal Empire: 1700AD. (Source: The Map Archive)	181
Fig. 7.1	The British East India Company—1700AD to 1785AD. (Source: The Map Archive)	217
Fig. 7.2	British India—1930AD. (Source: The Map Archive)	230
Fig. 8.1	Per Capita Income on Net Domestic Product at Current and Constant Prices in India (in Rs) 1960–1993. (Source: Central Statistical Organisation. (ON2752) & Past Issues & Ministry of Statistics and Programme Implementation Govt. of India)	274
Fig. 8.2	Inflation Rate in India—1960–2022. (Source: International Monetary Fund, International Financial Statistics, and data files)	275
Fig. 8.3	Overall, Balance of Payments—1980–2000. (Source: Reserve Bank of India)	275
Fig. 8.4	India and China annual growth rates (%): 1961–2021. (Source: World Bank)	288
Fig. 9.1	The Capitals—Government Economic Policy—Village Nexus. (Source: Author)	317



CHAPTER 1

The Gupta Empire: 400AD to 600AD

INTRODUCTION

The story of ancient India begins with state formation around 500BC and ends in the mid-seventh century AD with the collapse of the Vardhana Empire.¹ Feudalisation on a large scale on the Indian sub-continent began after this time constraining the ability of state formation.² It was the arrival of the Caliphate together with large scale feudalisation which led to the emergence of medieval India.³ The Caliphate arrived in the Sind in 712AD with Muhammad bin Qasim remaining localised to this region.⁴ Arab rule remained in the Sind for about four hundred and fifty years before they themselves were conquered by the Turkish Muslims of Central Asia in 1010AD and then ultimately in 1175AD.⁵

¹ Roy, K. (2021), Kalaha, Vighraha and Yuddha in Ancient India: Circa 500 BCE-Circa 650 CE. Small Wars & Insurgencies, pp. 1–25.

² Ibid.

³ Ibid.

⁴ Akbar, N. (2015), Socio-cultural and Economic impact of Central Asian Muslim rulers in Sub-Continent (India). Journal of Indian Studies, 1(2), pp.57–68.

⁵ Ibid.

The Kushan Empire existed from the first century AD to either the fourth or the fifth century AD.⁶ However, its zenith was between the first century AD and the third century AD.⁷ During this time period, the Kushans were very much in control of most of Central Asia, northern India, central India as well as the whole of the present-day geographical area of Afghanistan and Pakistan.⁸ The dominance of the region by the Kushans allowed for the emergence of the first 'silk route' facilitating trade between different people as well as different cultures. Moreover, the dominance of the Kushans also had an impact on a disparate and diverse range of peoples including the Han Chinese, the Greco-Romans as well as the Guptas and the Sassanians.⁹ However, the Kushans left no literary tradition and much of the knowledge of their civilisation has been derived from the literary tradition of other contemporary civilisations.¹⁰ These sources include Chinese texts such as the *Hanshu*, the *Shiji* and the *Hou Hanshu*, Greco-Roman sources as well as Indian and Persian literary sources.¹¹ The *Hanshu* was a compilation of the history of the Han dynasty compiled by Ban Biao before 54AD. The *Shiji* was compiled by Sima Qian.¹² It was for generations that the family members of Sima Qian had served as scribes for the Zhou Dynasty.¹³

The Kushan Empire came to an end at different time periods and may have been a result of an increasing lack of financial resources.¹⁴ Others such as the Sasanians and the Guptas in the west and in the east were vying to replace the Kushan Empire with an empire of their own.¹⁵ As the Sasanian and Gupta Empires began increasingly to encroach and take Kushan territory, the Kushans experienced the loss of incomes due to a

⁶ Frumkin, G. (1970), *Historical Excursus: The Kushan Empire*. In *Archaeology in Soviet Central Asia* (pp. 49–53). Brill.

⁷ Benjamin, C. (2020), *The Kushan Empire*. *The Oxford World History of Empire: Volume Two: The History of Empires*, p.325.

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² Amies, A. and Gu, B. (2019), *Hanshu Volume 95 The Southwest Peoples, Two Yues, and Chaoxian: Translation with Commentary*. Chinese Notes.

¹³ Nienhauser Jr, W.H. (2011), *Sima Qian and the Shiji*. *The Oxford History of Historical Writing, 1*, pp.463–484.

¹⁴ Wiesehöfer, J. and Ruffing, K. (2022), *The End of the Kushan Empire*. In *The End of Empires* (pp. 261–277), Springer Fachmedien Wiesbaden, Wiesbaden.

¹⁵ *Ibid.*

reduction in their ability to collect taxes from agriculture and customs duties from trade.¹⁶ The impact of this was that the impact of the Kushan's to finance their military campaigns, maintain a standing army and to build and maintain infrastructure such as roads became reduced. The inability of the Kushan state to pay its soldiers reduced the number available for active duty. There was also the implication that less territory could be defended from attack by either the Sasanian's or the Gupta's. Furthermore, the diminished ability of the Kushan state to build and maintain infrastructure such as roads meant that trade was reduced, and it became difficult to move soldiers to a point of conflict. In addition to the external threats, internal divisions within the royal family and the nobility also weakened the rule of the Kushan's.¹⁷ However, the Sasanians and the Guptas continued to use Kushan administration, language and art in some form. Therefore, a Kushan legacy continued to exert its presence on the Indian sub-continent.¹⁸]

The end for the Gupta Empire came due to a variety of reasons. Firstly, there were constant attacks from the Hunas. Secondly, there was a reorganisation of productive capacity in the Gupta ruled lands in favour of the emergence of self-sustaining villages. This also had the effect of consolidating, sustaining and more vigorously entrenching the caste system on the Indian sub-continent. The development of self-sustaining villages was necessitated by the need to transition from a cash-based economy to a barter economy. This is because the Gupta economy faced a monetary crisis due to a shortage of cash. This was due to the fact that the rich elites were purchasing luxury goods from abroad, so the Gupta Empire had a substantial trade deficit which had to be financed by drawing on their domestic currency reserves. These were limited and could not so easily be replenished. This is because the availability of precious metals such as gold and silver were constrained by the quantity which could be mined. This depended on the level of technology which was available at the time. In this case, the level of technology at the time to allow for deep mining was not developed. The implication, therefore, was that the quantity of gold and silver which could be mined was limited. During the period of Gupta rule there was a shift in productive capacity away from urban centres to

¹⁶ Ibid.

¹⁷ Wiesehöfer, J. and Ruffing, K. (2022), *The End of the Kushan Empire*. In *The End of Empires* (pp. 261–277), Springer Fachmedien Wiesbaden, Wiesbaden.

¹⁸ Ibid.

rural areas. From cities and towns to villages. This reorganisation of productive capacity during Gupta rule occurred because of a currency crisis which necessitated the need for the implementation of barter trading as well as the emergency of self-sufficient villages. The result of this was that taxes collected had to be consumed at source and did not reach the royal court. The latter in effect experienced a depletion of financial resources. These were required not only for the upkeep of a rudimentary form of bureaucracy in urban areas but also for the upkeep and the maintenance of a standing army. Without a strong standing army it would have proved difficult for the Gupta Empire to remain stable in the face of constant attacks by tribes like the Hunas. It is this which brought about the eventual downfall of the Gupta Empire. However, the Gupta era is accredited as being the era of the golden age of Hindu India with achievements being made in culture, the sciences, architecture and agriculture. But even at its zenith the Gupta Empire was only half the size of what lands the Mauryan Empire had encompassed.¹⁹

EMERGENCE

Prior to the emergence of the Gupta era the Kusana-Satavahana empire was dominant. Archaeological, textual and puranic evidence suggests that the Satavahana Empire was active between the first century BC and the second century AD.²⁰ However, it is highly likely that the power of the Satavahana Empire waned from lows to highs over this period with two periods of optimal power.²¹ The Kusana-Satavahana Empire can be characterised as an urban-centric civilisation which traded with not only Central Asia but also the eastern Roman Empire.²² However, during the Gupta period there was not only a decline in trade but also in the urban

¹⁹ Mukerji, B.P. (1954), *The Paramount Power and the Vassal State*, (7th–12th Cent. AD). IN *Proceedings of the Indian History Congress* (Vol. 17, pp. 176–184). Indian History Congress.

²⁰ Parasher-Sen, A. ed. (1993), *Social and Economic History of Early Deccan: Some Interpretation*. Manohar Publishers & Distributors.

²¹ Alcock, S., D'Altroy, T., Morrison, K., and Sinopoli, C. (2001), *Empires: Perspectives from Archaeology and History*, Cambridge University Press, Cambridge.

²² Thakur, V.K. (1992), *The Post-Kushana Urban Decline in India: Implications of Ecology*. In *Proceedings of the Indian History Congress* (Vol. 53, pp. 97–105). Indian History Congress.

tradition and the formation of a feudal society.²³ The decline in the urban tradition in the third century AD has been attributed to a seminal decline in long-distance trade.²⁴ Perhaps it was the demise of the Kushanas and their organised society which led to the collapse of long-distance trade with not only Central Asia but also with the eastern Roman Empire.²⁵ It had been through the provision of military and political stability and the promotion of trade, industry and commerce that the Kusana and the Satavahana empires had facilitated the societal accumulation of wealth which encouraged increasing urbanisation.²⁶ However, once these empires went into decline so did their military power and the ability to provide stability to the fabric of society itself. But as the empires declined, a number of new states began to emerge between the second century and the third century AD.²⁷ The deurbanisation which accompanied the decline of the Kusana-Satavahana empire meant that the market and the demand for household goods also began to decline.²⁸ The decline in demand meant that less work and income was available for craftsmen and traders with regard to economic activity. As a result, these traders and craftsmen experienced diminishing incomes and needed to find alternative sources of income or sustenance in order to survive. The sources of sustenance such as food could only be found in rural areas.²⁹ At the same time there was also an increase in the demand for agricultural products. This in conjunction with the migration of urban dwellers engaged in economic activity resulted in an increase in crop production and animal husbandry. In conjunction with this there was also a resurgence in the development of rural industries. The result was a growth in the size of rural settlements.³⁰

²³ Sharma, R.S. (1971), *Decay of Gangetic Towns in Gupta Post-Gupta Times*, PIHC, pp.99–104.

²⁴ Sharma, R.S. (1987), *Urban Decay in India, c. 300-c. 1000*. New Delhi: Munshiram Manoharlal.

²⁵ Thakur, V.K. (1992), *The Post-Kushana Urban Decline in India: Implications of Ecology*. In *Proceedings of the Indian History Congress (Vol. 53, pp. 97–105)*. Indian History Congress.

²⁶ Vajpeyi, R. (1987), *Gupta Perception of Indian Reality and Feudalism*. In *Proceedings of the Indian History Congress (Vol. 48, pp. 95–102)*. Indian History Congress.

²⁷ Ibid.

²⁸ Sharma, R.S. (1971), *Decay of Gangetic towns in Gupta and post Gupta times*. In *Proceedings of the Indian History Congress (Vol. 33, pp. 92–104)*. Indian History Congress.

²⁹ Jha, D.N. (1987), *Feudal Social Formation in Early India*, Delhi.

³⁰ Vajpeyi, R. (1987), *Gupta Perception of Indian Reality and Feudalism*. In *Proceedings of the Indian History Congress (Vol. 48, pp. 95–102)*. Indian History Congress.

Revenues from urban areas also began to diminish as their importance began to decline. In this case, as the fortunes of rural areas were on the rise, the newly emerging states sought more tax revenues from these areas.³¹ One particular feature of the emerging new states is that they preferred to co-exist peacefully rather than to fight and to engage in warfare.³² However, this time of peaceful co-existence was not to last due to the imminent rise of the Guptas under the leadership of Samudragupta. In the Magadha region itself the collapse of regional dynasties meant that law and order could not be maintained. This was to such an extent that local rulers allowed criminal gangs to operate as long as the ruler received a share of the looting and pillaging.³³ The fabric of society was made up of brahmana.³⁴ Nonetheless, there were also non-brahmana landowners.³⁵ The former wanting to have power over the land he owned. This acted as a substitute for the power of the state has characterised by a functioning civil service to organise resources and a military to maintain order and to protect the boundaries of the state. The power of the state was absent because rulers did not have the financial resources to maintain either a civil service or a military. However, in order to buttress the power of the self-ruling brahmana, the rulers gave land alongside these self-ruling brahmana to loyal brahmana supporters. This was the only way in which they could maintain any semblance of control over distant rural areas. But in the south of the present-day state of Bihar it was this which gave rise to an increasing feudal economy fifty years before the emergence of the Guptas.³⁶ The latter began to emerge from a rural feudalistic society by acquiring more land in the chaos of the time from one generation to the next.³⁷ This line of succession continued until the emergence of Chandragupta I who was the first independent ruler or a Maharajadhiraja.³⁸ Chandragupta I

³¹ Jha, D.N. (1987), *Feudal Social Formation in Early India*, Delhi.

³² Vajpeyi, R. (1987), *Gupta Perception of Indian Reality and Feudalism*. In *Proceedings of the Indian History Congress* (Vol. 48, pp. 95–102). Indian History Congress.

³³ Aiyangar, K.V. (1941), ed, *Brhaspati Smriti*, Baroda, *Vyavahara Kanda*, xiii, 38–39; *JĀSB*, 49–51, 212–217.

³⁴ *Ibid.*

³⁵ Allan, J. (1914) *Catalogue of the coins of the Gupta Dynasties*, pp, cxxxi–cxxxv. London.

³⁶ Vajpeyi, R. (1987), *Gupta Perception of Indian Reality and Feudalism*. In *Proceedings of the Indian History Congress* (Vol. 48, pp. 95–102). Indian History Congress.

³⁷ Vajpeyi, R. (1987), *Gupta Perception of Indian Reality and Feudalism*. In *Proceedings of the Indian History Congress* (Vol. 48, pp. 95–102). Indian History Congress.

³⁸ Sahu, J.K. (1977), *The Meghas of Kosala*, IN *Proceedings of the Indian History Congress* (Vol. 38, pp. 49–54). Indian History Congress.

married a Licchavi Princess.³⁹ There is no doubt that this marriage took place without any political benefits accruing to Chandragupta I.⁴⁰ But unlike his father, Samudragupta became independent of his feudal dependencies as well as a reliance on consulting the Sabha. This happened when he was able to annex the territory of kingdoms along the Dakainapatha as well as the territory of the Aryavarta.⁴¹ The Dakainapatha was one of the two major trade routes of the time.⁴² The control of the territories around the Dakainapatha also gave Samudragupta control of trade and from it the collection of tax revenues. However, instead of using these revenues to build a centralised state, Samudragupta established a system of feudatories, even to the extent of using overthrown rulers as the rulers of new feudatories.⁴³ The establishment of a feudatory system of governance freed Samudragupta from the financial burden of maintaining a vast administrative system. Moreover, he was able to win the loyalty of the feudal rulers through inter-marriage with the Guptas. In some cases, this practice was insisted upon by Samudragupta.⁴⁴ Furthermore, the feudal rulers were under obligation to attend the Gupta royal court⁴⁵ as well as to pay the Guptas tributes of money and gifts.⁴⁶ This type of governance structure worked well although on occasions there were problems. For example, during the reign of Skandagupta some of the feudatory rulers rose up against the Guptas and had to be militarily defeated. It was in the beginning of the sixth century AD however that the power of the Gupta's began to weaken.⁴⁷ Whereas in previous times the feudatory rulers respected the

³⁹ Ganguly, D.K. (1987), *The imperial Guptas and their times*. Abhinav Publications.

⁴⁰ Trautmann, T.R. (1972), Licchavi-dauhitra. *Journal of the Royal Asiatic Society*, 104(1), pp.2–15.

⁴¹ Vajpeyi, R. (1987), Gupta Perception of Indian Reality and Feudalism. In *Proceedings of the Indian History Congress* (Vol. 48, pp. 95–102). Indian History Congress.

⁴² Chaturvedi, D.G. (2016), *Development of Trade Routes and Strategies in Ancient India, Trade Negotiations Under WTO: Issues Before Developing World*, p.110.

⁴³ Smith, V.A. (1999), *The early history of India*. Atlantic Publishers & Dist.

⁴⁴ Vajpeyi, R. (1987), Gupta Perception of Indian Reality and Feudalism. In *Proceedings of the Indian History Congress* (Vol. 48, pp. 95–102). Indian History Congress.

⁴⁵ Majumdar, R.C. ed. (1960), *The History and Culture of the Indian people* (Vol. 6). Bharatiya Vidya Bhavan.

⁴⁶ Smith, V.A. (1999), *The early history of India*. Atlantic Publishers & Dist.

⁴⁷ Sharma, P. (2011), Gupta Overlordship of the Western Coast of India in the Sixth Century AD- Substantial, Nominal or Surreal (Especially in the Context of Their Alleged Domination of the Maitrakas of Valabhi IN proceedings of the Indian History Congress, vol. 72, pp. 87–100. Indian History Congress.

Gupta overlords, during the early part sixth century AD the feudatory rulers no longer sought permission to do things but began to do as they pleased.⁴⁸ The feudal society of the time meant that the lords overtaxed peasants and fought wars against each other.⁴⁹

Figure 1.1 above shows the extent of the Gupta Empire between 320AD to 535AD. It can be seen that its territory was not as expansive as was the territory of the Mauryan Empire under Ashoka the Great. However, the territories of the Gupta Empire were much more expansive under Samudra Gupta (370AD) than they had been under Chandra Gupta I (320AD).

Wars between the feudal lords and the overtaxing of the peasants contributed towards economic distress. Conflict resulted in instability and lawlessness creating a negative environment for commerce and trade. The overtaxing of the peasants ensured that the common people did not have sufficient resources to contribute positively to demand. Economic distress would have contributed to reduced economic activity, less revenues being generated and as a result less tax collection potential for the state. The Guptas also had to persuade the feudal rulers to provide military support to fight the Hunas whereas in previous times the feudal lords were under obligation to provide military support. In which case if they did not do so the Guptas would overthrow them and replace them with someone who would not challenge their authority.

It is also evident that unlike the Mauryan Empire before it, the Gupta Empire failed to unite the Indian sub-continent in a centralised manner with the same military, taxation as well as administrative policies in all of the territories under its jurisdiction.⁵⁰ Besides the feudal system of governance, the Gupta Empire differed from the Mauryan Empire in that the rule of the Emperor and the entry criteria for service to the Guptas was loyalty.⁵¹ The impact of this was to ensure that skilled and talented

⁴⁸ Sharma, P., 2011, January. Gupta Overlordship of the Western Coast of India in the Sixth Century Ce-Substantial, Nominal or Surreal (Especially in the Context of Their Alleged Domination of the Maitrakas of Valabhi) IN Proceedings of the Indian History Congress (Vol. 72, pp. 87–100). Indian History Congress.

⁴⁹ Goyal, S. (1997), Rise of Medievalism in Indian history. Annals of the Bhandarkar Oriental Research Institute, 78(1/4), pp.13–40.

⁵⁰ Vajpeyi, R. (1987), Gupta Perception of Indian Reality and Feudalism. In Proceedings of the Indian History Congress (Vol. 48, pp. 95–102). Indian History Congress.

⁵¹ Reynolds, H.B. (1987), Essays in Gupta Culture (ed. Bardwell Smith). Journal of the International Association of Buddhist Studies, pp.157–161.

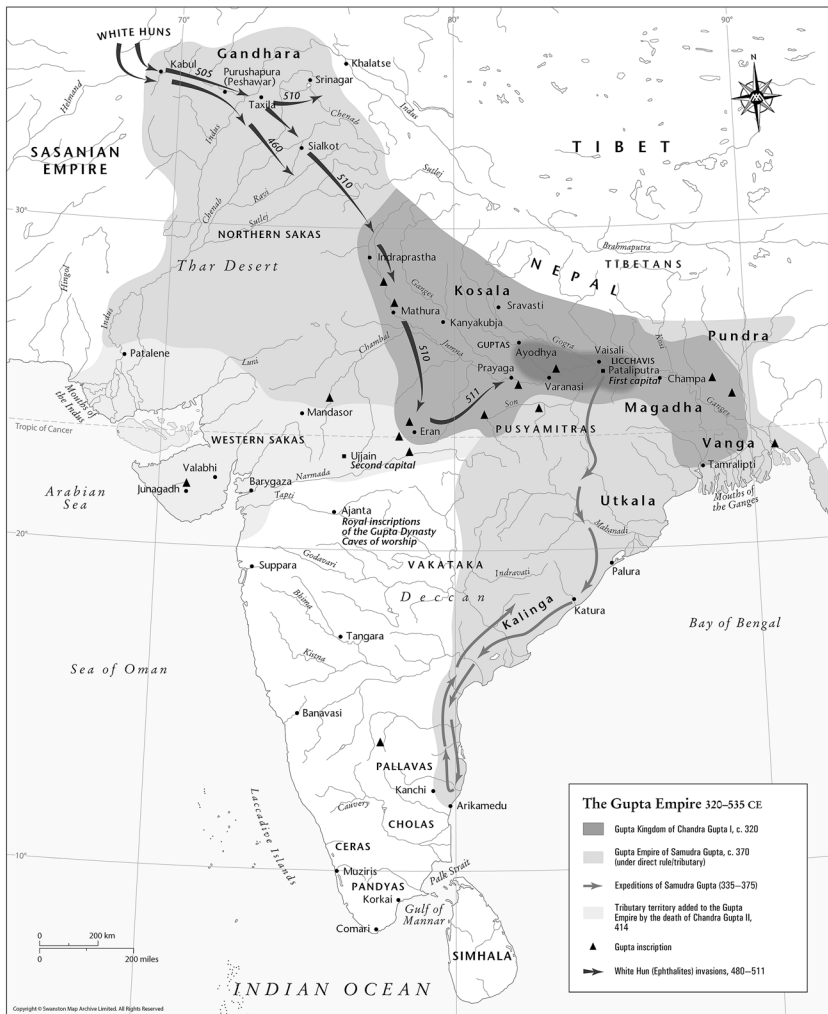


Fig. 1.1 The Gupta Empire—320AD to 535AD. (Source: The Map Archive)

ministers would not use their initiative in order to put in place policies and strategies to make the state stronger but rather to follow the royal derogative.⁵² However, while the Gupta rulers did not maintain a bureaucracy to maintain their control over the lands they ruled, unlike the Mauryan empire, instead they allowed local feudal lords to rule in their place. Nevertheless, governors, ministers and officers in the military were drawn from a small number of families and these belonged to the Kumaramatyas. The members of this pool were relied upon to help the Guptas in their military campaigns. However, the Guptas did not use their military resources in order to maintain their dominance over the villages and the towns in their realm. In this case, the Guptas relied upon the office of the Visayapati to perform this function. The Guptas therefore did not have to collect taxes from the local community in order to maintain a military presence in these jurisdictions. This was left to the sources of power in the local communities. The Guptas did well not to alienate local communities and their leaders by ensuring that local customs and traditions were not interfered with by the royal court.⁵³

The extension of Gupta rule formalised the existence of tribal societies under their power which required the adoption of an imperial bureaucratic model.⁵⁴ Provincial governors were prototypes of the Gupta king especially in the manner in which they administered the province as well as in the appointment of district officers.⁵⁵ The status of the provincial governors was higher if they were of noble stock and also if their appointment was on a hereditary basis.⁵⁶ In this case, the Pundra became the Pundravardhana Bhukti. This was the name by which Bengal became to be

⁵² Vajpeyi, R. (1987), Gupta Perception of Indian Reality and Feudalism. In Proceedings of the Indian History Congress (Vol. 48, pp. 95–102). Indian History Congress.

⁵³ Mookerji, R. (1989), The Gupta Empire. Motilal Banarsidass Publ.

⁵⁴ Pal, S. (2008), Gupta Rule in Bengal, IN Proceedings of the Indian History Congress (Vol. 69, pp. 79–85). Indian History Congress.

⁵⁵ Sharma, Pankaj. (2011), Gupta Overlordship of the Western Coast of India in the Sixth Century CE, Substantial, Nominal or Surreal (especially in the Context of Their Alleged Domination of the Maitrakas of Valabhi IN Proceedings of the Indian History Congress, vol. 72, pp. 87–100. Indian History Congress.

⁵⁶ Sharma, Pankaj. (2011), Gupta Overlordship of the Western Coast of India in the Sixth Century CE, Substantial, Nominal or Surreal (especially in the Context of Their Alleged Domination of the Maitrakas of Valabhi IN Proceedings of the Indian History Congress, vol. 72, pp. 87–100. Indian History Congress.