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## A brief history of economic scenario in early India

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### Abstract

Our knowledge of the economic condition of pre-historic India is still very incomplete. The implements and weapons found at different pre-historic regions and sites in Kashmir, Soan Valley, Madhya Pradesh and Gujarat indicate that their makers were food collectors and belonged to the early and late Stone Ages. They used bones and wood along with stones and had no knowledge of metals or of the potter's art. We are on surer ground when we come to the Indus Civilization which, as recent excavations conclusively prove, was not confined to the Punjab and Sind only, but spread much further in the north-east (Shimla hills), east (Alamgirpur, in Uttar Pradesh) and south and south-west (Tapti-Narmada valley). Until the Indus script is deciphered, our knowledge of the Indus Civilization will remain incomplete, and our conclusions based on archaeological data would at best be surmises. The civilization is known to us only in its mature form, since the remains found in all the strata at Mohenjo-daro and Harappa are of a uniform character.

**Keywords:** Indus, south, civilization

### Introductions

Some more detailed information may be had from the pre-Mohenjo-daro and pre-Harappa sites in Sind and Baluchistan. The dwellings were those of small village communities. They knew agriculture and made a significant advance in pottery-making, these were polychromed and bore geometric designs, and both black-on-red and buff colours were used.

The Indus Civilization was chalcolithic and urban, as evinced by the remains unearthed at Mohenjo-daro, Harappa, Lothal and other places. Nevertheless, a large number of smaller sites indicate that there were villages upon whose agricultural surplus the town depended. Among the agricultural products, mention may be made of the bread-wheat, barley, sesame, field-peas and something like the Indian rye. The particular species of cotton grown now-a-days was also cultivated, as may be seen from a dyed cotton textile piece round a silver vase found at Mohenjo-daro.

The towns had walls all around. The streets were straight and broad and intersected one another at right angles. The excellent sanitation system by underground drainage with brick man-hole covers and soak-pits, the so-called College of Priests, the Pillared Hall, the Great Bath with hydropathic arrangements and the multi-storeyed buildings, testify to a high degree of economic progress and engineering skill. Black-on-red wares bearing naturalistic motifs and animal designs are numerous. Polychrome vases are rare. The potter's kilns were situated outside the city walls; it is only in the last phase that one of these is found at Mohenjo-daro when decadence had gone so far as to result in the slackening of municipal control.

The Indus Civilization was riparian and the rich alluvium carried by the annual flood of the Indus system contributed to the fertility of the soil. The large quantity of wood needed as fuel for the kiln-burnt bricks also indicates that the Indus Civilization sites at that time were covered either by the south-west monsoon or by extensions of the Atlantic cyclones. It is not known whether irrigation was in use.

The complex process of manufacture of the artificial substance called faience was known to the Indus people. They excelled in the art of metallurgy. The metal smiths manufactured weapons and implements in copper and bronze by the technique of casting and forging. The large number of beads and jewellery unearthed from the important Indus sites indicate that this industry also attained a high degree of excellence. Numerous seals of the Indus people have been found at these sites and some have been recovered even from sites in Mesopotamia and Syria. These indicate the prevalence of private property and trade, both inland and foreign.

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There appears to have existed in the Mohenjo-daro - Harappa area, a strong authoritarian central government which regulated the economic life of the people. The graduated system of weights and measures, the granary at Harappa, and even the uniform size of the bricks through all the phases of this culture scattered over hundreds of kilometres, corroborate this. The two-roomed houses of uniform pattern found both at Mohenjo-daro and Harappa very well resemble the slave-village found at Tell el-Amarna, and as such might have been barracks of the workers or residences of slaves.

### Period of Vedic Samhitas, Brahmanas and Upanisads (c. 1500-700 B.C.)

In contrast to the industrial and commercial outlook of the Indus people, the *Rg-Vedic* Aryans were mainly agriculturists. Among the latter, cattle-breeding formed an important occupation, but the agrarian character of their economy can be known from such expressions as *Panca-krstayah* or *Panca-carsanayah*, meaning the five *Rg-Vedic* tribes. While private ownership over homestead (*vastu*) and arable land (*Ksetra*, *urvara*) was recognized, the pasture-land was enjoyed in common. Allusions to strips land (*khilya*) between two fields, epithets like *Ksetrasya Pati* or *Urvara Pati*, and the lady Apala's prayer to Indra for the fertility of her father Atri's field, indicate private ownership of cultivable land. There is no evidence of royal right over all the land in the kingdom. In fact, the king was entitled only to a part of the produce, and as such was called *baliht* (collector of *bali*). Land was constantly being reclaimed by clearing the forests. Ploughs were drawn by oxen and then seeds were sown. The harvest (*yava*) was reaped with the sickle (*datra*, *sri*), tied in bundles and threshed on the *khala* (threshing floor). Wheat was separated from chaff with the help of a sieve or winnowing fan, and was then measured with a wooden vessel called *urdara*. Agriculture depended on the monsoons, but irrigation with water (*Khanitrima apah*) raised by a pulley (*cakra*) was also known. The agricultural products were generally called *yava*, *dhana* or *dhanya*.

Of arts and crafts, the Vedic Indians knew carpentry, spinning and weaving, and tanning of hides. Among the workers in wood, the most important was the chariot-maker (*Rathakara*). The progress of the boat-building industry can be judged from such expressions as *sataritra nau* (100-oared boat). Words like *vaya* (weaver), *tasara* (shuttle), *vasana*, *Vasas atka*, *usnisa nivi*, *paridhana*, *samulya* (Woollen garments), *pesas* (Embroidered garments) show that the weavers made different kinds of cloth. The *carmamna* (tanner) made bags and pots of leather to preserve milk, curd and wine. The potter's art was also known. Some archaeologists believe that the Painted Grey Ware recently discovered from various sites in North India was associated with the Vedic Aryans. Distillation of wine (*soma* and *sura*) was also practiced.

The *Rg-Vedic* Aryans used gold for ornaments (*niska*, *hiranya-pinda*); *ayas*, which in all likelihood meant copper, was used for making agricultural, household and military equipment like *sipra* (helmet) and *khrgala* (body armour). Silver and iron were in all probability unknown to them.

Division of labour was only beginning and there was no stigma attached to manual labour. There was no big landed aristocracy and society consisted of small peasant proprietors. On the whole economic life was very simple.

Trade and commerce had not yet interested the Aryans. It is, therefore, unlikely that they had a money economy.

In the later Vedic period some significant changes took place. Details of agricultural operations are given—they comprised tilling, sowing of seeds, reaping of the harvest and winnowing. Among agricultural products the *Vajasaneyi Samhita* mentions wheat, rice (*vrihi*), barley, *masa*, *tila*, *mudga*, *khalva*, *priyangu*, *anusyamaka*, *nivara* and *masura*. Linen (*ksauma*) and hemp (*sana*) came to be used for the manufacture of garments. Cotton (*karpasa*) is first mentioned by Panini.

In the sphere of metallurgy one significant advance was made with the introduction of iron. The later Vedic texts distinguish between *lohitayas* and *krsnayas*, the latter being synonymous with iron.

With the development of agriculture and progress in the economic condition of the people, towns like Asandivant, Paricakra and others came into existence. People in these towns lived by trade and commerce. In the Atharva Veda there are prayers and incantations for security and prosperity in trade.

The emergence of a mercantile community led to the introduction of some sort of a stable medium of exchange. In the *Rg-Vedic* period the gold *niska*, though generally referring to a necklace, was sometimes used for money. *Niska* particularly appears to have had a definite weigh. In the later Vedic period gold *Krsnala* and *satamana* came into use. One fourth (*pada*) of a *Satamana* was also known. Panini mentions stamped (*ahata*) coins such as *Kamsya*, *Satmana*, *Karsapana*, *Pana*, *Pada*, *Niska*, *Rupya*, etc.

### Pre-Mauryan and Mauryan Periods (c. 700-185 B.C.)

Recent archaeological explorations at Hastinapura, Ujjayini, and Delhi (Purana Qila) indicate that India stepped into what is called the Iron Age in the second half of the 1<sup>st</sup> millennium B.C. This enabled the people to reclaim more and more land for cultivation by clearing forests. Agriculture was developed both intensively and extensively. Towns multiplied greatly as may be gathered from the early Buddhist canonical literature. In the towns, industries became more localized and specialized and were organized in guilds. The economic prosperity of the time can be guessed from expressions mentioned in the Jatakas like a farmer owning 1000 *karisas* of land or merchantmen-bankers possessing 80 *Kotis* of coins.

The rich farmers were called *Gahapatis* and *Kutumbika*. They had their land cultivated by hired labourers and even slaves. Irrigation from rivers and canals was practised as before. Fragmentation and subdivision of land were quite common and ordinarily people possessed small plots of land.

The early Buddhist texts mention at least eighteen craft and trade-guilds (*senis*). These included the carpenters, potters, oil-pressers, garlandmakers, stone-cutter, ivory-workers, blacksmiths, and jewellers. Certain crafts were localized. Thus Kasi became famous for its textile industry (Kasivattha). Even in a town, different art and crafts flourished in different quarters. At Varanasi the ivory-workers (*Dantakara*) had a street (*vithi*), and the washermen (*Ranjakara*) had one at Sravasti. There are references to villages of carpenters (*Vaddhaki*), and potters (*Kumbhakara*) and smiths (*Kammakara*) around big towns like Varanasi. The conventional numbers of families residing in these settlements are 500 to 1000. Each guild had

a Jeithaka (elder) or *Pamukha* (foreman). We also hear of guilds of caravan-drivers (*Satthavaha*), a professional caste-like group of the time. We also come across terms like dhanna-vanijakula (family of grain merchants) and pannika-kula (family of green grocers). Traders and artisans were provided with capital by the *mahasetthis*, *setthis* and *anusetthis*. From certain passages the latter communities appear to have been in active business. Joint stock companies making a profit of 100 per cent or even 300 per cent were not uncommon.

In the Mauryan period, according to Strabo, all land belonged to the king, and peasants, besides paying the land-tax, had to pay tribute. But this is somewhat doubtful. Such distinguishing terms as *svatva*, *svamitva*, and *bhoga* definitely indicate that private ownership of land was recognized. Grazing ground, however, might still be considered communal. In Kautilya's Arthashastra the king is shown to possess lands of which the net produce was called *Sita*, and new lands were constantly reclaimed and settled under royal supervision. The *Sitadhyaksha* had these lands cultivated by sharecroppers under different terms and conditions. The free peasant proprietor was to pay to the king one-sixth (*sadbhaga*) of the annual produce. The Greek writers appear, however, to mention that the quantity was one-fourth. In the Rummindei Pillar Inscription, Asoka says that he had reduced the amount of *bhaga* to one-eighth as a concession to the people of the holy birth-place of the Buddha.

That the Mauryas had a strong grip over the economic life of the times is evident from the *Arthashastra* as also from the accounts of the classical authors. The *Arthashastra* refers to state monopoly of mines (*khani*), and the manufacture of salt and wine. According to Megasthenes, ship-building and manufacture of arms were royal monopolies. Slave labour was employed in the mines and factories. The state was also the biggest trader and made arrangements to check adulteration and false decoration of the quality and quantity of the commodities. The state provided for the correctness of weights and measures, sale by public auction and collection of tolls through officials like the *Panyadhyaksa*, *Mudradhyaksha*, *Koshagar adhyaksh*, *Pautavadhyaksha* and *Sulkadhyaksha*, all of them working under the *Samaharta*. Megasthenes also refers to six boards of *Astynomoi*, some of which were entrusted with these duties. The quarrying of stones and manufacture, polishing and erection of the huge monolithic pillars of Asoka in the widely scattered regions of his empire, indicate the stage of technical progress achieved, and the opulence of the government. Kautilya states that construction of dams for purposes of irrigation was a state undertaking. The Girnar Inscription of Mahaksatrapa Rudradaman also confirms this by stating that the Sudharsana lake was originally constructed by Vaisya Pusyagupta, Chandragupta Maurya's governor of Saurashtra. The dam was repaired later by Asoka's governor Yavanaraja Tusaspha. It was once more repaired by Rudradaman.

The State derived its revenue from seven main heads (*ayasarira*) viz., *durga* (fortified towns), *rashtra* (country side), *khani* (mines), *setu* (buildings and gardens), *vana* (forest), *vraja* (herds of cattle), and *vanikpatha* (roads of traffic). These were again subdivided into a large number of heads. Megasthenes states that husbandmen paid taxes and tributes (*bhaga* and *bali*), while shepherds and artisans rendered services to government.

Kautilya mentions coins of different denominations, the

standard currency being *pana*. Earlier, the Achaemenid emperors introduced the silver *sigloi* and possibly the gold *daric*. A large number of punch-marked and cast coins of copper and silver have been discovered, but none can be attributed conclusively to the Mauryan period though such a possibility cannot be altogether ignored. Kautilya refers to state officer in charge of coinage, the *Suvarna adhyaksha*, the *lakshanadhyaksha* and the *rupadarsaka* on the one hand, and to coins of gold, silver and copper on the other.

### Pre-Gupta and Gupta Periods (c. 185 B.C.–A.D. 700)

In the post-Mauryan period, the Satavahana inscriptions show that there were in Western India at that time guilds which acted as banks. One inscription states that an oil-pressers' guild (*Tailikanikaya*) received two amounts of money as fixed deposit. For one amount the rate of interest payable was 12 per cent and for the other 9 per cent. The huge sacrificial fees (*daksina*) paid after the completion of various Vedic rites by Queen Naganika point to a high degree of economic prosperity which must have depended on maritime commerce. The type of Andhra coins with the figure of a ship on the obverse and the account preserved in *The Periplus of the Erythraea Sea*, all testify to the maritime commerce of the day.

In the early centuries before and after the Christian era the Kusana empire touched the fringes of the Roman empire in the west and the 'celestial empire' in the east. Indians acted as the chief intermediaries in the silk trade, besides exporting muslin and spices. Their favourable balance of trade, which Pliny mentions, resulted in the creation of a gold standard in India. Wima Kadphises and his successors issued gold coins, which were in point of shape, size, weight and mineral content exactly similar to Roman *solidus* and *denarius*. People on the Coromandel Coast were engaged in trade with South Asia. The Jataka texts, the *Niddesa*, the *Milinda Panho*, the *Kathasaritsagara* and epigraphic evidence from South East Asia, point to an increasing Indian mercantile enterprise and subsequent political domination in the region.

The decline of the Kusana empire and the Satavahana kingdom in the first quarter of the 3<sup>rd</sup> century A.D. once again let loose the forces of disintegration. Its consequent impact on Indian economy may perhaps be seen in the paucity of Roman gold coins found in India during this period. When the Imperial Guptas established an empire, peace and prosperity returned. The numerous gold, silver and copper coins of the early Guptas found in the different parts of the country are an index to the opulence of the country as a whole. The increase in the weight of their gold coins without debasement further confirms this.

With increasing security of life and property and introduction of a more extensive and intensive cultivation, population multiplied. This meant greater dependence on land. Indeed, land-grants of the period show that agricultural fallow land (*aprada*, *aprahata*) was not easy to secure. Land tenure rules in this period, as revealed by the inscriptions and Dharmasastras, show that alienation of land was a complicated process. Permission of the village and district authorities was necessary for land transaction in North India in the time of the Guptas; this fact, incidentally, shows that the Gupta emperors claimed some sort of superior right over individual farmers. Providing irrigation water was mostly the responsibility of the State as may be seen from the repairing of the dam of the Sudarsana lake by Parnadatta in



Skandagupta's reign. Irrigation wells (*vapi*) also were dug. Though it is likely that the villages were left to themselves as self-sufficient economic units, the prosperity of the country depended on industrial progress. The high level of excellence in metallurgy in this period can be seen from the rust-proof Mehrauli Iron Pillar of king Candragupta II (?). Industries, as before, were organized under guilds. The Vaisali seals refer to the guilds (*nigama*, *sreni*) of bankers (*Sresthis*), traders (*Sarthavaha*) and artisans (*Kulika*). Specific mention has been made of the guilds of oil pressers (*Tailika*), silk weaver (*Pattavaya-sreni*) etc. Each guild had a president called *Prathama* or *Pravara*. Something like a modern chamber of commerce or cartel also existed. There are references to *Sresthi-kulika-nigama*. These guilds undertook banking operations and accepted donations to be held in perpetuity (*ajasrikam*) on certain conditions which were registered (*nibaddha*). A guild of the town of Ajapuraka thus received a permanent endowment (*aksayanivi*). The endowment funds were trust properties and so the principal (*nivi*) had to be kept intact. Banking operation was undertaken by temple committees as well, such as the *Pancamandali* of the Kakanadabota-maavihara. The importance of the industrial and mercantile communities in the body politic can be seen in the Advisory Council of the District Magistrate (*Visayapati*). The sources of revenue during this period were many. Of these, mention may be made of the *udranga* (probably a land-tax), *uparikara* (a tax levied on cultivators who have no proprietary rights on soil), *bhuta* (what is grown), *dhanya*, *hiranya*, *bhoga*, and *bhaga* (share of produce). It appears that taxes were levied on salt, sale and purchase, and produce of minds. Forced labour was prevalent (*vaistika*) and some form of a police-tax (*bhata*, *cata*) was also levied.

### Post-Gupta period (c. A.D. 700-1200)

Economic organization in the Gupta period became the pattern for the later period. Very little innovation took place. However, the almost simultaneous decline of the Gupta and Roman empires temporarily affected the fortunes of Indian trade and industry. Post-Gupta coins are few, debased and crude, pointing to great economic decline in the country. New markets were, however, being sought. It is likely that Harsa's embassies to China were not motivated purely by political reasons. The Pallavas and later the Colas in the south maintained active maritime trade relations with South East Asia. The Palas also did not lag behind, as may be inferred from some Kambuja inscriptions using proto-Bengali script and also from the Nalanda copper plate of year 39 of Devapala. But from about the middle of the 9th century A.D. Indian merchants faced keen competition from the Arabs who monopolized at least the carrying trade of the Arabian Sea. The Arab merchants Sulaiman and Mas'udi speak highly of the prosperity of the Pala, Ratrikuta and Gurjara-Pratihara kingdoms. Another important feature of economic life in the post-Gupta period was the growing tendency towards feudalisation of land. Numerous grants show that were allotted to officials as rewards for military service, or as an obligation for such service. Instance of sub-feudation of land also are not wanting.

Cola inscriptions at Ukkal and Uttaramerur show that the villages were self-sufficient. The village assemblies looked after irrigation and collected revenue from the cultivators for the State. Numerous Cola coins of gold and copper have been found. Cola inscriptions as well as Chinese annals

testify to the extensive maritime activities of the Colas. The Cola temples and sculptures bear ample testimony to their economic prosperity.

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