URBANISM, ARTISANS, TRADE

Rural–urban economies in early modern India during the seventeenth and eighteenth centuries ought to be seen not as two distinct but as active constituents of the integrated Mughal economy, as opposed to the opinions of scholars who have argued for a 'forced nature of the integration' between the rural and the urban. They have suggested that the commercial interaction between town and village in Mughal India was determined by the State's ability to unilaterally extract and consume the surplus produced by the peasants, and that despite a flourishing internal trade, the villages remained unaffected. Irfan Habib finds it difficult to see how an inner village market or capitalistic characteristics could have arisen from any internal development in the village community in its 'classic form', especially in view of the individual peasant production and economic stratification that existed within the peasantry. Conversely, it can be argued that the relations between towns and villages were not so narrow; a town invariably organised a village existing around it through a number of political, symbolic, and commercial networks. Seventeenth-century Punjab, for instance, influenced by the political, administrative, and economic measures of Akbar, enjoyed a high degree of urbanisation, with many of its manufacturing and commercially important towns situated amidst the prosperously cultivated areas in the villages, illustrating thus that an urban centre required an agricultural hinterland, and that the two were connected.

The concept of a village as a 'closed, custom-based social and economic unit', 'essentially self-sufficient in its own consumption needs', and related to it the imperialist notion of a weak exchange economy, stagnant manufacturing and primitive technology that resulted in low productivity, adversely affecting development and growth, runs into difficulty with evidences that reveal the fulfillment of the demands of the rural elite for urban manufactured merchandise like cloth, jewellery, and items of weaponry, including swords, spears, knives, and guns. In addition, the silver and gold hoarded by the rural elite and their purchase of precious metals and imported horses indicates an increasing urban craft production. The expenditure on such goods by the zamindars and *muqaddams* was quite substantial, although there were exceptions and all may not have spent the same percentage on urban manufactures. Similarly, demand from the towns for several wares, ranging from the finest to the coarsest of cloths or food items or even weapons, including guns, which may be considered a part of the commodity composition of urban demand, were either manufactured in villages or, as C. A. Bayly (2012 [1983]) observed, produced in regions that were in the proximity of towns—a space between the villages and the towns—the rural–urban zones or areas of expanding intermediate economies in early modern India. What is worth noticing is a growing urban economy that narrowed the gap between rural–urban through several channels. Although the pre-colonial economy had initially developed as a subsistence economy, the peasants could respond to the growing urban consumer demand by raising agricultural production and shifting to *jins-i-kamil* or high value cash crops like indigo, cotton, sugar, opium, tobacco, and maize. Increased production of cash crops led to the growth of a money economy and replaced the barter system with a cash nexus or *naqd* payment. The rural–urban hiatus was further restricted by encouraging occupational specialisation through rural manufactures and developing semi-urban/semi-rural (rur-urban) localities and economic spheres between towns and villages, creating an economic hierarchy between the city and its rural hinterlands—a peculiarly early modern phenomenon, ascribed to an expanding urban economy.

The rapidly growing cash economy facilitated the local landlords and the rural elite to accumulate resources. One sign of new wealth was the emergence of several small towns known as *qasbas* into which the riches from the villages poured increasingly, making them the centres of production and exchange: markets, moneylending, and the grain trade. As intermediate and secondary urban centres between large, affluent cities, the *qasbas* developed as 'feeder towns', functioning as economic mechanisms that connected the cities with rural commodity hinterlands

and guided the flow of supplies from the villages to the towns. These rural–urban interlinkages assisted by the *qasbas* helped in fulfilling the demands of the urban upper class as well as the ruling elite. To mobilise the resources from the agricultural hinterlands and meet the requirements for urban goods, new cities were established and the existing ones stimulated and expanded. Cities were indicators of economic growth and social change. As urban centres, they were not static, but their importance and meaning kept changing according to the transformations in the larger socio-economic processes within which they were located. Some have argued that Akbar initiated the process of 'poliscracy' (polis in Greek means town) when he built towns in the proximity of primary resource-yielding locations. He established several towns, including the imperial cities of Agra, Fatehpur Sikri, and Lahore. Agra had risen as a political centre, but over time developed into a vibrant economic hub of north India, continuing to be so even after the shift of the power base to Delhi. The city had pockets of both affluence and poverty, but its economic activities provided ample opportunities for interaction between professional groups comprising merchants, financiers, artisans, scribes, artists, and others that generated different social groups and institutions. Agra continued to be the intermittent power base for Jahangir, Shahjahan, and Aurangzeb before Delhi acquired the status of political authority.

While Delhi represented several processes and mechanisms by which power was inscribed into its cityscape, its urban dynamism was connected to its spatial and morphological evolution. In addition to its political power and authority, Delhi characterised different spectacles—economic power centre, military encampment, social and cultural centre, its religion and religiosity, language and literature. All these features contributed to making Delhi tremendously urbane and cosmopolitan. Towns that emerged in the north of Delhi, Punjab, Multan, and Sind during the sixteenth century were connected to each other through road and riverine routes. This entire area was linked to India's eastern and western seashores on the one hand and to Central Asia and Persia on the other through Kabul and Qandahar. The region around the routes had flourishing commercial and manufacturing centres that encouraged growth in the neighbouring countryside as well as urban centres in Punjab and its vicinity. Lahore, identified as the provincial headquarters in the sixteenth century, expanded under Jahangir, Shahjahan, and during the early years of Aurangzeb. It grew as a centre for manufacturing shawls and particularly the mixed silk and woollen textile. Along with Agra, Lahore became the chief market for indigo. Towns like Banares, which had arisen for reasons of religion and pilgrimage, were radically transformed into economic centres and core axes of banking and mercantile activities. Other politically important urban centres included Daulatabad, Gulbarga, Gaur, Bijapur, and Golconda, while Jaunpur, Burhanpur, Multan, Patna, Ahmadabad, Ujjain, Ajmer, and Allahabad, situated on the nodal points of the major trade routes, evolved as major commercial urban centres. Surat, Broach, Cambay, Chittagong, Satgaon, Buttor (Betor-Howrah), Calicut, and Cochin were some of the important port-cities that contributed to energetic maritime trade, transforming the nature of the coastal areas and their hinterlands. All sections of people of these megacities—affluent and not so affluent—portrayed a high demand for urban goods like ornaments and jewellery and, depending on the economic status of the consumer, the demand could vary from gold, silver, copper, ivory, sea-shells, bell-metals, and tin.

However, any observation on demand and productivity necessitates an assessment of the patterns of consumption, social habits, and customary traditions. No generalisations can be made. Regional variations in the demand for urban commodities, whether ornaments, clothing, furniture or utensils, cannot be taken to represent the condition—poverty, starvation and misery—of the masses. The inconstancy in requirements could be a sign of the minimal patterns of consumption. To determine the rate of demand in any pre-industrial society, not just in pre-colonial India, it is importunate to evaluate the needs for three consumer products—food, clothing, and housing. All regions invariably reflected the demand for manufactured food items like oil, butter, ghee, salt and sugar; the bazaar rates and circulation of these commodities indicated the market's potential for fulfilling the requirements of all classes of society. In addition, these goods formed a valuable part of interregional trade, thus challenging the notion of self-sufficiency.

Contrary to the assumption that loincloth was the customary clothing in India, Mughal miniature paintings provide evidences of simple, tailored clothing that illustrate a demand for manufactured clothing. Similarly, the demand for food and clothing indicated the existence of rural markets for manufactured items, although some of their needs were in variance with the urban markets. The rural markets, in some instances, could reflect a demand for subsistence-oriented production; its requirement for housing and domestic utensils could be meagre, especially if mud houses and bamboo houses with thatched roofs predominated and the utensils were largely of earthenware. In juxtaposition were the housing needs of the rich mercantile class and the middle-income group/middle class, which presented a substantial demand for building skills and construction material. Mortar, lime, and cement were extensively used in Mughal India and so were stone, brick, timber, and bamboo as building material. In places like Surat, which were largely inhabited by rich traders, there were carvings in relief on teak embellished with enamel and lacquer, while in Delhi the upper-class gentry lived in imposing buildings with large enclosures, although the bureaucracy occupied houses which, as Bernier described, 'had a tolerable appearance and were airy and pleasant'. In Lahore, Banares, Cambay, and Sironj, the traders and artisans lived in multi-storied houses of stone and brick; in Malwa and Agra, too, there were lofty stone houses and in Bengal, expensive, good quality bamboo was used as building material. The demand for furniture in wood was limited, although mats, carpets, pillows covered with silk brocade, bedsteads decorated with brass plates, jugs, metal pots, and mirrors were found in all upper and middle-class houses.

The variegated public demand was an indicator of the growing urbanism and urban manufacture. Equally esteemed in determining urbanism was the private demand, that is, the demand of the imperial household that led to the considerable production and manufacture of fine, luxury and decorative items—silk, brocade, muslin, jewels of precious metals and stones like pearls, gold, silver, diamonds, carpets, decorative mirrors, weaponry, perfumes, wine, etc. It also boosted the demand for building material, building skills, equipments for houses, elephants, and transports like palanquins, carts and boats. Both public and private demand—varied and expansive in its disposition—stimulated the economy and the interregional and coastal trade.

It can be seen on the basis of demand, the nature of expenditure, and population statistics that a large urban sector existed in the sixteenth–seventeenth centuries. At least 15 per cent of

the total population lived in towns, totalling the urban population to roughly twenty million for the entire subcontinent. These estimates clearly support the view that a sizeable middle class existed in Mughal India, comprising lower ranks of the bureaucracy, professionals like *hakims*, doctors and surgeons, architects, artists, scholars and scribes, and holders of *madad-i ma'ash* or *suyurghal* lands. In addition were the commercial and financial groups—*saudagars*, *mahajans*, *sarrafs* (*shroffs*), *dalals*—who contributed significantly to the growth of monetisation, exchange economy, and interregional trade. Pelsaert referred to several artisanal crafts and service occupations—weaver, tailor, barber, carpenter, metalworker, mason, stone-cutter, oil-presser, carpet-maker, paper manufacturer—the clientele of which included the middle class. The middle class formed a proportionately large market for comfort and luxury items and, as the Mughal Empire consolidated, this group evolved as an important sector and claimed an increasing share of the resources of the empire.

Artisans made valuable contributions to the ascension of trade and commerce and the expansion of markets. They remained central to the complex interrelationship between groups and communities engaged in commercial transactions and manufacture. Integration and coordination between merchants, markets and artisans made the latter inevitably dominant in the commercial economy.

Heredity played an important role in determining the artisan's choice of trade. The family was developed as a unit and the production was done at the artisan's own household, using his own tools and equipments and with the help of family labour. The 'paterfamilias' or the master craftsman provided the necessary training in skills to his family members. But this was hardly a limitation, for while the general characteristic of artisanal production was uniform family-based production, modifications could be made depending on the nature of the demand and the type of commodity to be produced. To meet the merchant demand, artisans were urged to work in the *karkhanas* or workshops of their employers. The Dutch East India Company and English East India Company both adopted this system in their silk factories, particularly in Bengal. Artisans who consented to work in the *karkhanas* were given the option of bringing their own tools, but were not allowed the comfort of their homes for work or the use of family labour.

Each artisan developed a specialised skill as per the norms of his caste. Commenting on the close association between the artisan's skills and his caste, Babur observed that for every *jami* or caste, the profession was fixed, and the occupation of the father determined the son's choice. Bernier, in concurrence, observed that an artisan, whether embroiderer, goldsmith or physician, trained their sons in the respective skills and exhorted them to follow the same. To maintain the tradition and retain the monopoly over the skills of their caste, marriages too were not permitted outside one's own caste or trade or profession. In Coromandel, for example, caste was primary to the community organisation of weavers. In seventeenth-century northern Coromandel in the villages of Golepallam and Gondawaron, most weavers came from high castes like *saliwaars*, *kykelwaars* and *deerewaars*, with hardly any from the low castes or outcastes. The head weaver or caste headman, known as *carredar*, was entitled to collect a certain fee on each piece of cloth produced under his supervision, a right given to him by the weavers as a kind of insurance. Other weaver castes that dominated south India in the seventeenth century included the *kaikkolar* in Tamil Nadu and *devanga* in Andhra and Karnataka regions, while the *saliwaar* were noted in the English East India Company record of 1694 as 'ancient inhabitants' of the Tamil country, engaged in the production of coarse and fine unbleached neck cloths. *Jamrawaars* was a mobile weaver caste that had migrated from the Andhra region to Tamil Nadu in search of better economic opportunities. In addition to these traditional castes of weavers, the specialist weavers formed new castes like *pattunulkarar* in Madurai, the *catingaloon* weavers, who wove cloth specifically for the Malay Archipelago, the *mambaloom* 'painters' distinguished in the production of painted chintz, and the *mooree* weavers, mostly Muslims, who developed superior cotton cloth, used as a base for chintz-making. In a few north Indian cities like Delhi, Agra, and Lahore, a large number of artisans engaged in dyeing and weaving were Muslims, while a majority of wage labourers took to building construction.

Castes functioned like guilds that controlled competition, production, investments, profits, and even the preservation and transmission of skills within the caste. Max Weber (1958), however, had a different opinion. He felt that caste specialisations generated a negative impact and resulted in a low level of craft technology and segregation of skills, raising barriers between one craft and another, thus making the diffusion of techniques difficult. The artisan in such circumstances, he argued, remained content to adopt family devices and rejected or ignored the craft technologies of other castes, even if they looked more promising, and resisted any change unless approved by his caste peers. Arguing conversely, Morris D. Morris (1967) and Irfan Habib (1978) observed that caste was not an obstacle to the artisan's mobility; nor was he hesitant to adopt a technique if it profited his craft and was within the confines of his caste traditions or rituals. Morris went a step further to suggest that there were no restraints on the artisan's interregional movement within India, although they were prohibited from overseas migration. Considering the distance that they covered between regions, which could sometimes be as distant as England or Spain, the artisans, he stipulated, encountered no restrictions on their mobility. Several instances indeed confirm that caste was not a problem in the progression of the artisans. Castes could change their profession, especially if professions other than their own were commercially more advantageous and profitable. To consolidate the change, a segment of the caste—or sometimes the whole caste—asserted origins different from their traditional ones, and refrained from marrying members of their customary craft. Eighteenth-century Maharashtra, for example, is replete with examples of castes of tailors who took to dyeing, some of whom segregated completely to pursue indigo-dyeing. Such cases were many and demonstrate that notwithstanding the caste system, there was no scarcity of labour. Neither was household production a limitation. It did not prevent the artisan from becoming a commodity producer or meeting the specifications or varying demands of the merchants. To meet the requirements for specific commodities, castes proliferated and each artisan caste worked to improve and expand the minute processes and production of these commodities.

The bulk of rural manufacture was produced by hereditary artisan castes linked to dominant agricultural castes by traditional ties of patron-client relationships. Their earnings largely came from the hereditary fixed share of the produce, supplemented by grants of revenue-free lands or cash payments. The reciprocity in production and distribution of commodities at the village level

was called the *jajmani* system. *Jajmani* prevailed despite its subsistence-oriented character because it was one of the valuable systems that ensured support during famines. There are references to the adversities encountered by those who had abandoned the *jajmani* system and taken to merely producing for the urban market, as happened in Surat during the famine of 1630. Changes, however, occurred in the working of the *jajmani* system during the seventeenth century; payments could now be made both in cash and kind for additional work, or on a piece-work basis. This pattern co-existed with the practice of granting fixed shares of produce or revenue-free lands to the artisan families. But whatever the basis of the relationship with the village community, the rural artisans produced for wider markets, too, more actively perhaps from the mid-eighteenth century, when they detached themselves from the *jajmani* system and produced for long and medium-distance trade.

Textiles formed a major portion of artisan production, although, as S. Arasaratnam (1990) argued, trade in textiles before the intervention of the Europeans in the textile market had remained erratic, seasonal, and highly unpredictable; there was a certain amount of overlap between artisan and agrarian activity. Many weavers took to weaving in their leisure hours whereas others opted out of spinning and weaving, depending on the market stimulus and the seasonal demand outside the villages. But with the increasing demand for better quality production by the English East India Company, the weavers switched to regular hours of work on the loom. Understanding the new and ever-rising demands of the market and keen to fulfil them, sometimes the weaver's entire family—men, women, and children—was involved in the various tasks related to weaving. The weaver's decision to shift from subsistence to increased specialisation and the use of capital was vital. As they moved into full-time weaving, they became conscious of the overhead expenses concerning loom, thread, and other raw materials, the perquisites to pay labour and the needs of their family. Conscious of the frequent changes in the market demand, they became aware that the Company, and thereby the merchants, influenced by European markets, could change its specifications of weave, dye and bleach. In view of these considerations, the weavers insisted on capital advances or credit before the actual returns. They remained adamant about not undertaking any particular specialisation unless the merchants provided the initial capital inputs and guaranteed purchase of the output. The weaver therefore became 'a man of credit or dependent heavily on available sources of credit'. Relying on the system of advances that either partly met the cost of production or provided the raw material, the weavers acquired the ability to work in different market conditions. With regular supplies of credit or capital advance, concessions in the prices of raw material and promises of further investments by the Company, the weavers of Gorakhpur, for instance, shifted from manufacturing narrow cloth or white cotton cloth of a coarse variety called *gaji* and *garha* to good quality cloth like *sahan* and *sallam*.

The advances could be procured either from the buyers or the middlemen; in some cases, advances could be given in grain. The system of advances and procurement of commodities led to the evolution of the *dadni* system. Under this system, commodities were procured either through spot purchase or advance. Spot purchases could be made both in the major markets and small urban markets. Both the small traders and big merchants hired *dalals* or agents to procure a part of their supplies through spot purchase directly from the producers. An advance contract was necessary to supplement the capital of the artisans, which was considered inadequate for an expanding market. Beginning from the latter half of the seventeenth century, commodities for long-distance trade were procured by advance contract. *Dadni* was a kind of guarantee to the weavers, who were hesitant to change their looms in accordance with the specifications of the Company, fearing that if the Company rejected the product despite the modifications, they might suffer. Despite the *dadni* system, there was also a lurking apprehension amongst artisans of being reduced to wage-earners, in case the merchants decided to provide them the raw material but paid them on a daily basis. Notwithstanding the complexities, *dadni* transformed the artisanal production to a market-oriented production, stimulated by both inland and foreign trade. With the growth of markets, the artisan settled in and around the commercial *emporia*, that is, centres of export along the coast or European factory towns like Madras and Calcutta which had affluent consumers.

The artisanal production succeeded in expanding the urban sector. Production improved and increased with enhanced investments by merchants, nobles, and members of the imperial family. Thriving trades in agrarian commodities and Indian manufactured items, in particular textiles, developed. The Indian trading community, widespread over the Indian subcontinent, was a heterogeneous group that considered itself the allies of the rulers. It comprised the *seth*, *bohra* or *modi*, who specialised in long-distance, interregional trade, while the *beopari* or *banik* were engaged in local, retail trade. In addition to retailing goods, the *beoparis*, with the assistance of their own agents in the villages and towns, purchased food-grains and cash crops. The *banjaras*, yet another mercantile community known as 'pack-bullock traders' or 'roving grain traders', were categorised by some as a case of 'peddling trade organized on a massive scale'. Generally small traders (although some could come from peasant families), they were carriers of a variety of merchandise, particularly grain. Often hired by others to carry commodities to distant places, the *banjaras* were not merely carriers; they were in themselves merchants who bought grain at cheap rates and sold it at profitable prices. For instance, they imported almost the entire salt in Gorakhpur from western India. The *banjaras* moved in caravans over long distances with oxen and bullocks owned by them, laden with food-grains, pulses, ghee, salt, and others, while the more expensive goods such as textiles, silks, and other luxury items were carried on camels or mules or carts. Known in north India as grain-dealers and for their trade in salt, the *banjaras* were recognised as an established feature of the Deccan cotton trade, not only of the textile industry but also of the general exchange economy of northern Coromandel and Deccan. Allegedly, they owned the cotton they brought from Deccan, which they sold to purchase salt from the coastal salt pans to support their return trip to Deccan. The trading enterprises of the *banjaras* were not limited to the confines of Hindustan but spread to Central Asia, Afghanistan, Persia, Multan, Quetta, and Khyber as well. The trading activities of the Lohanis, a *banjara* tribe, which extended beyond India, may be mentioned in this context. They carried merchandise from India to Kabul and then bought and sold it in Ghazni, a pattern that continued into the early nineteenth century. With changes in and the growth of the Indian economy, the *banjaras* were subordinated as traders by merchant groups and lost their indispensability as carriers and suppliers by the end of the mid-nineteenth century. Their conventional form of traditional

exchange was marginalised further with the widening of the railway network by the end of the nineteenth century.

Inland trade through *banjaras* was sometimes found to be more expensive as compared to boat traffic and coastal trade along the seashore. Foodstuffs and textiles were the most important items of interregional trade during the period. Bengal dominated the export of sugar and rice, delicate muslin and silk, while Coromandel as a centre for textile production had a brisk trade with Gujarat, both along the coast and across Deccan. Gujarat was the entry point for foreign goods and also exported fine textiles and *patola* silk to north India, with Burhanpur and Agra as the nodal points of trade. Lahore was the core of handicraft production and the distribution centre for shawls, carpets, and other luxury products of Kashmir. Punjab and Sind had close trade ties with Kabul and Qandahar, Delhi and Agra, and their goods were usually sailed down the river Indus.

The seventeenth century witnessed the growing involvement of the Mughal nobility and emperors in trade. Their attitude towards trade can be best illustrated by an analysis of the extensive Iranian influence on the Mughal court in the first half of the seventeenth century. The 'state mercantilism' advocated in Iran by Shah 'Abbas had apparently struck the Mughal emperors to such an extent that it led them to emulate the Iranian tradition of combining *imarat* and *tijarat* (statecraft and trade). Close links between trade and politics in Central Asia may have also affected the Mughals. Evidence from Central Asia reveals that royal instructions were sent to the local officials to exhort the merchants of neighbouring regions to trade in the Uzbek lands, for trade and traders were seen as a source of peace and happiness for society. The royal orders in Central Asia were issued in pursuance of such *Quranic* verses and traditions of the Prophet that stressed on the importance of trade in Islam, leading to the belief that one way of serving the cause of religion was through the promotion of trade and traders. It is in this context that the participation of the Mughal ruling elite—rulers and the nobility—needs to be assessed.

Asaf Khan, Shahjahan's father-in-law, was known for his dynamic role in the sea-borne trade of ports like Hugli and Surat, and the contacts that he maintained with the Portuguese at Goa. In Sind, during the 1640s, advances were made from the State funds and the mint by the *shahbandar* of Lahori *Bandar* and the *diwan* of the *suba* to the merchants of the region. Like in Sind, the Mughals, as of 1630, attempted to control maritime trade in Bengal. This necessitated weakening the power of the Portuguese traders, especially those settled in Hugli and Chittagong. The Mughals achieved this through military campaigns in the beginning of the 1630s, although they were not as successful in reducing the influence of the Arakanese over trade in eastern Bengal. Princes Dara, Aurangzeb, and Murad busied themselves with commerce in the ports of the Red Sea and Persian Gulf like Kung and Mokha through Thatta and Lahori *Bandar* around the 1640s. Surat emerged as an important centre for trade in the 1640s and 1650s, for both the emperors and the nobles. Both Akbar and Jahangir owned shipping. More importantly, the two women of Jahangir's reign—his mother Maryam-uz-Zamani and wife Nurjahan—were engaged in domestic and international trade, although it was Shahjahan who strengthened the interest and involvement in maritime trade. On the advice of the *mutasaddi* of Surat in the beginning of the

1650s, Shahjahan ordered the construction of half-a-dozen ships in Gujarat, to be used for trade with *Bandar* 'Abbas and Mokha, and virtually monopolised the freight carriage market on these routes till 1663, when the ships were sold off to private merchants. In addition, Shahjahan had his *karkhanas* in Burhanpur, like Dara and Jahanara. While Aurangzeb as a prince attempted to construct his own port at Sind, his grandson Azim-al-Shan was charged for *sauda-i-khas* or monopolistic control over business in Chittagong and Dacca. Unlike in Surat and Sind, the initiative for trade in Bengal was taken by the nobles. Chief amongst them were Mir Jumla, Shayasta Khan, and several others, mentioned in the Mughal documents as *tijarat-pisha* and *tajir-zadeh*, that is, merchants or belonging to the family of merchants.

The royal family and the nobles were engaged in a small percentage of the total commerce. It was the traders and merchants, as 'part of a homogenous business culture', along with the *sarrafs* and *dalals*, who formed a significant segment of the Indian economy. Caste distinctions overlapped the specialisation and professionalism of these groups. *Khatris*, principally a business community and the main carriers of India's overland trade beyond its northwest borders and Central Asia, dominated the upper echelons of commerce, and were closely linked to State service, holding petty to high ranks. Originally from Punjab, as a leading local trading community, they prided themselves as those who combined *imarat* and *tijarat*. Their increased strength in the administration as well as trade exemplified that the destiny of merchants in Mughal India was tied to those of the ruling elites. That the traders were the allies of the ruling family is evident from developments in eighteenth-century Punjab. When Punjab was shaken by rural rebellions, it was the *Khatri* traders who stood in support of the Mughal State and helped in suppressing the peasant revolt. Starting from the eighteenth century, they made way for the Afghans in trade with Central Asia, while a few *Khatri* families migrated to the east and others to the south of Multan, where in Shikarpur they maintained their trade. Many others moved to the upper Indus region and gradually regained their original position, sometimes as allies of the Afghans and at others as their subordinates. The other mercantile communities included the Hindu and Jain Gujarati merchants and Muslims, mostly Bohras; the Oswals, Maheshwaris, and Agarwals of Rajasthan, also known as Marwaris (the Marwaris further spread to Maharashtra and Bengal in the eighteenth century); the Chettis on Coromandel Coast and Muslim merchants of Malabar of both Indian and Arab origin.

Interregional trade was facilitated by complex networks linking wholesalers with merchants and the local and regional levels through *gumashtas* (agents) and *dalals* (commission agents). The movement of goods from the first half of the seventeenth century was made possible by the growing use of a system of bankers to transfer revenue to the centre from the provinces, leading to the coordination of the fiscal order with commercial and financial networks—an issue that generated wide scholarly debate. Karen Leonard (2014) analysed the organisation and volume of economic activities of the great indigenous banking firms and their participation in politics during the Mughal and early colonial period. She used the term 'great firm' to describe a business firm engaged in a variety of enterprises, with several branches, often based on one 'household'. The banking firms, she argued, were crucial to the financial functioning of both the central government and individual *mansabdars/jagirdars*, zamindars and *talluqdars*, all of whom

directly depended upon them. When the 'great firms', the 'indispensable allies' of the Mughal State, began diverting both credit and trade from the Mughal centre to regional powers, the empire began to unravel. Between 1650 and 1750, said Leonard, the banking firms' growing engagement in revenue collection at the regional and local levels surpassed their provision of credit to the central government. Consequently, the empire's central structure suffered, even as many banking firms and merchants witnessed expansion and diversification.

While not in agreement with Leonard, John F. Richards (1981) nevertheless acknowledged that various private banking firms may have contributed significantly to the restructuring of the imperial system by regional states in the eighteenth century, and that these firms may have grown in power and importance owing to their close association with European trading companies. However, he insisted that there was no available evidence to indicate that these 'great firms' played a similar role for the Mughal imperial system in the sixteenth and seventeenth centuries. In the seventeenth century, Richards argued, there may have been occasional cases of merchants with enormous wealth, but even the wealthiest of these men were not direct participants in the imperial system, much less 'indispensable allies of the Mughal state'. Their services were limited and dispensable. Private bankers or moneychangers did not control or manage imperial treasuries and mints. Nor did private entrepreneurs collect imperial revenues. Rather, in large commercial centres, Mughal emperors imposed limits on indigenous markets by formally sanctioning traders or headmen for such specialised markets and by recruiting an officer from the local commercial community to collect urban taxes, alongside imperial officials. Richards' proposition of 'centralization through state power', which implied that the fiscal integration under Aurangzeb was mediated by the Mughal treasury and the great households rather than by bankers, has left many unconvinced. There appears to be far more evidence on the use of the characteristic credit institution or *hundi* or bill of exchange for fiscal transfers than what Richards suggested. *Hundis*, instead of cash, were the standard form of payment in most commercial transactions. In long-distance trade, it not only fulfilled the expanding demand for credit, but also reduced the risks of transporting cash to distant places. *Hundi* promised payment at the end of a specified period (usually two months or less) at a particular place, and allowed a discount which included interest, *bima* (insurance), and expenses incurred during the transmission of money. It was a process in which everyone, from the *subadar* and *mutassadi* to the Dutch Company, participated. They were a channel for investment generally managed by *sarrafs* or *shroffs*, the professional moneychangers, who also acted as commercial bankers, supplying large credits. Several wealthy merchants like Virji Vora of Surat facilitated the smooth functioning of commerce by financing the English East India Company and setting up banking houses in different parts of India, as well as in West Asia and Southeast Asia.

The emerging importance of the Europeans reduced the control of Indian merchants over the seas. The Mughals had tried to regain their decisive status in maritime trade in Sind during the seventeenth century, but failed to achieve the desirable domination (although they could withhold Thatta). India, however, could retain its sea trade with Persia and the neighbouring regions through the Armenians, who, as trading partners of the Europeans, were preeminent in Persia and India in the seventeenth century. By the agreement of 1688 with the English, the Armenians managed to strengthen their trade share in India and, as they became the chief carriers of European commodities from India to Persia, they also consented to abandon the export of Indian goods by the land route and instead use Company-owned ships to transport them. The English, too, stood to gain from this understanding. They could now pursue their interests, taking advantage of the Armenian familiarity with the local language, customs, and political authorities.

The European corporate enterprises—the Portuguese *Estado da India* and *Casa da India* in the sixteenth century, and the Dutch, English, and French East India Companies in the seventeenth and eighteenth centuries—were the major agencies preponderant in the Euro-Asian commercial network. Some amount of Euro-Asian trade was also conducted by private European traders, although generally, in terms of the volume of trade, the Portuguese private traders were of greatest import. The Dutch East India Company was the only European corporate enterprise engaged in a significant way in the intra-Asian trade, while the rest were predominantly private traders—the Portuguese, the Dutch (VOC), the French and, most importantly, the English, who were allowed to participate in trade on a private basis even as they continued to be in the service of the Company. These traders, whether corporate or private, operating in the sphere of the Indian Ocean–South China Sea, shared a diversified relationship amongst themselves as well as with the Indian maritime merchants involved in intra-Asian trade. There were a few important and unexpected areas of cooperation between individual Portuguese traders on the one hand, and individual Asian and non-Portuguese European traders and European corporate enterprises, on the other. This pattern changed when the English East India Company acquired political authority in several parts of the Indian subcontinent during the latter half of the eighteenth century. The English Company as well as its servants engaged in trade on a private account, often invoking their coercive authority vis-à-vis the rival European corporate enterprises, private European traders, and the Indian merchants engaged in intra-Asian trade.