



A study of Sources of Medieval and Modern Indian Economic History

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Abstract

The works of Aristotle and Plato, both Greek thinkers, are seen as the starting point for the development of economic theory. Although the Greek literature of the fourth century BCE may have been the source of modern economic philosophy that arose in Europe beginning in the eighteenth century CE, the economic ideas that came from the Indian subcontinent has been largely overlooked. The treatise Arthashastra, written in the fourth century BCE, is a culmination of the pre-classical ideas that had arisen in the Vedas a millennium before the Greek literature. This paper provides an overview of the economic ideas presented in a number of ancient Indian texts, investigates why they have been overlooked, highlights the economic policies proposed, demonstrates how these policies represent a practical application of modern economic principles, and highlights the importance of this Pre-Classical literature to the development of economic thought.

Key Words: Ancient Indian Texts, Arthashastra, Economic History, History of Economic Thought, India, Kautilya, Political Economy, Sanskrit, Tamil, Vedas

Introduction

When compared to other physical disciplines, economics is a recent development. There was a dearth of substantial Western contributions to economics throughout the eras of the Roman Empire, the Dark Ages, and the rise of the Inquisition. Roman military expansion, the evolution of slavery into serfdom, the proliferation of religious crusades, and the stagnation of economic ideas were all hallmarks of this lengthy era. This new way of thinking didn't take root in Europe until the renaissance, the protestant reformation, and the enlightenment, roughly in that sequence. He wrote his thesis, *An Inquiry into the Nature and Causes of the Wealth of Nations*, in response to this changing worldview towards the end of the eighteenth century. Smith's book offered an alternative to the teachings of the Greeks and Christians, one that encouraged both ethical behavior and the pursuit of worldly success. Obviously, Smith and his colleagues, who were philosophers and theorists of political economy, didn't start mulling about their new



economics, now known as Classical Economics, in a vacuum. Their ideas were informed by the works of pre-Roman European Greek scholars like Aristotle, Socrates, and Plato, who addressed political economy issues and looked beyond mercantilism and the dark ages for inspiration. Ancient Greeks used the term *oikonomia*, which literally translates to "household economy," to describe the study of economics. Aristotle wrote a book in the fourth century BCE titled, which may be loosely translated as the laws of or the management of family. Aristotle's defense of private property and his critique of Plato's communism especially struck a chord with Smith.

Modern economic texts illustrate the continuation of this old Western history, although with a millennium gap. The terms "micro" and "macro," with their roots in the Greek for "little" and "big," are often introduced in introductory economics texts. The contributions of the Greek intellectuals to the advancement of economic theory are recognized and credited in the literature on the subject. Rather than, however, spending 10 pages introducing Greek economic thought, H devotes a full chapter to the subject. has a whole chapter in his book *A History of Economic Thought* devoted to Greek predecessors. In his new work, *The Making of Modern Economics*, draws reference to Aristotle and Plato. However, the literature on the history of economic philosophy makes no trace of references to non-Western ancestors, probably with the exception of Haney. This may be due to a lack of resources for locating information on non-Western contributions, the fact that their growth occurred independently of modern economic literature, or both. Perhaps it was this second kind of thinking that prompted Skousen to say, "six thousand years of documented history had gone without a foundational book on the topic that occupied every waking hour of nearly every human being," until Smith's essay was published. When we take into account some of the ancient texts that originated in the Indian subcontinent, this grand image may seem a little overblown.

Economic history is distinct from other histories more by substance than approach. Not everything of history is elaborated upon. Social history, political history, cultural history, literary history, economic history, and so on are all valid subsets of the larger field of history. Economic history has attained such significance as to dominate all other aspects of man's activities. This is the period of history when a grasp of economics is important. How economies have fared in the past may be understood by studying economic history. Performance may be one of growth, stagnation or collapse of economies. As economic performance changes the



living level of the population also changes. This prompts us to explore the link between economic structure and performance.

An economic problem might be the cause of every crisis ever. There are two primary questions that economic history seeks to answer: how the economy grew, and how income changed hands as a result of that expansion or decrease. All of human history's most divisive institutions—slavery, feudalism, imperialism, capitalism, and socialism—have been rationalized by appealing to the bottom line (economic issues). Life's financial facets used to be less distinct from one another than they are now. As a common theme in economic history, specialization is shown as a process that has occurred not just within the realm of economics but also in relation to other domains. Even while this area of expertise will never be fully developed, it has progressed far enough for us to model our own efforts after it. We are unable to limit the scope of the issues at hand. In this light, economists, political scientists, lawyers, sociologists, and historians (historians of events, of ideas, and of technologies), can all meet and talk to one another, as J.R. Hicks opines: "A major function of Economic history is to be a forum where these various disciplines can meet and talk to one another."

New-orientation in economic history:

Since the days of Marx's materialist view of history, a new perspective has emerged. Marx provides a materialist explanation of history that sheds light on the origins and historical development of all social existence. Establishing social stratification is essential to social existence. Conflict between the method of production and the relation of production, as implied by the class structure, drives social change. Factors such as social organization, economic system, transportation and communication networks, and patterns of production, distribution, and consumption across various economic sectors, etc., play important roles in the development of human society. Economists have a vested interest in researching the challenges faced by both well-developed and developing nations. Their research has led to the identification of key factors in development. Testing this theory is of relevance to economists as well. The quantity of available historical data has likewise increased. In light of these changes, economists now see the past in a different light.

We can now put numbers to the events of economic history: As a rule, arithmetic and statistics are used by economic historians. Recently, a new subfield of economic history known as "econometric history" has emerged. The three segments of econometrics' past are as follows:



The first section discusses the use of statistics, as well as the importance of clear and precise definitions and categories. The second section focuses on applying statistical methods and economic theory to the study of the past. Historians often employ statistical methods like regression analysis, input-output analysis, the Neumann-Morgenstern utility index, and others. The third section presents an alternative analysis of the issue using the conditional idea of counterfactuals. Economic historians study the issue based on presumptions and the evolution of social and economic ties to determine the causes of a past occurrence. Given the available data, it is possible to draw the conclusion that economic history may serve as a foundation for broad generalizations.

Many factors are responsible for the growth of Mercantilism. They can be discussed below:

1. Economic Factor: The European economies began to shift at the end of the 15th century. The era of home self-sufficiency was ending, and a system of commerce was taking its place. The growth of the market economy was swift. Merchandising and industry were gradually displacing agricultural practices. The circulation of money has to be widened. In reality, commercial capitalism was gradually replacing feudalism. The feudal order was disintegrating swiftly, and a market economy was beginning to take shape. All of these activities required some kind of monetary business infrastructure.

2. Political Factor: The weak political structure of the past was eventually replaced by a robust nation state. The state's protective and regulatory role became crucial, and law and order conditions had to be very stable. It was the rise of nation states that ultimately proved more successful in replacing feudalism. A robust governance was necessary in these states. Both Jean Bodin and Machiavelli argued for beneficent monarchies, whereas other political thinkers emphasized the significance of powerful national states. That's why they wanted a strong monarch leading a cohesive country. As a result, several nations' thrones were taken over by mighty monarchs. The Tudor King and Louis XIV were two examples of such monarchs. Merchants needed to feel safe under the rule of powerful monarchs.

3. Religious Factor: There was a significant theological component to the expansion of mercantilism. There was a strong backlash against the Pope's authority and the Roman Catholic Church during the Reformation. There was an emergence of a whole new faith called Protestantism. The beliefs of this group were diametrically opposed to those of the early Catholic Church. Possession of wealth and property was sanctioned by the new Protestant faith.



The potential for saving money and making tangible progress both contributed to the rise in significance of money in human life. The new faith advocated for people to have total autonomy in all aspects of life. The merchant class eventually converted to the Protestant faith due to its growing popularity.

4. Cultural Factor: The development of mercantilism was also influenced by cultural factors. The Renaissance was largely responsible for spreading the new cultural norms of the time. Humans, the movement said, have the freedom to create and live life as they see fit on Earth. Heaven, if such a place exists, is not anything they need to worry about. Human ingenuity, the accumulation of riches, and commercial activity were highlighted. It was medieval theology that the Renaissance was reacting against. The new paradigm promoted a ruthlessly materialistic worldview and a thirst for accumulation. Actually, mercantilism developed in response to the moral and idealistic outlook of the Middle Ages.

5. Scientific and Technological Factor: The development of mercantilism was helped along by several inventions and discoveries. The United States is just one example of a new world that was created by pioneers. Other innovations included the mariner's compass, the printing press, and similar technologies. Columbus stumbling upon the Americas in 1492. The New World was also the site of the discovery of gold and silver mines. The trend toward exploring new lands and seeking out commercial opportunities encouraged people to become more daring. As a result, mercantilism flourished in this environment.

6. Intellectual Factor: As a result, many nations began to see intellectual progress along hitherto uncharted paths. New thinkers like as Erasmus and Bacon, new painters such as Leonardo da Vinci and Michaelangelo, and new scientists such as Galileo and Kepler brought a new field of study that called into question long-held assumptions. Utopia, by Sir Thomas More, questions the state as it now exists. In reality, the nations of Europe in the sixteenth century represented a new, adventurous world that had risen from the gloom of the Middle Ages. There was always something new to do, some fresh initiative to take, or some uncharted territory to go into. The mercantilist viewpoint was embraced by several of these new intellectual thinkers. It is well known that Thomas Maun actively promoted mercantilism's expansion. This new initiative in the direction of commercial/merchant capitalism in European nations benefited from all the above, and it grew rapidly.

Review of literature



(Roy, 2002) studied “Economic History and Modern India: Redefining the Link” determined that, therefore the official duration of British rule in India was from 1858 to 1947. Just how big was it, what kind of an effect did it have, and how long did it last? Research into India's economic past has traditionally been framed by these issues. There was a widespread assumption among imperialists and "orientalists" that the British Raj brought about the dawn of the modern period in India. For instance, Karl Marx and many of his contemporaries held this view, although Marx noted the drawbacks of modernity. As a counterpoint, authors who studied empire and development in the twentieth century often believed that there was a causal relationship between colonialism and economic backwardness. One of the basic tenets of Indian nationalist thinking, expressed by Jawaharlal Nehru and others, was the idea that the country's development problems were not intrinsic but rather a legacy of colonial control. This 1947 assessment of India's economic woes blamed "laissez-faire" economic policies, the exploitation of Indian resources by foreign capital, and the lack of government action under the British raj for the country's widespread poverty. The two main pillars of India's development strategy—strong sentiment against foreign trade and investment and statism—were bolstered by these principles. The Indian corporate elite of 1947, who were the main financial patrons of the Indian National Congress, enthusiastically supported the former but were less sure about the latter.

(Deodhar, 2018) studied “Indian Antecedents to Modern Economic Thought” discovered, and The works of Aristotle and Plato, both Greek thinkers, are seen as the starting point for the development of economic theory. Although the Greek literature of the fourth century BCE may have been the source of modern economic philosophy that arose in Europe beginning in the eighteenth century CE, the economic ideas that came from the Indian subcontinent has been largely overlooked. The treatise Arthashastra, written by Kautilya in the fourth century BCE, is a culmination of the pre-classical ideas that had arisen in the Vedas a millennium before the Greek literature. The paper provides an overview of a variety of ancient Indian texts and the economic ideas expressed therein, investigates the reasons for their neglect, spotlights Kautilya's economic policies, demonstrates how they serve as an illustrative example of the pragmatic application of modern economic principles, and highlights the contribution of this Pre-Classical literature to the development of economic thought.

(Material & Of, 2008) studied “economic history of modern india” discovered, and Content, rather than technique, is what sets apart economic history from other types of historiography.



Not everything of history is elaborated upon. Social history, political history, cultural history, literary history, economic history, and so on are all distinct sub-disciplines within the larger field of history. The study of economic history now dwarfs all other areas of study because of its astronomical significance. This is the period of history when a grasp of economics is important. How economies have fared in the past may be understood by studying economic history. Economy performance may be seen as growth, stagnation, or decline. The level of living of a nation's populace is responsive to its economic performance. So, we're out to investigate the link between economic structure and efficiency.

(History, n.d.) studied “Socio-Cultural and Economic History of Medieval India” discovered, and Official histories, also known as *namah*, were a new kind of history writing that became popular in India during the Moghul era, thanks to Persian influence. Akbar instituted the practice of commissioning officials or others to write the history of his new empire, providing them with access to state documents for that purpose. This custom lasted until the eleventh year of Aurangzeb's reign, when he finally put a stop to it. In addition to official histories of the time, biographies of significant historical interest were written as well. In addition, we do not rely just on chroniclers; there are also modern, non-official historians.

Conclusion

As a result, India's political, economic, and cultural conditions were in a shambles before the arrival of the British East India Company. In India, the Stagnation was broken, and new forces of change developed. This development resulted from colonial interaction, which inevitably carried with it severe suffering and national decay as well as economic, political, and cultural setbacks. The vibrancy of contemporary India, however, would come from exactly these new forces of change.

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