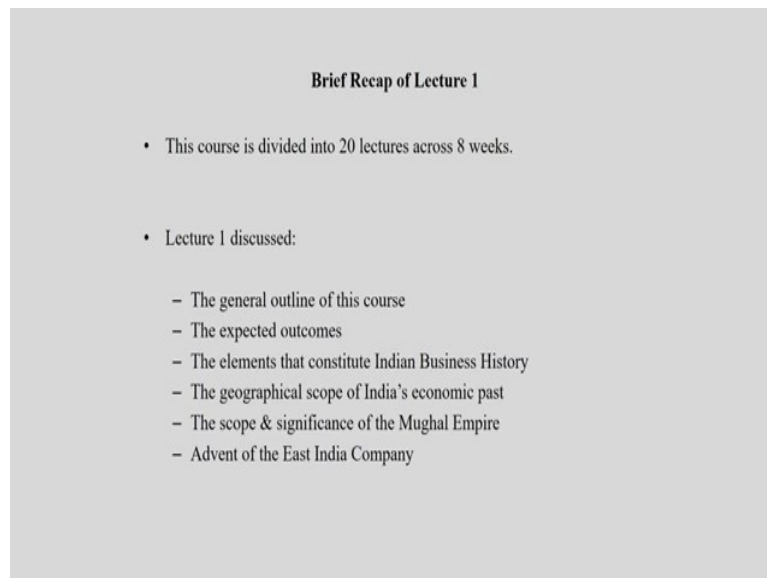


Indian Business History
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Lecture - 02
Sources and Methodology in Indian Business History

Hello and welcome to the Indian Business History. This is the second lecture in this online course and the title of this lecture is going to be Sources and Methodology in Indian Business History. Before getting on with the second lecture I want to offer a brief recap of what we discussed in the first lecture of this online course.

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Brief Recap of Lecture 1

- This course is divided into 20 lectures across 8 weeks.

- Lecture 1 discussed:
 - The general outline of this course
 - The expected outcomes
 - The elements that constitute Indian Business History
 - The geographical scope of India's economic past
 - The scope & significance of the Mughal Empire
 - Advent of the East India Company

So, the first important detail that I mentioned in lecture 1, which was the previous lecture, it was mentioned that this course will be divided into 20 lectures into 8 weeks. So, this is; obviously, the second lecture in that series.

In addition to the general outline we also discussed certain important themes relating to the general outline of Indian business history and those are the following. When we began the previous lecture I mentioned the weekly distribution of themes and concepts that we will be discussing as a part of this online course. This will be chronological in scope and we will move through successive centuries in the past and end our discussion which is week 8 with a more contemporary analysis of what constitutes Indian business history today.

Then we discussed the expected outcomes in this course which is basically the ability for the students and learners to be able to contextualize present developments in the light of what is happened in the past. Business, just as in any other event in history, does not take place in isolation. But, it is shaped by the different political, social, economic and even cultural contexts that are around activities relating to economics and business or even trade and manufacturing.

Then we had a broad discussion on the general elements that today constitute the study of Indian business history. We will obviously, study the role of entrepreneurs, individuals, groups of individuals, certain communities that have been at the forefront of guiding our business related activities in the subcontinent. And we will discuss political cultures, business cultures, the history of start-ups in India that have all played a critical role in outlining the basic contours of Indian business history today.

Then we also discussed the geographical scope of India's business past and when we discussed the geographical scope the immediate precursor of the East India Company with which we will begin our discussion was the prevalence and the ultimate decline of the Mughals Empire in India. The Mughal economy was one of the largest in Asia. The Mughal Empire was also one of the largest territorially most expansive kingdoms that ever governed the Indian subcontinent in recent history.

And, its ultimate decline also had ramifications on the decline of India's economy, its manufacturing, and its general outline of the economic profile of this period. The decline of the Mughals was also accompanied by the rise of the regional kingdoms and we will discuss those in greater detail today. But, the emergence and consolidation of regional kingdoms also gave a fillip to the consolidation of local economies and local sources of revenue generation.

So, the rise of regional kingdoms also meant the rise of regional powers and the political life of the Indian subcontinent was rejuvenated once the Mughals sun had started to eclipse. Then I ended the previous lecture by giving you an outline of how structural deficiencies in the Indian economy as a result of a larger Mughal decline paved the way for the advent of the East India Company and for its greater manipulation and control of Indian economic and political resources.

So, in many ways as I said in the past the road leading to the greater paramountcy of the power of the East India Company was paved on the fragments of the political power of the Mughal state in India. The loosening control over economy of the Mughal state provided

ample opportunities for the East India Company to maximise economic and commercial privileges and based on greater accumulation of economic and commercial privileges the East India Company was able to consolidate more political power in its hands. And therefore, it became the successor to the Mughal state as far as political control in the Indian subcontinent is concerned.

The business ideas, ventures, institutions, and the general philosophy of trade and business that the East India Company introduced to India was largely exploitative in character it was also responsible for the westward shift of Indian resources and Indian wealth to Europe and to Britain. So, in stark economic and political terms, the system brought along in the wake of the East India Company its conquest of the Indian subcontinent, was fundamentally different from what was experienced in the past by people in India.

As I mentioned in the previous lecture, lecture 2 which is today I want to start by offering you a brief bibliography for this course. Some of these books have been written by economic historians, some are development study specialists, some are political scientists and some have a general interest in the ways in which India's business history has been shaped by domestic or international factors.

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A Brief Bibliography for this Course

- D. Tripathi and J. Jumani, *The Concise Oxford history of Indian business* (OUP: 2007)
- Medha Kudaisya (ed) *The Oxford India anthology of business history* (Oxford University Press: 2011)
- Gita Piramal, *Business Maharajas* (Penguin: 1996)
- Atul Kohli, *Democracy and development in India: from socialism to pro-business* (OUP: 2010)
- Douglas Haynes, *Small Town Capitalism in Western India: Artisans, Merchants and the Making of the Informal Economy* (CUP: 2012)
- Claude Markovits, *Merchants, traders, entrepreneurs: Indian business in the colonial era* (Palgrave Macmillan: 2008)
- Aparajith Ramnath, *The Birth of an Indian Profession: Engineers, Industry, and the State, 1900-1947* (OUP: 2017)

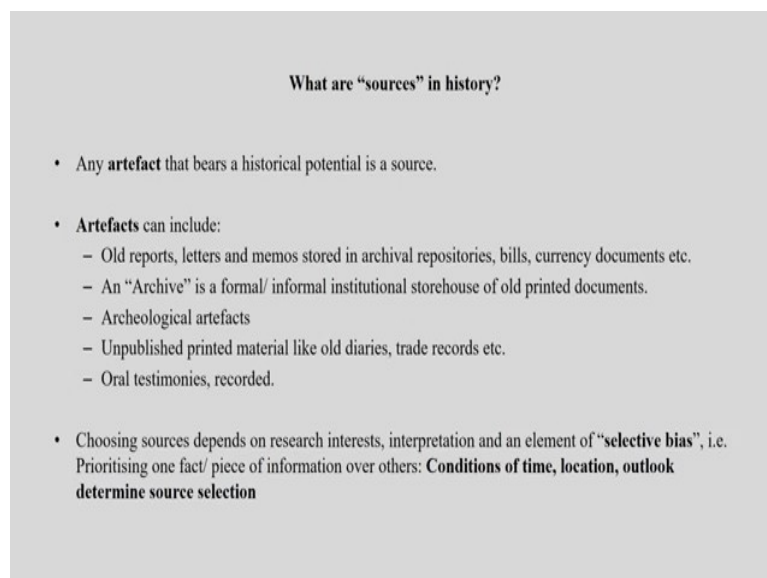
One of the most important additions to the literature on Indian business history has been the first piece of scholarship which you can see on the slide. This is a book called *The Concise Oxford History of Indian Business*. It has been published by Oxford University Press in the

year 2007 and its authors, Professor Dwijendra Tripathi and Doctor J. Jumani are the authors. This book will be of critical importance in this course, and the ideas outlined in this book, in addition to the several other books mentioned in this bibliography, will help you understand some of the critical debates and examples that I will use in this lecture.

Please use the arguments in these books to bolster your understanding of Indian economy and contemporary political affairs. These are fairly accessible books, easy to read, written by historians with a deep and passionate interest in Indian affairs, and they will go a long way augmenting your knowledge in addition to the lectures that you will watch here.

Today's lecture is titled Sources and Methodology in History. But this course will also have importance in understanding the specific intricacies of learning and writing about aspects relating to India's business history. Because India's business history, at the end of the day, is also a history. So, the sources and the methods used in the writing of Indian business history are somewhat similar to the sources that people would use in writing social histories, cultural histories or even political or military histories. I want to begin this discussion by outlining what the word source or sources precisely means in the context of history writing.

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What are "sources" in history?

- Any **artefact** that bears a historical potential is a source.
- **Artefacts** can include:
 - Old reports, letters and memos stored in archival repositories, bills, currency documents etc.
 - An "Archive" is a formal/ informal institutional storehouse of old printed documents.
 - Archeological artefacts
 - Unpublished printed material like old diaries, trade records etc.
 - Oral testimonies, recorded.
- Choosing sources depends on research interests, interpretation and an element of "**selective bias**", i.e. Prioritising one fact/ piece of information over others: **Conditions of time, location, outlook determine source selection**

In very simple terms a historical source could be any artefact that bears a historical potential as a source. So, basically any printed material, or unpublished printed material, a personal memoir, or any other artefact that was produced in the past, and is currently available, becomes a tool for us to reconstruct the events of the past.

So, for any history book or any history article that you may read, the bibliography that is provided towards the end of that book or an article will detail the amount of sources that that particular author has used. And, it is basically a guide for you to understand how a particular argument in a book or an article has been formed or given by that historian.

Similarly, for this course also, an understanding of what constitutes as a source or a tool to write India's business history as it has taken place in the past is critical to understanding how that profession itself has developed over the years. So, any historical artefact produced in the past in written form, oral form or even visual form constitutes as a source for history writing and understanding history at a more critical level.

Artefacts are sources to reconstruct the stories of the past can be of many kinds. For instance, old reports, letters and memos stored in archival repositories or bills or currency documents can all be classified as sources to reconstruct events of the past, these old reports could either be governmental reports.

Some of the early histories written on the East India Company, for instance, used trading reports of the numerous officials who worked in the East India Company or shipping records of the East India Company to write interesting new accounts of commodity production, the sale and transfer of commodities from India to the west, or the transfer of technologies from west to India. So, any kind of exchange or transfer of knowledge, ideas, or commodities can easily be uncovered if historians have access to old trading reports, business reports, or governmental reports of that period.

Similarly, letters stored in archival repositories or bills or currency documents are also important sites where histories or newer and more vibrant histories can be discovered by people who are studying them. Private letters or official letters are today important recognised sources to uncover the networks of knowledge and the pathways of exchange of different commodities that took place in this period. Official correspondence between different officials of the East India Company gives us a glimpse into the political history of the period.

Private letters between officials of the East India Company to their family members in Britain or within India gives us a glimpse into the cultural history and the ethos and the social mores of that period. So, any source that you can lay your hands on which was produced in the past and is now available either officially or in unofficial private collections or libraries becomes a

worthy site to uncover the history of that object that artefact, but also to extrapolate the findings of that local source to chart a longer more meaningful history of that particular period.

I want to spend some time to explain what an archive precisely is. In discussions around history, history writing and learning history, the word “Archive” is very commonly used. If some of the learners are not familiar with what an archive is: an archive is a formal or informal institutional store house of all printed documents. This could be government run libraries or repositories of old government related documents that historians can use for their historical analysis.

Some archival institutions are also unofficially kept within family heirlooms or within the household level. These could be letters of one’s ancestors, these could be records of trade or any other activity kept by descendants of particular people or communities. This may not be officially available, but through networks of kinship and personal contacts and, if possible, historians can also have access to these informal archival repositories. But the word archive pertains to an institutional repository whether official or unofficial of a set or multiple sets of documents that historians or any other discipline centered scholars use to reconstruct events of the past or to understand the debates of the past in a more meaningful and in an evidence based approach.

In addition to archival repositories, reports, private letters, official letters, bills of exchange or any other written published material, we also have archaeological artefacts that historians and archaeologists use to reconstruct events of the past. Archaeological artefacts in a more disciplined centered way are of more relevance to people studying ancient history or medieval history.

However, if you want to chart a longer history for instance India’s business interactions to the wider world then archaeological artefacts are of critical importance. Fragments of pottery or pot shreds discovered in West Asia or in parts of the ancient Roman Empire and if those fragments are found to be of Indian origin or of areas originating in the Indus valley civilization perhaps points us towards more international character of trade and business in almost 2000 or 3000 years ago.

Because the focus of this course will be 20th and 21st century, we will not spend much time on archaeological artefacts. But this is just to give you the geographical and temporal scope

of the ways in which historical sources make themselves available for a general outlining and enumeration of historical principles.

In addition to printed material, in addition to archaeological material, there is also a significant body of new methodological tools that are making themselves available to write and document newer histories. And this new source is what is now commonly known as the oral history method. This method is basically, as its name suggests, reliant on testimonies, either recorded or recorded and transcribed, oral interviews, oral testimonies or recitations or readings of specific documents which are stored and electronically made available to scholars and students alike.

So, oral sources differ from their composition because they are not printed. However, their digital availability and the personal nature of oral history which is basically human to human interaction through which testimonies are made available makes a different space available for historians to investigate the multifarious nature of history making today. So, interviews of entrepreneurs today or businessmen or policy makers involved in drafting policies related to economy or business can also be veritably be classified as an oral history source.

And this examination, investigation, and its use, and interpretation and reinterpretation by different scholars, also widens the scope of the historical scrutiny and viability of these sources. So, sources can be of many types they can be of different characters, they could be stored in different ways, they could be stored officially or in unofficial repositories or libraries, but the truth is that historical research depends a great deal on the wide variety of sources available to the historians.

One aspect of defining sources in history is obviously about highlighting the different kinds of sources available to us today, and how those different kinds of sources yield different accounts of history to us, which makes the study of history particularly exciting especially business history. Because different sources point us towards examining the rather international story to India's business interaction in the last 100 to 200 years. But more generally speaking, the discipline of history itself has also reinvented itself with each passing decade based on the exact criteria, nature and composition of sources that historians have used for their writings and for their research.

Choosing sources therefore, depends on research interests, it depends on your interpretation and there is always an element of "selective bias" in prioritising one set of sources over

another. What is selective bias? This is basically the attempt either conscious or unconscious towards choosing, incorporating or studying or even investigating one particular set of documents or prioritising those set of documents over another set.

How does this prioritisation happen? Is not an exact science, it depends on your training as a scholar, it depends on your personal predilections, it also depends on the nature of your research question. So, any given source, that is used for writing a particular history for a given period, depends a lot on the context of space, location and your own personal research interests.

So, conditions of time, conditions of location, outlook - all these 3 elements play a critical role in determining what sources will be incorporated at what stage in the process of writing histories of the past. So, Indian business history in that same idiom, therefore, is not a monolithic discipline, it is an ever changing, ever widening field of study in which different sources appear visible at different points in history and the content of those sources lead to a very different kind of history that have been written or investigated in the past. So, every new decade or so a new wave of history writing is witnessed by the practitioners of history and even the students of history and those waves of change and all those waves of reinterpretation depend a great deal on the kind of sources that are being made available to the historians.

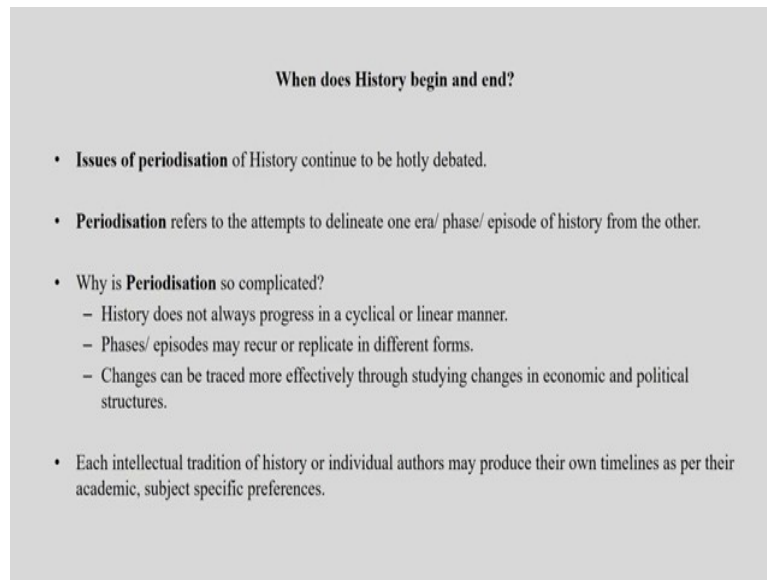
And, the ways in which historians choose those sources investigate them and how they go about writing the history based on their own their own their own interpretation of those very sources. So, the very raw material of history is rich in it is variety and it is scope and the numerous files, documents, artefacts that are used by historians, in the long run, are also subject to change. So, not just the interpretation or traditions associated with the history change, but the tools, the ingredients and the elements that go into writing those histories also keep changing.

As we go along in this on line course you will get a glimpse of how different histories have appeared in India relating to business and economic related activities and those changes to you will be noticeable on the basis of different sources that historians have used in the past and continue to use even in contemporary times.

Apart from a debate on sources and what is a historical source and what is the political, social and cultural viability of a particular source, there is also another set of questions that historians are concerned about and this also is the subject of contemporary academic debated

and intellectual debates not just within the discipline of history, but also outside it. And this is the idea and issues related to Periodization of Indian history and global history also in general.

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When does History begin and end?

- **Issues of periodisation** of History continue to be hotly debated.
- **Periodisation** refers to the attempts to delineate one era/ phase/ episode of history from the other.
- Why is **Periodisation** so complicated?
 - History does not always progress in a cyclical or linear manner.
 - Phases/ episodes may recur or replicate in different forms.
 - Changes can be traced more effectively through studying changes in economic and political structures.
- Each intellectual tradition of history or individual authors may produce their own timelines as per their academic, subject specific preferences.

Issues of periodization in history are a subject of an intense debate today. Periodization broadly refers to the attempts to delineate one era, phase, or an episode of history from one phase to the other. So, periodization is basically an attempt to distinguish or to define one specific period of history as different either politically, culturally, socially from the other.

There is also an element of chronology associated with debates and issues relating to periodization. So, especially in the Indian context debates regarding, where does ancient India start or end? And when does medieval history begin and end? And what is the precise state for the beginning of modern history? Or is there such a thing as contemporary history in India? Are all up for discussion today with no clear answers.

What can safely be said is that issues of periodization have continued to occupy the time and minds of almost all the influential scholars of not just in India, but also internationally. So, the precise attempts to calibrate the timing of historical episodes in global history, including Indian history, continue to remain a matter of debate conjecture and ongoing discussions.

So, why is periodization so complicated? Well firstly, it is advisable to remember that history does not always progress in a cyclical or linear manner. Events may recreate themselves or

replicate themselves causing people to remember past eras all long gone decades again depending on the nature of the episode that is replicating itself. So, the non-linear march of history or historical decades makes it very difficult for researchers and also scholars and students to define what a particular period of history stands for, when does it start, and when does it end. For practical purposes of course, we have the strategy of dates and memorising events corresponding to those dates. Yet at more fundamental intellectual level, attempts to demarcate modern history from medieval, and medieval history from ancient times are fraught with grave complications and is a matter of ongoing debate between different scholars involved in history writing today.

However, in order to make the discipline and the enormous scope of history more intelligible and more comprehensive we do need landmarks sometimes. Milestones relating to certain conflicts or epochal events, or remarkable milestones whether in trading achievements or economic mastery or political successes are therefore, useful pointers to get a broad timeline of the period in question. The enormity of the historical discipline is such that any given milestone, at a given time, is also subject to time related in location specific contexts.

So, an event taking place in a particular region may be of immense political and historical value to people within that region, but may have different conceptions or consequences for people in a different region. So, periodization is also sensitive to the complications of time and location, and that is why the exercise of demarcating one era from the other, or one episode from the other, or one category of history from the other, is always complicated with no clear answers.

But, just to repeat, for practical purposes, to make history more intelligible and identifiable by scholars and students not familiar with the historical methodology, certain milestones, certain years, certain decades do become guides or mapping points to chart the history of particular decades or groups of decades. So, in this course as well certain episodes will stand out vis-à-vis the others. Those episodes will become the guiding points for you to trace the larger trajectories of business policies and economic activities in this country.

But that does not mean that only those events are important and the unheard of, or possibly ignored episodes by historians do not matter. History is an ongoing field. It is fresh with constant rejuvenations of ideological inputs and constantly new frontiers are being broached

in this discipline. So, please be alive to the possibility of learning while you go along this course.

New enquiries always creep up in any discipline, and new directions can come in at any point of time, depending on the availability of new sources or new ideologies affecting the shape of the discipline. Also each intellectual tradition of history, or individual authors, may produce their own time lines as per their academic subject specific preferences.

So, if debates about periodization were not enough, we also have the added complication of personal selective biases, personal research led interests or institutional preferences that devise their own time lines in history, keeping in mind the local subjectivities or local sensitivities relating to area and geography, that tend to produce certain kinds of history that prioritize one set of sources over another.

So, in addition to the larger discipline specific enquiries relating to periodization, you also have complications emerging at the individual level of history writing, where each historian is relatively and autonomous unit who is trying to craft histories based on their own personal research-led preferences or their own personal preferences in choosing one set of sources over another.

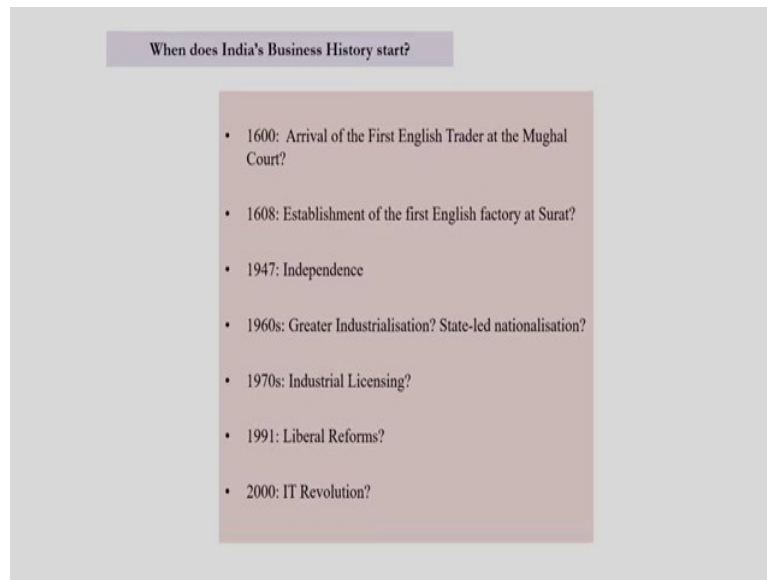
So, the resulting history work of individual author, may look very different from that of another work produced by another individual author or groups of author in different universities, in different geographical locations, and coming from different intellectual traditions. So, history is not a monolith, but it is a discipline, rich with new possibilities of inquiries, and it is always invigorated with newer inputs of different scholars involved in the writing of those histories.

While issues of periodization are ongoing in Indian business history, just as in the previous lecture I mentioned that historians, scholars, and students have occupied themselves with identifying a particular regional centre or a geographical centre for tracing India's business history, there are also parallel debates that are going on which are about finding a particular moment or a decade or a year which can decisively prove to be the starting point of India's business history.

Now just as there are no definite answers on which precise region in India contributed the most or the least to India's business history, because each region in India has contributed it is

own fair share in the development of entrepreneurship. In the same fashion, there is no one particular decade, or a century even, or even a particular year or a month in which you can trace India's business history to have conclusively begun.

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For instance, many economic historians interested in charting a modern history of India's business enterprise, want to start the histories from the year 1600 which is basically the year in which the arrival of the first English trader at the Mughal court was recorded.

So, according to historians favouring this era surrounding this year feel that India's modern business interactions with the west and its first exposure to the business, industrial and economic principles being pursued in countries like Britain began effectively in 1600 when the first official semi diplomatic contacts were established between Europeans from Britain and people in India.

Then certain other people stepped a little forward and contend that 1608 is possibly the time where India's business history began in earnest, because it was the establishment of the first factory, or warehouse, at Surat belonging to the East India Company. So, the installation of an architecture of European business enterprise in India in 1608, which was distinctly British, marks the start of India's formal business history according to a certain set of people.

Then the next major break in Indian history, if you like, happens in 1947 when the country gained independence from British rule. So, historians wishing to chart nationalist histories of

India's business landscape, or the rise and growth of Indian industries after independence, naturally look to this milestone to begin to begin their own historical investigations into India's business history. According to these scholars - it could include students, it could also include political scientists, historians and general practitioners of Indian affairs - 1947 marked that high water mark of Indian political life where different governing systems came to embody what the idea of India stood for.

So, 1947 was that tipping point where a European led political establishment - namely the British raj - was replaced by a bottom led nationalist movement that gave rise to not just a nonviolent movement in history, but also gave India its first independent government, and that movement is seen as pivotal to understanding India's business history after 1947. So, India's independent political journey after 1947, is sought to be complemented by a parallel invocation of a new business or economic led history of India's economic profile.

Moving forward some people also suggest that the 1960s could well be another point in which India's business history and be analysed more cogently and more coherently. Sixties was the time when there was greater industrialization and the presence of the state in economic matters was very powerful. So, state led industrialization, such as the method of planning that was introduced in India at this point, formally introduced in 1947 and which continues, or the greater presence of state bureaucrats, state leaders or the general state based governance consensus on economic issues and business issues was seen as a phase worthy of deep historical scrutiny and was seen as an era of extreme political and economical importance.

So, 1960s was also seen as a particular moment in India's history where India's business history could also be located. 1960s was also politically very unstable because of interstate warfare at this point between India and Pakistan, and India and China. So, the change in India's politics, society and culture during the 1960s accompanied by warfare and instability and global politics at this point, was seen as a viable study to locate the changes in economic and business led practices.

1970s in India was another very important decade, because it comes to enshrine a set of policies relating to industrial licensing and the control of the state on manufacturing processes. So, the license raj system that came to an end in the 1990s, was something which was in its heyday in the 1970s. So, different economic principles and business policies

emanating from the political centre of the state was seen as different from those being followed in the past. So, 1970s also represents a different decade as far as business policies or the business landscape in India is concerned.

The next milestone in Indian history would be 1991 when the liberalization of the economy happened on a rapid and massive scale. This was basically a set or multiple sets of reforms intended towards opening the economy in India towards greater investment from foreign capital and also from domestic private capital within India. So, 1991 opened the doors of Indian economy towards a greater injection of financial capital and private capital from areas outside India.

So, a radical break with the past took place in 1991, and its political importance today is seen in the way in which it is now seen as a contemporary water mark or a tipping point, when one compares business policies in the nineties from those in the past. Then after 1991 comes the more contemporary period of the year 2000 and the year subsequent to it. This is also the period when we will end the online course.

So, the years of the new millennium, which is the year 2000 and the years after that, are known internationally as the year in which the information technology revolution took place in India. So, the consolidation, the invention, the export of software related technologies from India to western markets or more generally international markets around the world was seen as a distinctly Indian success in the next phase of business ventures, globally speaking.

So, while the 16th centuries, 17th centuries, 18th centuries, and 19th centuries had their own specific commodities, or regimes of economic infrastructures that decided the terms of trade internationally. The years 2000 and after were known for the Indian contribution, an Indian decisive contribution, in marking the next stage of business histories which were commodity led, but those commodities were digital, virtual and computerised in nature.

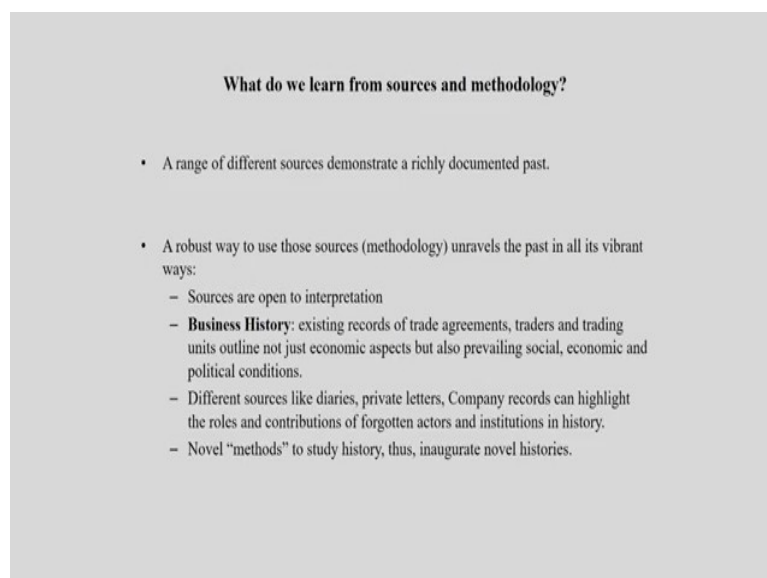
So, the next phase of industrialization in contemporary era, which is around technological solutions or modules related to artificial intelligence, but also undergirded by robust software is seen as a distinct contribution in that sphere. So, each century as I have just outlined in Indian history, is pregnant with political, economic, social and cultural possibilities. Each era in Indian history despite the problems of periodization is important to study by itself. There are numerous books, articles, whole traditions of scholarships just devoted to a particular decade or a particular century in India's economic life.

So, what you want to get out of this course also depends on your own personal interests and your research requirements. This course will give you a synoptic picture of what has happened in India's 200-year-old history of business interactions and economic interactions. But, to focus on just one decade, or one year, or one century, has primarily responsible for India's business ventures, or the growth of India's potential as a hub for international manufacturing retail and trade, is to misread history, and to forget the immense contribution that each year or each decade has made in the rise and fall or even consolidation of India's business in economics related fortunes.

So, just as there is no one geographic centre in the Indian subcontinent that could be credited exclusively for the fabulous successes of India's economic relationship or business ventures, there is also no one particular date or a century that could conclusively prove that this was the particular period in which India's business history sprang in earnest, or this was the area or the era in which India's economic fortunes hit rock bottom.

Each decade was, or is to be located in it is political and social context, and that is what the true beauty of the historical discipline is. It brings out the subjectivities of each passing decade or century, and helps us unravel the past in several creative ways than was otherwise possible.

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What do we learn from sources and methodology?

- A range of different sources demonstrate a richly documented past.
- A robust way to use those sources (methodology) unravels the past in all its vibrant ways:
 - Sources are open to interpretation
 - **Business History:** existing records of trade agreements, traders and trading units outline not just economic aspects but also prevailing social, economic and political conditions.
 - Different sources like diaries, private letters, Company records can highlight the roles and contributions of forgotten actors and institutions in history.
 - Novel "methods" to study history, thus, inaugurate novel histories.

So, what do we really learn sources and methodology? Obviously, a range of different sources document - a richly documented past. So, a robust historical book or an immensely

interesting historical article would be composed on the bedrock of a wide variety of sources and this could be textual sources, this could be oral sources, this could be visual sources. So, the greater the diversity of the sources that you use to investigate history, the more richer the experience will be of you or for you in investigating the events of the past.

So, a greater diversity of sources is not a problem for in history writing, it in fact, is a strength for a historian and for the discipline of history itself. A robust way to use those sources, which is basically methodology, or the method to use sources to write the history unravels the past in all its vibrant ways. So, as I mentioned before, sources are open to interpretation, a given archival file or a given letter read by two different people will reveal two different details to two different scholars and based on that different interpretation a different history will be documented.

So, the ever widening scope of history rests largely on the shoulders of the historians studying those sources. In the context of business history especially, existing records of trade agreements, traders and trading units outline not just the economic aspects, but also prevailing social, economic and political conditions. Different sources like diaries, private letters, company records such as the records of the East India Company or even the French East India Company or the Dutch East India Company, which came to India before the British did, also reveal fascinating details of their stay in India and the records of their exchange with Indian officials at this point.

So, records of foreign trading companies, and the roles and contributions of forgotten actors, can also enrich Indian history writing as it has done in the past. Therefore, novel methods to study history, which could be new sources or new interpretations of the existing sources, inaugurate novel histories. New sources give rise to new histories and new interpretations, as evidenced by the writings of different historians gives rise to different traditions of history writing, and it makes the documentation of Indian history much more vibrant and appealing.

As an example of the kinds of new histories that are coming up, which are documenting the role of forgotten actors or institutions or communities in India's business history, the role of the Jagat Seths, or in English roughly translatable to as bankers to the world or world bankers.

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Rise of Regional Rulers & Merchants: 1707 onwards

- Emergence of new Financial centres: **Surat, Ahmedabad, Patna, Murshidabad**
- Rise of a new merchant class: “**Jagat Seths**”
 - Mainly Bankers & Financiers
 - Based in Bengal, hailed from Rajasthan
 - Dabbled in money-lending to regional powers
- **Sources of Income** for Jagat Seths and others:
 - Trade: Domestic and overseas
 - Brokerage
 - Exports and imports of goods
 - Loans to Regional kingdoms
- **No legal framework on Business & Trade:** Earliest merchants worked by themselves.

These actors have only recently received renewed historical attention in India. The availability of records relating to indigenous Indian banking systems, banking operations within India, just at the time when the East India Company was consolidating its rule over the subcontinent, has shed light on these very important but largely forgotten or ignored actors in India's history.

The emergence of new financial centres in India after 1707 namely Surat, Ahmedabad, Patna or Murshidabad which were local centres of regional power and were also sources of private, personal and trading wealth, and which moved authority away from the Mughal centre to India's margins, gave rise to a new class of indigenous bankers and financiers in the Indian subcontinent. This class of merchants, traders, and businessmen, and money lenders came to be known as “Jagat Seths”, after their founder.

They were mainly bankers and financiers. They were largely based in Bengal in the early 18th century. They diversified to different parts of the subcontinent later, but the greatest concentration of the Jagat Seths was found in Bengal. The Jagat Seths hailed from Rajasthan, which is also the area from where the Marwari community originates, and who have also played a decisive role in India's business history for many years now.

So, the Jagat Seths too have or shared their origin in the areas which is now Rajasthan. From early on Jagat Seths dabbled in money lending to regional powers - they became the local sources of revenue collection, some of them also acted as revenue collectors from local

agricultural estates, but their chief operation was money lending after 1707 and they became the local sources of financial support to regional centres whether it was Murshidabad, Patna, or Surat or Ahmedabad. The power, and their acumen in business dealings was responsible in supporting the financial base of the regional kingdoms, as they consolidated their political power after the decline of the Mughal authority.

There were many sources of income for the Jagat Seths themselves. The first source was obviously, trade - domestic and overseas, some of them were indulged in intra regional trade, some of them were also indulging in financial and international trade between India and South East Asia, or India and also West Asia at this point. Jagat Seths also included brokerage as one of their financial occupations at this point, which also became a source of income for them.

They also dabbled in exports and imports of goods in this period. And their chief activity towards the later part of the 18th century came to be in the form of financial services that they rendered to the regional kingdoms. So, military loans, financial loans, or money lent to regional kingdoms, to tide over their immediate crisis, was something that was seen as an indispensable part of their financial operations.

So, the early economic and political prestige that the Jagat Seth enjoyed at this point was mainly as a result of the financial services that they rendered to the regional kingdoms at this point. There was no legal framework on business and trade at this point. When I use the word “legal framework”, I use it in the exclusive western European sense. So, each Jagat Seth or an indigenous banking operative in India worked through his or her own rules.

There were merchant associations in the subcontinent at this point. There were also private official or unofficial guilds in this period which set the terms of trade and business operation at this point. There was no overarching framework on business policy at this point in the Indian subcontinent, and each business operation that took place in India happened on the basis of locally agreed customs or traditions.

The whole policy framework of international trade and economic engagements, I may add, is also recent 19th to 20th century phenomena, where the homogenizations of legal principles have come to be enshrined in a more effective way. However, in the 18th or 19th century, local regional or geographical merchant led association set the terms of trade in international business and the multiplicity of these legal frameworks or economic frameworks determined

the pattern of the business history of this period. There was a gradual consolidation of economic and political power by these merchants.

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Consolidation of Political & Economic Power by Merchants

- Nature of Business operations in India at this time: **Commercial, Rarely Industrial (in terms of scale)**
- Local Merchants became lenders to
 - Regional kingdoms
 - Collected revenues/ taxes on behalf of Kingdoms
 - Financed trade
 - Financed military expenses
- After 1750s:
 - Become lenders to English East India Company (EIC)
 - Build an economic relationship with EIC
- Jagat Seths and Bengal:
 - Increasing power to be “King makers”
 - Battle of Plassey, 1757: Nawab of Bengal Defeated by the British

So, the nature of operations in India at this point were mainly commercial and they were rarely, I ever, industrial. So, the whole aspect of industrial revolution, which is the mass based production of goods and services and of their export to the different parts of the world, was something that was first devised in parts of Europe including Britain and its effects were felt by the other parts of the world.

And gradual co-option of the Asian colonies, South East Asian territories into the industrial folds of the world happened after this. But the nature of operations in the Indian subcontinent at this point was commercial. There was also specific types of manufacturing taking place at this point, but the whole concept of industrially mass produced goods with help from technology aided services was something that was a European phenomenon at this point.

While the Indian subcontinent had its own share of technologies and access to it was limited to the subcontinent itself, it was the global appeal of mass based production of technologies and goods in commodities in Europe and in Britain that gives a distinctive flavour to the larger global history of this period. So, industrial revolution while it was taking off in Britain, in Indian subcontinent the nature of commercial and economic transactions were somewhat different than that of the west.

As I have said before local merchants, like the Jagat Seths, became lenders to regional kingdoms. They also collected revenues - taxes on behalf of those kingdoms sometimes. They financed trade, not just private, but also the trade that was carried out in the name of these regional powers. And importantly Jagat Seths, towards the end of the 18th century and also by the mid 19th century but to a limited extent in the mid 19th century, became the sources of sponsoring military expeditions and of sponsoring conflicts of warfare between regions who did not share a great rapport with each other.

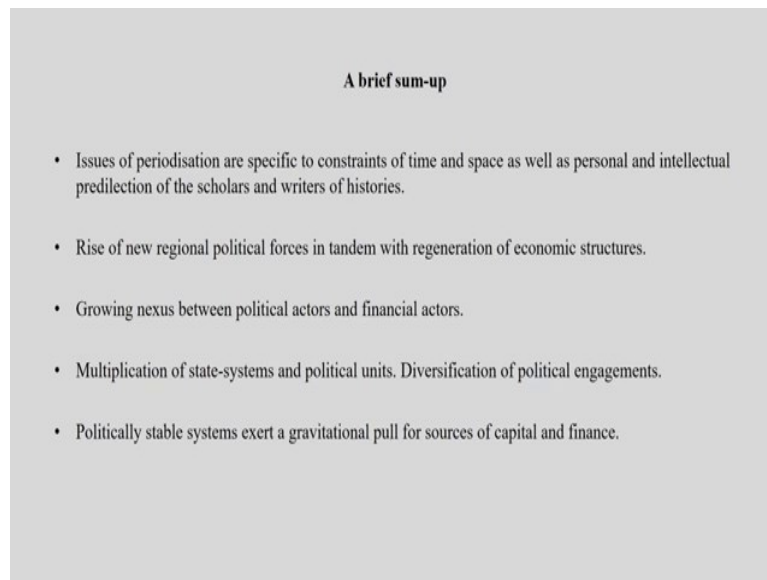
So, the ability of the Jagat Seths to finance military expenses made them very important political actors in the history of India at this point. We will discuss specific episodes relating to those military conflicts in the next lecture. But after the 1750s the Jagat Seths also developed an economic relation with the East India Company. So, on the one hand, while they are rendering financial services and support to regional kingdoms, the Jagat Seths, perhaps sensing a political and economic opportunity, also started building bridges with the English East India Company at this point.

So, the building of a gradual economic relationship with the European based trading company was seen as a pretty remarkable episode in Indian history, then private Indian capital started shaking hands with the European capital coming into India at this point. The maximum political and economic influence of Jagat Seths was felt in Bengal. They consolidated increasing power in their hands came to be regarded as king makers in the politics of Bengal in this period.

Their economic prestige and the control that they exercised on local sources of revenue and income made them very important very important public people in the political affairs of Bengal in this period. Their personal inclinations or disinclinations played a huge role in who ultimately came to occupy the highest levers of power in Bengali politics at this point.

So, the Nawab of Bengal or the East India Company, interested in garnering more trading privileges for itself from the Nawab Nawab of Bengal found the Jagat Seths as ideal political agents to lobby for their interests. So, the battle of Plassey in 1757 in which the Nawab of Bengal was defeated by the British which led to the greater control of the British East India Company over Bengali affairs was seen as a military operation increasingly manipulated, controlled and also financed to a great extent by the Jagath Seths. Just to offer you a brief sum up of what we have discussed in this lecture.

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A brief sum-up

- Issues of periodisation are specific to constraints of time and space as well as personal and intellectual predilection of the scholars and writers of histories.
- Rise of new regional political forces in tandem with regeneration of economic structures.
- Growing nexus between political actors and financial actors.
- Multiplication of state-systems and political units. Diversification of political engagements.
- Politically stable systems exert a gravitational pull for sources of capital and finance.

The first themes that we discussed was the issue of periodization, and I mentioned that issues of periodisation are specific to constraints of time and space, as well as personal and intellectual predilection of the scholars and writers of histories. So, what kind of history emerges at what point, and what sources that history has incorporated it and chosen not to include in the ultimate analysis, depends to a great deal on the historian who is writing that given history. So, the selection, incorporation, the use and interpretation of sources is ultimately a function of the personal and research led focus of the historian in question.

So, each book of history that you read or may read in the future, you may want to be careful about the sources used in that history, the influences that the sources exerted on the historian, and the overall account that was shaped by the nature of those sources. Each history uses a limited number of sources and chooses to prioritise one set over another that is sensitive to the context of space and location.

So, each history or the work of history, produced and which widens the scope of historical scrutiny in this period or any other period in history, is a function of all those selective biases. Then we also discussed that the rise of new regional political forces was in tandem with the regeneration of economic structures and the chief agent for that regeneration of economic structures were communities and people like the Jagat Seths who became the new political and also economic masters of regional politics at this point.

There was a growing nexus between political actors and financial actors. So, Jagat Seths, while rendering financial services to regional kingdoms like Awadh and Bengal and Murshidabad, also started developing relationship with the European based trading companies such as the English East India Company. So, growing nexus of private capital between Indian hands and European hands was a distinctive feature of this period.

There was also a multiplication of state - systems and political units at this point and also there was a diversification of political engagements in this period. So, while there was a fragmentation of Mughal authority, it was also accompanied by the rise of the regional kingdoms, and the rise of the regional kingdoms cannot be studied if you do not know the role played by the Jagat Seths in this period. While Jagat Seths operated on the basis of their financial prestige and power, the role of the Jagat Seths cannot also be fully understood if you cannot understand what the East India Company was doing in this period.

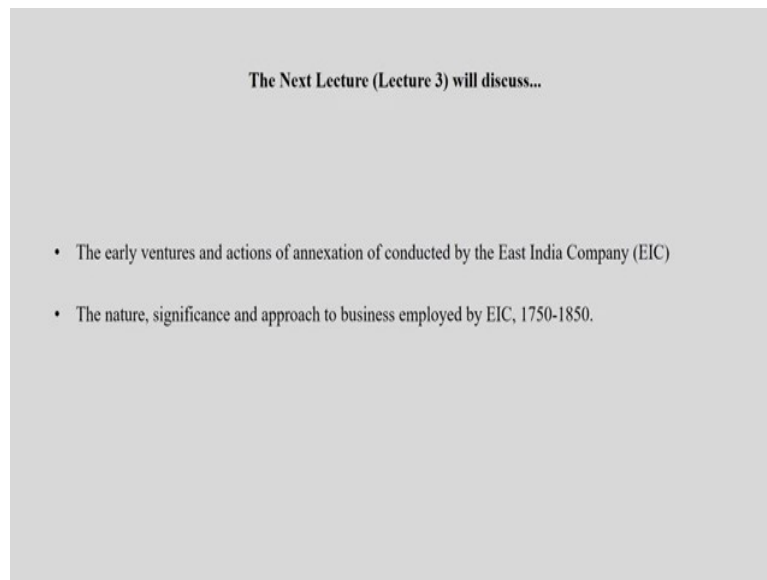
So, the growing nexus or interconnected nature of capital at this point between sub regional centres, the Jagat Seths who were indigenous banking operatives or commercial operatives, and their interactions with the foreign powers such as the English East India Company gave a more international flavour to India's economic history in this period. Ultimately lecture 2, the briefest take away of this lecture would be that politically stable systems ultimately exert a gravitational pull for sources of capital and finance.

Once it became apparent in the Indian context that political authority was moving away from Delhi and towards coastal towns and port cities with the larger regional consolidation around those cities, that was also the direction that private wealth took in migrating. So, the move away of political authority from the centre to the margins was also accompanied by a similar movement of capital from the centre to the margins.

Once capital started moving to newer directions and started exploring newer areas, new political systems and new political alignments also came to be recognized concentrated and instituted in those very areas. The consolidation of the Bengal revenues - it is immense wealth and prestige - also became a magnet to attract the private wealth of the East India of the English East India Company merchants.

So, the greater concentration of newer authorities in political systems in India's margins was a function of the fragmentation of the political authority and the role it played in also guiding wealth and capital away from those centres and towards newer directions.

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The next lecture, which is going to be lecture 3, we will discuss 2 important principles, the first will be the early ventures and actions of the East India Company. We will discuss the roles, the strategies and the plans put in place by the East India Company to gain greater access to not just India's economic resources, but the plan and strategies through which they exerted greater political control on the Indian subcontinent.

Also at a more fundamental level, lecture 3 will also discuss in great detail, the nature, significance and approach to business operations employed by the East India Company from the year 1750 to roughly 1850. These are not normal cut off historical dates, so, we will move back and forth between different decades in this 100-year period. But the broad timeframe to make understanding more convenient for the next lecture will be the 100 years, between 1750 to 1850.

In which we will discuss the new forms of business principles, institutions and values brought by the East India Company to the Indian subcontinent. And while discussing that, we will also be able to see how using those institutions and mechanisms the East India Company became more than just a trading company, and in fact, established greater political control on Indian affairs.

Thank you very much.,