



## EUROPEAN TRADE AND COINAGE OF AKBAR

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The Moguls started their reign in India in the year 1526 CE. Babur, the founder of the Mogul rule defeated the reigning Sultan of Delhi and established his rule. From 1526 to 1857, the Mogul emperor was the sole source of legitimate rule in the whole of South Asia. However, after Babur's death his son Humayun faced crushing defeat at the hands of a Pathan lord, Sher Shah Suri in 1540. Humayun left India and took refuge in Persia. But his son Jalal ud-din Akbar was of extraordinary talent. After the death of Sher Shah Suri in 1545, the Pathans were in a weak position. Humayun took the advantage and returned to India. His son Akbar finally crushed the power of the Pathans and established the Mogul rule on a strong footing. Akbar's reign saw the all round development of India. The people of India prospered in every sphere of life. Trade and commerce flourished, arts and aesthetics attained new heights, and religious syncretism of the Moguls became the example of the day. The all round development can also be traced in the coins issued during the rule of Akbar Shah. The monetary system of Akbar was inspired largely by the innovations of Sher Shah Suri. Sher Shah Suri was an able administrator. Akbar, though from a rival house, adopted several of the administrative measures innovated by Sher Shah Suri. Sher Shah first introduced Rupya. It was a silver currency weighed 178 grains. Akbar continued to issue the Rupya with his own name inscribed. Interestingly, the money is still known by the name of Rupya in India.

Akbar not only copied the measures introduced by Sher Shah, he also reflected innovation and originality. He issued coins in all the three principal metals used for coinage worldwide. The gold coin was known as Mohur. Mohurs weighed about 170 grains. It was mainly used by the traders for large business deals. It was also used by the princes of royal blood, the landlords and the regional governors for large amount of payment. Apart from the continuing usage of Rupya, Akbar also issued a different variety of silver coin known as Shahrukhi. It was of much lighter weight than the Rupya. A typical Shahrukhi weighed about 72 grains. The copper coins of Akbar Padshah were known as Dam. Dam weighed about 330 grains. The Shahrukhi and Dam were circulated in large numbers and used extensively by the common folks. The exchange rate of converting a particular variety of coin into another variety was also clearly defined. The Akbari system of coinage is significant because of their minute details. A detailed description of the issuing year and the location of the mint were inscribed on the coins. The coins also carried the full title of the emperor. This practice was followed by all the subsequent Mogul emperors. Even the English East India Company who started their career in India as a subordinate power to the Moguls struck the coins in the name of the reigning Mogul emperor. This practice was discontinued by the English only in the year 1837 when the Moguls were in a politically debilitating state.

The issue of whether European commercial activities wrested the Indian Ocean trade away from Asian merchants remains ambiguous in the maritime history tradition, but an established tradition exists which argues that as far as European maritime trading and Indo-Central Asian overland trade were concerned, the effects were unequivocally deleterious. The central contribution to this tradition was made by Steensgaard in 1974. The thesis can be summarised as follows. First, it was not until the arrival of the Dutch and English Companies in the Indian Ocean (a century after Portuguese) that the trade of the Indian subcontinent experienced a 'revolution' (i.e. a change in its established trade patterns), because the Companies were successfully able to internalise protection costs and enjoy improved technology and communication networks.<sup>3</sup> This view has recently been supported by the work of the institutionalist Douglas North.<sup>4</sup> Second, these Companies – unlike the Portuguese or the Indo-Central Asian caravan merchants consequently benefited from economic buffers (rather than from lower transportation costs, which did not affect international trade until the nineteenth century),<sup>5</sup> thereby causing the decline of the latter. Yet, while the former contention is probably valid and useful to an understanding of the effects of European maritime activities in the Indian Ocean, the latter is problematic in at least three respects.<sup>6</sup> First, Steensgaard's dismissal of the significance of the overland merchants is largely driven by his characterisation of such merchants as itinerant peddlers' (when, for example, it is now known that the caravanserais – contemporary equivalents of the motorway service station – could accommodate almost 1000 people at a time<sup>7</sup>), and more fundamentally by the absence of suitable evidence of their activities, from which he infers back that they must have been insignificant<sup>8</sup>. Second, in addition to the informational advantages possessed by the indigenous merchants and middlemen – which would continue to disadvantage foreign commercial interests on the sub-continent even into the Raj<sup>9</sup> – there is decisive evidence that kinship networks were extended in this period to mitigate the costs associated with long-distance trade.<sup>10</sup> Merchants also developed networks across religious (e.g. Hindu-Muslim) and ethnic (e.g. Indian-Armenians) lines. The difficulty in seeing how these mechanisms might have reduced transaction costs to the same (or, least, to a sufficient) extent as those of the Dutch and English Companies has perhaps been entrenched by the new institutionalist perspective, which emphasises the evolution beyond kin-/cultural-institutions to successfully deal with transactions costs as the scale and scope of exchange is widened. Finally,<sup>9</sup> The most striking problem is that, to anticipate terminology introduced in the following chapter, Steensgaard's thesis is

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<sup>3</sup> S. Adshad, *Central Asia in World History* (Basingstoke: Macmillan, 1993), pp.177- 201; M. Athar Ali, 'The Passing of Empire: The Mughal Case' *Modern Asian Studies*, 9, 3 (1975), pp.387-388; M. Rossabi, 'The 'decline' of the central Asian caravan trade' in *The Rise of Merchant Empires*, (ed.) J. Tracey (Cambridge: Cambridge University Press, 1990), pp.351-370.

<sup>4</sup> D. North, 'Institutions, Transactions Costs, and the Rise of Merchant Empires' in *The Political Economy of Merchant Empires*, (ed.) J. Tracey (Cambridge: Cambridge University Press, 1991), p.25. R. Menard, 'Transport Costs and Long-Range Trade, 1300-1800: Was There a European 'Transport Revolution' in the Early Modern Era?' in *Political Economy*, (ed.) Tracey, pp.274-275.

<sup>5</sup> R. Menard, 'Transport Costs and Long-Range Trade, 1300-1800: Was There a European 'Transport Revolution' in the Early Modern Era?' in *Political Economy*, (ed.) Tracey, pp.274-275. 10

<sup>6</sup> S. Gopal, 'A Brief Note on Business Organisation of Indian Merchants in Russia in the Seventeenth Century' *Journal of the Economic and Social History of the Orient*, 29, 2 (1986), pp.206-207.

<sup>7</sup> A. Burton, *The Bukharans: A Dynastic, Diplomatic and Commercial History 1550- 1702* (Richmond: Curzon, 1997), p.444

<sup>8</sup> A-M Misra, 'Business Culture' and Entrepreneurship in British India, 1860-1950' *Modern Asian Studies*, 34, 2 (2000), p.334.

<sup>9</sup> f. A. Greif, 'Cultural Beliefs and the Organisation of Society: A Historical and Theoretical Reflection on Collectivist and non-Individualist Societies' *The Journal of Political Economy*, 102, 5 (1994), p.904. 11

posed entirely in terms of trade-diversion. That is, the enlargement of English and Dutch trading activities was based on the diversion of goods destined for Asian markets to Europe: a more sophisticated (and convincing) explanation might balance between the diversionary and creative forces of the European trade activities. The revisionist work, however, has largely attacked the accepted portrayal of Indo-Central Asian trade by highlighting that the extent of trade diversion was smaller than believed by Steensgaard (although they do not use such terminology),<sup>10</sup> and that serious decline did not result until political change north of the sub-continent in the later eighteenth century. For example, Alam has argued that in response to the loss of Indian control over the maritime trade in the face of expanding European activities in the ocean, the rulers of the Mughal, Safavid, and Uzbek empires responded by initiating a policy of protection for the overland trade. It has indeed been demonstrated that the Mughal emperors – despite their ‘failure’ to develop the maritime trades<sup>56</sup> – felt some connection with their Central Asian homeland, and sympathised enough with merchants to be “compelled” to reduce taxation<sup>11</sup>, relay the roads, and order the building of caravanserais. (Implicit in such arguments is the notion of path-dependence broadly conceived.<sup>12</sup> future outcomes’ the ancestral origins of the Mughals in Central Asia entailed a kind of connection which facilitated the movement of goods and people, ideologies, technologies, etc., sponsored by the courts.<sup>60</sup> The overland trade was thus enmeshed in a many-sided cultural, commercial, and political ‘web’ - quite unlike the maritime trade.) The problem with such an explanation is two-fold. First, policy seldom unequivocally facilitated the overland trade such that individual policy measures alone cannot be seen as evidence<sup>13</sup> of the persistence of the overland trade with Central Asia. Second, it is unclear whether the benefit of protection was sufficient to outweigh the costs of raiding and banditry that prevailed on the overland routes and from which the European Companies were relatively free and make such trading profitable<sup>14</sup>, so that it is difficult to see how such protectionism might have encouraged the persistence of trades other than those which might naturally have continued in the face of European competition. More generally, the revisionists have developed the argument that ‘where there is smoke, there will be fire,’ by highlighting the active presence of merchants of the Indian diaspora<sup>15</sup> in Central Asia as evidence of the persistence of overland trade, and thereby taking a Eurasian vantagepoint. Influenced by world history, these studies have made use of previously unavailable or ‘misused’ sources from the archives of the newly independent Central Asian republics, to reconstruct the ‘webs’ or ‘worlds’ of the Indian merchants and the interconnections created by the convincing explanations of why the Indo-Central Asian trade persisted are absent. The Puzzle Much valuable conceptual innovation and marshalling of evidence have taken place in the study of Asian commercial history in the past few decades. Yet, this

<sup>10</sup> S. Levi, ‘India, Russia and the Eighteenth-Century Transformation of the Central Asian Caravan Trade’ *Journal of the Economic and Social History of the Orient*, 42, 4 (1999), pp. 526-542

<sup>11</sup> M. Alam, ‘Trade, State Policy and Regional Change: Aspects of Mughal-Uzbek Commercial Relations, c.1550-1750’ *Journal of the Economic and Social History of the Orient*, 37, 3 (1994), pp.214-215.

<sup>12</sup> Washbrook, ‘India in the early modern world economy: modes of production, reproduction and exchange’ *Journal of Global History*, 2 (2007), pp.109-111

<sup>13</sup> R. Foltz, *Mughal India and Central Asia*, (Oxford: Oxford University Press, 1998), p.153; c.f. Subramanian, ‘Merchants in Transit: Risk-sharing strategies in the Indian Ocean’, p.266. 58 Burton, *The Bukharans*, pp.444-447

<sup>14</sup> North, *Understanding the Process of Economic Change* (Princeton: Princeton University Press, 2005), p.52.

<sup>15</sup> Levi, ‘Introduction’, pp.20-30. 61 P. Manning, *Navigating World History: A Guide for Researchers and Teachers* (Basingstoke: Macmillan, 2003), p.88

introductory review has highlighted two fundamental weaknesses that must be addressed, and which are established as the aims of this investigation. The first is the absence of a sub-continentally rooted vantage-point or perspective, which engages with global- and world-level processes, and which knits together the interacting histories of the land and the ocean. From such a perspective it is difficult to deny the conclusion that although the IndoCentral Asian overland trade did decline, this process was probably later, slower, and more regionally-varied a process than previously asserted at least as far as some trading links or goods-trades were concerned<sup>16</sup>. The second is the absence of a convincing explanation as to why this trade continued until the later-eighteenth and nineteenth-century, Chaudhury has attempted to compare the overseas and overland trades and thereby demonstrate the significance of the overland routes to the Bengal silk trade; yet, his analysis has largely been limited to the intra-sub-continental trade in Bengal silk versus the European overseas trade. The scope of this investigation precludes an investigation of rising European advantage and 'crowding-out' effects, save to reiterate that the Europeans are unlikely to have possessed any significant advantages in the seventeenth-century overland trade vis-à-vis established traders. without recourse solely to trade diversion and despite newly available evidence although this is perhaps a consequence of the kinds of history being written with such evidence. Thus, the following question is taken as the point de depart: Why did the Indo-Central Asian overland trade persist after the establishment of Dutch and English trading activities on the Indian sub-continent? The following chapters propose an answer to this question. Chapter 2 further specifies the problem, and outlines the research design, by: (i) using situational analysis to characterise and model the effects of the arrival of the European Companies in the competitive environment of the Indian Ocean, and in turn (ii) developing the hypotheses that the persistence of the trades can be explained by the limited nature of tradediversion in certain key goods (in turn explained by continued strong demand and trade based on comparative advantage) and the potential for trade-creation in others, and (iii) examining the available source material to identify how best to test these hypotheses and what methodological problems might be encountered. Chapters 3 and 4 examine the textile and horse trades respectively, arguing that: (i) trade in these goods took place because of the comparative advantages possessed by each region, (ii) the potential to increase cloth production entailed that the arrival of the Europeans initiated trade-creation, and (iii) that alongside the strong demand for horses on the sub-continent until the twentieth century, which limited the possibility for trade diversion, these factors explain the persistence of the Indo-Central Asian trade.

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<sup>16</sup> Dale, *Indian merchants and Eurasian trade, 1600-1750* (Cambridge: Cambridge University Press, 1994);



Akbar Gold Mohur, 10.8g



Dar ul-Khilafat Agra Mint, AH 978, KM 106.

Silver Rupee, Agra Mint, Ardibihisht 47, with 'Rupaya' denomination spelled in the legend in Arabic on reverse, 11.40g. Akbar issued a series of coins from Agra mint dated in Ilahi 47 and 48 which bear denominational terms in the legends.



'Rupaya', 'Darb' and 'Charan' corresponding to one, half and quarter rupee denominations are known. These terms are corroborated by Abu'l Fazal in his descriptive account of Akbar's kingdom and governance, the Ain-i-Akbari. By far, this is the earliest mention of the

name 'Rupaya' on a coin and the series is thus historically significant providing a numismatic context to the denomination which subsequently grew to become the 'international currency' of the Indian Ocean region and now remains the national coin denomination of India. So far, the earliest instance of a coin bearing the word 'Rupaya' was from the Ashmolean Museum collection, which is dated Khurdad 47.



But here we have a coin which precedes this by a month - Ardibihisht being the month before Khurdad – and thus replaces the Ashmolean coin in being the earliest instance of the use of the word 'Rupaya' on a coin. All coins with the word 'Rupaya' included in the legend (we know of Khurdad, Shahrewar and Di for the year 47 and Farwardin and Ardibihisht for the year 48) have it as the last line in reverse legend, just below the mint-name. However, this coin has it at the top. Both these aspects make it a really significant coin. 106. Akbar (1556-1605 AD), Silver Rupee, Agra Mint, Shahrewar 44, An attractive broad flan like Nazarana, 29mm,

Akbar (1556-1605 AD), Silver Rupee, Agra Mint, Amardad 50, eight-petal lotus border, emulating a Mughal architectural design, on both sides Silver Square Rupee, Dhaka Mint, AH 1015, 10.95g. Obv: Shahada and the names of four Caliphs in ornamental calligraphic composition. Rev: In rectangular border, Farsi inscription Badshah Jalal al-Din Muhammad Akbar Ghazi with date 1015 in top line; traces of Khallada Allah Ta'ala above and mint-name below Towards the end of Akbar's reign his trusted general Raja Man Singh of Amber was appointed the governor of Bengal to quell the rebellion of 'Isa Khan, a powerful Bengali Muslim landholder who had been challenging Mughal authority in East Bengal for some while. In the course of his campaign, Man Singh captured Dhaka in 1602 and made it into his base. He lived in Dhaka till early 1605, th when he knew of Akbar's last illness and moved back to Agra. Akbar died on 27 October 1605 corresponding to 14 Jumada-II, Ah1014. This coin is dated AH1015 which begins almost seven months later, so should be regarded as a posthumous issue in Akbar's name. 18 Mug

