CHAPTER ONE

STATE AND POLITICAL POWER

Introduction

As a follow-up to my hypothesis of a non-dominant political state in Gujarat, this chapter surveys briefly political developments in Gujarat in the eighteenth century. My intention here is to analyse the nature of state formation and the extent of actual political control that states exercised. It is imperative to do this in order to contextualise some features of Gujarat’s political economy such as the multiple centres of power, the unique political system representing a ‘shared sovereignty’, as well as the culture of resistance to political authoritarianism and oppression. It will then be possible to assess whether or not the role of politics in the political economy was crucial.

A dominant trend in the historiography of South Asia has been to consider the rounding of the Cape of Good Hope by Vasco da Gama in 1498 and the establishment of the Mughal Empire in north India in 1526 as the two major developments with the most profound impact on the political and economic structures and institutions of South Asia. The establishment of the Portuguese *Estado da India* introduced some changes in the nature and structure of Indian Ocean commerce. One major change was the increasing use of violence by the Portuguese from the early sixteenth century. Initially in order to eliminate Asian merchant shipping, but later on to control Indian Ocean maritime trade, they subjected ship-owners to a protection system. Ships could only sail with a license (*cartaz*) issued by the Portuguese authorities on payment of a nominal fee and under obligation to call at a Portuguese-controlled port to pay duties.1 Although licenses were not totally unknown in the Indian Ocean prior to the sixteenth century, the scale and consistency with which the Portuguese implemented this system was really innovative.2 Since Gujarati shipping was dominant in the maritime trade of Asia, it was most severely affected. This caused some relocation of maritime routes and trade itineraries, changes in the fortunes of Asian ports and port-cities as well as of ship-owning merchant communities.3

The expansion and consolidation of the Mughal Empire under Emperor Akbar in the second half of the sixteenth century led to the germination of some fundamental political and administrative institutions which helped the king establish his political authority and control the surplus economic resources of the empire. There evolved a complex mechanism of revenue collection and redistribution throughout the

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2 Luis Filippo F. R. Thomaz, ‘Portuguese Control over the Arabian Sea and the Bay of Bengal: A Comparative Study’, in Om Prakash and Denys Lombard (eds.), *Commerce and Culture in the Bay of Bengal, 1500-1800* (New Delhi, 1999), 120-4.

empire which helped it sustain the processes of internal consolidation and territorial expansion. The political economy of the empire was sustained through an efficient fiscal administration which made it possible to collect revenue (a part of the gross produce) from different parts of the empire. The relatively long spell of peace and political stability created favourable conditions for production and trade in a large part of South Asia. An almost similar and simultaneous development took place in West Asia and the Middle-East under the aegis of the Safavid and the Ottoman rulers. These three empires facilitated long-distance overland and oceanic commerce throughout the western Indian Ocean littoral by ensuring some degree of security and safety to merchants and producers. With its strategic location, long coastline, dozens of ports, and productive indigo and textiles industries, Gujarat was already a major commercial zone in the Indian Ocean, and it came to play an even greater role in the early-modern world economy. Some prominent ports like Surat, Broach, Cambay, Gogha and Mandvi in the Gulf of Kachh, served as entrepôts where merchants and merchandise from the vast landmass of interior South Asia converged with the maritime merchants of various Indian Ocean regions.4

Mughal rule in Gujarat and the rise of Surat

The annexation of Gujarat to the Mughal Empire in 1573 and the almost simultaneous rise of Surat, replacing Cambay, as the principal port of the empire, contributed to the region’s economic growth and its dominant position in the commerce of the Indian Ocean. Ashin Das Gupta has remarked that Surat’s rise to prominence was a ‘gift of the Mughal Empire’.5 It soon earned the appellation of bandar-i mubarak (the blessed port) because of its being an auspicious port of embarkation for a large number of pilgrims going every year to Mecca for hajj. It emerged as the hub of commercial activities in the western Indian Ocean and a large number of merchants from different parts of the world flocked to the city to seek their fortune. Surat’s reputation and prestige thanks to the Mughals’ increasing interest in shipping between Surat and the West Asian ports, especially Mokha, Jeddah and Basra, both to fulfil the Empire’s ritual/religious obligations by facilitating ‘pious passengers’ and to gain material advantages in the form of freight money, augmented the position of Surat and added to its reputation as the chief port of Mughal India. With the integration of almost the whole of north India into the Mughal system of rule, Surat’s access to the vast interior extending up to the fertile doab (the land between the Yamuna and the Ganges Rivers) became convenient. The valuable products of the imperial heartland such as Bayana indigo and textiles from the Agra and Awadh regions began to be exported via Surat to many overseas destinations.

4 There were thirteen major ports in Gujarat (Khulasat-at-Tawarikh, 59). In a late eighteenth-century collection of Persian documents, at least fifteen ports and sixty-three wharves in the Gulf of Gujarat have been listed (Anonymous Persian Manuscript, Paimaiz-i zamin-i talil-i bulad-e Ahmaddawd, India Office Ms. 4549, British Library, London (a microfilm copy, NAI, New Delhi, India), f. 18b).

5 Gupta, Indian Merchants, 3.
The Mughal Empire facilitated trade but merchants and ship-owners took advantage of these developments by investing their capital in lucrative commercial enterprises and building large fortunes.\(^6\)

At the time of its annexation to the Mughal Empire, the Sultanate of Gujarat comprised twenty-five sarkars, administrative units into which every suba or province was divided.\(^7\) In 1573, the boundary of what came to constitute the suba of Ahmadabad (Gujarat) was redrawn so that it came to be composed of sixteen sarkars. The others that had been annexed to Gujarat by its sultans were restored to the provinces to which they earlier belonged.\(^8\) The suba then covered an area of 302 kos (966.4 kilometres) in width between Burhanpur in the east and Jagat (Dwarka) in the west and 70 kos (224 kilometres) in length between Jalore in the north and Daman in the south.\(^9\) Of the sixteen sarkars that constituted Gujarat, nine were brought under the direct administrative control of the Mughal Empire. These were Ahmadabad, Baroda, Broach, Champaner, Godhra, Nadaut, Patan, Sorath and Surat. They were collectively known as sarkarat-i kharaji territories where the Mughal fiscal system was applied for the collection of revenues. The other seven sarkars, namely Bansballa, Dongarpur, Kachh, Navanagar, Ramnagar, Sirohi and Sunt, remained in the administrative and fiscal jurisdictions of the local chiefs. Since the Mughal administration collected an annual tribute (peshkash) in lieu of regular revenue from the holders of these territories, they were called sarkarat-i peshkashi.\(^10\) These hereditary chiefs (zamindars) acknowledged the nominal suzerainty of the Mughal Empire and acquiesced to the annual demand for peshkash and to render occasional military services with a contingent of troops loaned to the provincial governors.\(^11\) For all practical purposes, these chiefs were autonomous rulers of their principalities and the provincial governors often had to exert military pressure to make them pay the peshkash. Within Gujarat, therefore, the extent of imperial penetration and the degree of control that Mughal officials exercised varied from one region to another.

Shortly after the conquest of Gujarat, the imperial administration was introduced in the directly administered territories (sarkarat-i kharaji). The new system of rule in Gujarat recognised Surat as a unit somewhat distinct from the rest of the province. The administrative jurisdiction over the city and its dependent mahals was delegated to a mutasaddi (governor) and a qiladar (commander of the castle), both appointed by the Mughal emperor.\(^12\) The former was responsible for the collection of revenue and general

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\(^6\) A similar development in Bengal resulted in an altogether different nature of economic growth in which the Mughal nobles played a major role by investing capital in ships and merchandise.

\(^7\) Raziuddin Ahmad, \textit{Hadiqat-ul Hind} (Persian Ms., NAI, New Delhi, India), f. 1v.

\(^8\) Jodhpur, Jalore and Nagaur were restored to suba Ajmer and Sael, Malher and Nadurbar were given back to Khandesh while the remaining three were adjusted to some other sarkars (\textit{Hadiqat-ul Hind}, f. 1v).

\(^9\) Abul Fazl, \textit{Ain-i Akbari}, II, ed. H. Blochmann (Calcutta, 1872), 114; \textit{Mukhtasar Tarikhi Gujarat} (Persian Ms.; NAI, New Delhi, India), f. 1v-b; Rai Chaturman, \textit{Chahar Gulshan} (Persian Ms., Maulana Azad Library, Aligarh Muslim University, India), f. 82v.


\(^12\) For details, see Balkrishna Govind Gokhale, \textit{Surat in the Seventeenth Century: A Study in Urban History of Pre-Modern India} (Bombay, 1979), 51-69; Gupta, \textit{Indian Merchants}, 20-8.
administration while the latter exercised control over military affairs and was responsible for the defence of the city. Each was a check on the authority of the other. The provincial governors with their administrative headquarters at Ahmadabad had no formal superior authority over the qiladar of Surat. A large part of the kharaji territories was brought under the zabt system whereby the land revenue was assessed by measuring the cultivable land. The state’s share was determined according to the average annual yield per unit of land, which was then commuted to cash on the basis of the average price and finally collected from peasants. In some regions such as Sorath and Godhra and some mahals (or parganas, units in which each sarkar was divided for administrative purposes) of other sarkars, however, different forms of revenue assessment and collection were applied such as nasq, bhag-batai or ghalla-bakhshi (crop-sharing).13

The extension of Mughal rule to Gujarat also implied an extension of its standard tri-metallic monetary system to the province. The Mughal silver rupee and the local silver coin mahmudi became the main units of payments and commercial transactions. While gold coins known as mahr or ashrafi were used on specific occasions or as presents, copper dam and later paisa served as a medium of payment in small transactions. The expropriation of surplus agricultural production and the Mughal culture of consumption (of luxury goods) favoured conditions for market exchange in Gujarat. Consequently, a large part of the revenue was reinvested within the region. The imperial policy of collecting revenue in cash entailed the growth of an exchange circuit encompassing remote villages, local townships (qasba) and urban centres.14 The Safavid and the Ottoman empires encouraged similar conditions for economic development in West Asia. The traditional caravan route and the sea and land routes to the Mediterranean and further on to Europe received a major boost once these empires succeeded in restoring peace and security along the trade routes that connected these regions. The internal peace and the external demand for indigo, silk, and textiles stimulated agricultural production and specialisation which resulted in a flourishing commercial culture all along the western Indian Ocean littoral.15

The coming of the north European companies to Gujarat in the beginning of the seventeenth century and the collapse of Portuguese dominance in the Arabian Sea after the fall of Hormuz in 1622, contributed immensely to the commercial prominence of Gujarat in the Euro-Asian world economy. Surat became the headquarters of the English and the Dutch East India Companies in western India from where they conducted trade with the interior through the subordinate factories. Until the early eighteenth century, these factories located in major centres of production and trade such as Agra, Ahmadabad, Cambay and Broach played a crucial role in the procurement of indigo and textiles. Demand increased as a large volume of these commodities began to reach Europe through the all-water route via the Cape of Good Hope. With varying intensity, the supply of these goods to the Levant and further on to Europe via

13 Mirat-i Ahmadi, I, 25.
14 Bayly, Imperial Meridian, 19-20.
15 Ibid. 17-20.
the Mediterranean continued through the caravan as well as the sea and caravan routes. Unlike in Southeast Asia, the European companies had no monopolistic or monopsonistic rights in the sale and purchase of merchandise. Neither was there any attempt on the part of the Mughal rulers to control trade and production in such a way that it would enable them to have exclusive rights over the sale and purchase of merchandise. The only exception is Emperor Shahjahan’s half-hearted attempt to monopolise the sale of indigo. In 1631, he farmed out its sale to an entrepreneur named Manohar Das. The declaration of the monopoly was, however, soon withdrawn. The powerful cluster of intermediaries and money merchants as well as the sophisticated credit and exchange network that are so typical of the Indian trading economy, prevented the rulers and the companies from establishing any kind of exclusive control over the supply of any merchandise.

From the Mughals to the Marathas

With the collapse of the Mughals’ central authority in the early eighteenth century, Gujarat also lost its political stability. The provincial governors began to exercise power rather independently and often undermined imperial expectations. Non-compliance with imperial orders contributed to political chaos and confusion. To continue in power, the governors resorted to forging alliances, political manipulations and military force. Since the 1720s, each succeeding governor of Ahmadabad displaced his predecessor militarily from office. None, apparently, could muster the means or had the ability to consolidate his authority and carve out an autonomous state. The unstable political situation in Gujarat encouraged the Marathas to participate in political contests. As a reward for their support to contestants, the Marathas got a share in the land revenue (chauth literally one-fourth). The governors tried to compensate themselves for the loss of revenue surrendered to the Marathas by extracting money from affluent merchants. Mercantile property in Ahmadabad became highly insecure in the second quarter of the century. Merchants, bankers and brokers were subjected to official importunity on a large scale. In the 1720s and

17 EFI 1630-33, 324-5.
18 Collection of Persian Document from Surat, Ms. Blochet, Supplementary Pers. 482 (Bibliothéque Nationale, Paris; a photo print at the History Department Library, Aligarh Muslim University, India), f. 98r (hereafter Blochet 482); EFI 1634-36, 7.
20 Almost at this time and under similar circumstances, some political entrepreneurs like Murshid Quli Khan and Nizam-ul Mulk Asaf Jah were able to establish practically independent states in Bengal and Hyderabad respectively.
21 Thus in 1723, Surat lost to the Marathas the huge resources that it used to draw from the Athavisi that is twenty-eight parganas (Subramanian, Indigenous Capital, 32).
1730s, the Governors Hamid Khan, Sarbuland Khan and Maharaja Abhay Singh extorted a large amount of money from merchants of Ahmadabad.22

Like the Mughals, the Marathas were politically fragmented and some warrior families such as those of Dabhade, Gaekwar, Sindhia, Holkar and Bhonsle, and Pawar were only nominally under the control of the sovereign and the Peshwa. These warrior groups came to form complex political factions which were fluid in nature insofar as their allegiance to and support of some major political players was concerned. Although the Maratha king and his minister the Peshwa exerted paramount political power over all warrior groups, some subordinate houses aspired to become autonomous. Gujarat experienced increasingly frequent incursions from the south by Dabhade together with Damaji Gaekwar and Kanthaji and Udaji Pawar.23 Once these groups acquired territorial possessions, they were recognised by the Maratha king and the Peshwa as practically independent to govern their possessions provided that they paid half of the revenue to the Maratha headquarters at Poona.24 From the second quarter of the eighteenth century, the Gaekwars ruled over Gujarat and controlled the fiscal resources of the region. Initially, the Marathas adopted the strategy of invading, roving and taking possession of the countryside or otherwise at least forcing the local governors to surrender a part of the revenue of those regions. Mughal imperial control was gradually pushed back to some major cities and forts such as Ahmadabad and Broach.25

In 1753, the Gaekwars took control of Ahmadabad and thus put an end to the hundred and eighty years of Mughal rule in Gujarat. Gradually, they established their sway over a large part of the province with the exception of Surat and the localities in the possession of zamindars. However, they with the King and the Peshwa were the co-sharers in the fiscal resources of the region. The resulting political and fiscal management was a form of dyarchy whereby half of the revenue was collected by the Gaekwars and the other half by the Peshwa. In their management of revenue collection, the Marathas increasingly had recourse to the ijara (revenue farming) system. As the dominant form of revenue collection, ijara is generally considered as exploitative in nature. In the case of the Marathas, some scholars have recognised that this practice was not a deliberate choice but a logical response to an acute shortage of cash.26 The general financial crisis seems to have been at the core of the practice of revenue farming instances of which can be found in Mughal north India from the late seventeenth century onward. These scholars have thus underscored revenue farming as a mechanism for agricultural development through private entrepreneurs. To André Wink, this was ‘one of the organisational means of agrarian restoration and
expansion, internal as well as external’.27 Whatever the reasons, the practice of revenue farming entailed
the increasing involvement of money merchants in the management of the state’s fiscal resources. In
order to pay to the state the amount stipulated in the contract, revenue farmers usually borrowed money
from merchants and even held the farm jointly with them.28 Under these circumstances, the state’s
eventual dependence on merchants and the money market for the collection of revenue was inevitable.

The Marathas underwent a metamorphosis similar to that of the Mughals. The Durrani invasion and
the ensuing Maratha debacle at Panipat in 1761 had adverse consequences for the political economy of
western India. It caused a centripetal tendency among various houses subordinate to the Maratha king and
the Peshwa.29 The pretensions of Raghunath Rao for the office of Peshwa against his nephew Madhav Rao
and later on against the latter’s son Narayan Rao were supported by the English and Damaji Gaekwar.
The internecine warfare among different factions, in which the Nizam of Hyderabad and the English
played a major role, adversely affected Gujarat. Damaji’s participation in the factional conflicts and his
anti-Poona or pro-Raghunath Rao stance caused a huge material loss and greatly damaged his power and
position in Gujarat. In 1768, his death triggered a succession dispute among his sons which further
aggravated an already volatile political condition. The succession disputes and heightened factionalism
among the Maratha warrior groups paved the way for the English Company to sneak into the corridors of
power.

English political ascendancy in Gujarat

A set of circumstances which had their genesis in a series of developments both at local and at global
levels helped the English and the French execute their political ambitions. Since at least the mid-
seventeenth century, the English in particular were interested in territorial power and land revenue
resources.30 The ripples of the Franco-British Seven Years’ War (1756-63) in Europe reached the shores
of the subcontinent where there began a fierce contest for survival and domination between the two. The

27 Wink, Land and Sovereignty, 341. He, however, uses early nineteenth-century evidence, some general statements made by English
officials, for agricultural growth (ibid. 342-3).
28 A report on the dispute that erupted between Krishnaji Malhar and the English company in 1809, best illustrates the role of
merchant capital in revenue farming. The former, having obtained the revenue farm of Ahmad from the Peshwa, raised Rs.
100,000 at Surat from the English company as an advance for cotton from that district and another Rs. 100,000 from some
merchants including Anantrao Vithal who was made a partner in the enterprise. As Krishnaji got additional Rs. 31,000 through
the Company’s agent Khursheji Kowarji, it was disputed whether or not this additional amount was given as advance for
providing raw cotton to the Company (BCP 27, Proceedings, Bombay, 3 March 1809, pp. 412-3).
29 Gordon, Marathas, 154-8.
30 Many of the Company’s high officials were convinced that trade could be carried on more advantageously if backed by political
power and control over the regions and their resources. In 1676, General Aungier, governor of Madras, said the ‘general
commerce’ had to be driven ‘with sword in hand’ (quoted in C. A. Bayly, Origins of Nationality in South Asia: Patriotism, Ethical
Government in the Making of Modern India (New Delhi, 1998), 242).
local power groups soon recognised the military worth of English and French companies and attempted to win over either of these companies and ensure their active military support. Initially as arbiters in the cases of political disputes but later on as participants, the European companies got involved in a major contest for political power in the subcontinent. This process culminated in the English victory at Plassey in a direct contest with the ruler of Bengal, Siraj-ud Daula in 1757. In 1764, they scored another major victory against the ruler of Awadh, Shuja-ud Daula. A year later, the English Company got the right to collect the revenue (diwani) of Bengal, Bihar and Orissa. These developments had long-term implications. The English Company acquired a control over the fiscal resources of the region. This ensured an annual flow of large fortunes into English Company’s coffers which enabled the Company to finance its other major military engagements in south-east and western India.

The English political ascendancy in Gujarat began from Surat where the Company wrested some political authority in 1759. The so-called ‘castle revolution’ was the outcome of the factional fight among the rival Mughal contestants for the control over the administrative and fiscal resources of Surat. As the Mughals’ central authority declined, the local governors of Surat began aspiring to establish an autonomous government in the city. Surat had emerged as a practically autonomous state during the long governorship of Tegh Beg Khan (1733-46). After his death in 1746, there was a fierce contest among various aspirants for political power in Surat. There began a hectic process of group formation and support mobilisation from various corners. The Marathas and the English were the two major forces from which all factions attempted to secure support. In the early 1750s, the English confined their role to mediating between rivals and negotiating peace among them. As the crisis escalated, the English Company intervened and with the support of some local Bania merchants and bankers, staked its claim on the Mughal castle of Surat. In 1759, the Company assumed formal control over the castle. Its chief at Surat became the commander of the castle (qiladar). This was the first time that the Company assumed formal political authority in South Asia and this was followed six years later by the acquisition of the right to the fiscal management of Bengal.

Scholars have debated the implications of this change for the political economy of Surat and Gujarat as a whole. To Lakshmi Subramanian, the English take-over of the castle in 1759 marked the establishment of their political hegemony over Surat and pushed the Nawab and his administration into a position of perpetual subordination to the authority of the English Qiladar. She underscores a major change in the nature of relationship between the Company and the local commercial elites. Since the Hindu bankers

32 Ibid. 367-8.
33 For a detailed analysis of the developments leading to the castle revolution, see Subramanian, Indigenous Capital, 82-100; Michelguglielmo Torri, ‘Mughal Nobles, Indian Merchants and the Beginning of British Conquest in Western India: The Case of Surat 1756-1759’, M-AS 32/2 (1998).
played a crucial role in the takeover of the castle, she puts forth the notion of an ‘Anglo-Bania order’ that remained functional at Surat for the rest of the century. Contesting this notion, Michelguglielmo Torri has emphasized the lack of effective bureaucratic control on the part of the English who enjoyed only ‘ill-defined supervisory powers’.\[35\] He also questions the notion of the ‘Anglo-Bania order’ by arguing that the Banias were neither well-organised as a group conscious of its class-interest nor unanimous in their support of the English.\[36\] The Dutch expression ‘zij moeten dansen zoals die Engelsen speelen’ (they [the Mughals in Surat] must dance to the English tune) as portraying the Anglo-Mughal relations in the period of dyarchy seems to support Subramanian’s view.\[37\] Such expressions, however, do not represent an objective assessment of the actual power relations. They are rather arbitrary opinions expressed whenever the local administration belied the Dutch company’s expectations in disputes with the English.

The possession of the castle entitled the English to a share in the fiscal resources of Surat. Thus, apart from the resources originally allocated to this office since the founding of Mughal rule in Gujarat, the English got one third of the revenue collected from the Mughal custom-house (jirga). The Company had its own custom-house (latty) where the English private traders and all other merchants trading under the English protection paid import and export duties. These yielded enormous revenues to the Company which, coupled with certain other privileges, gave it a definite advantage over other European trading companies. As the qiladar of Surat, the Company’s authority was invoked by the local inhabitants in all civil and commercial cases. The Company was approached by the people for arbitration in cases of disputes of all types including religious disputes.\[38\] Unlike in Bengal where in 1765 the English Company had obtained the right to collect land revenue, the Company’s powers in Surat were limited. The local governor continued to exercise control over the economic resources of the mahals under Surat. The company only acquired effective administrative control of the city and its dependencies in 1800.

The other parts of Gujarat remained in the possession of the Gaekwars or under the control of local chiefs. The confused state of affairs on the political terrain coincided with the English preparations to acquire political possession of western India. When Raghunath Rao was desperately looking for an ally to help him assume the office of Peshwa, he found one in the English Company. In the last three decades of the century, Gujarat was a major arena of warfare. The English Company scored its first major victory in Gujarat in 1772 when its military forces overthrew the Nawab of Broach and took possession of the city.\[39\] This did not, however, culminate in an effective takeover of the city by the Company. Even though faction-ridden, the Marathas were strong enough to resist English attempts to dominate the region. The

\[35\] Torri, ‘Surat during the Second Half’, 696.
\[37\] VOC 3026, Directeur en Raad van Surat aan GG&R (Director and the Council at Surat to Governor General and Council), 10 April 1761, p. 97.
\[38\] When a dispute arose among the two different sects of the Banias of Surat, the matter was reported to the English and both parties presented their case to the Company to obtain justice (FRS 76, Proceedings, Surat, 8 Feb. 1797, pp. 56-73; FRS 78, Proceedings, Surat (Petition of the Bania Mahajan of Bombay to the Governor, 23 April 1799), 26 April 1799, pp. 92-5).
\[39\] VOC 3381, Directeur en Raad van Surat aan GG&R, 30 April 1773, ff. 53r-56r.
first two Anglo-Maratha encounters were highly disappointing for the English. The problems of the terrain and supply as well as the guerrilla tactics of the Maratha army defeated English forces despite their superior artillery-infantry combination. The treaty of Purandhar (1776) which concluded the first Anglo-Maratha war, however, brought some rewards to the English including possession of Salset and Bassein and the revenue of Broach.

The second English attempt to help Raghunath Rao take possession of Pune ended abruptly in February 1779 when the combined armies under Shinde, Holkar and Nana Phadnavis forced the English to retreat and negotiate a treaty giving up a major part of their gains since 1773. After large military reinforcements from Bengal had enhanced the English force at Surat, the Company forced Fateh Singh Gaekwar to surrender the revenue of southern Gujarat which was formerly paid to the Peshwa. The treaty of Salbai (1782) which concluded the war between the English and the combined armies of the Nizam, Haidar Ali, Bhonsle of Nagpur and the Peshwa resulted in a British-Maratha alliance and the commitment to a joint conquest of Mysore. The British strategy to use the Marathas as their ally against Haidar Ali and later his son Tipu of the kingdom of Mysore, restrained the Company from dethroning the Gaekwars or the head of any other relatively independent Maratha state. In the 1790s, some polities, like the Nizam of Hyderabad and the kingdom of Mysore virtually collapsed and by the end of the century the British and the Marathas were the only two independent powers. With the coming of Lord Wellesley as the Governor General at Calcutta and his policy of outward annexation through subsidiary alliances, the British were once again encouraged to obtain political control of the region. In 1800, the death of Nana Phadnavis, who had controlled the Peshwa and the Maratha diplomacy since the 1770s, again led to conflict among various Maratha factions leading to the defeat and subsequent flight of the Peshwa to the English. The treaty of Bassein, concluded between the Peshwa and the English in 1803, marked the Maratha entry into the subsidiary alliance system of the English. Hectic warfare followed in which the English military forces defeated many Maratha factions and took virtual control of the region including Gujarat. The final dissolution of Maratha rule came with the English proclamation of 1818.

The shared nature of political powers at Surat and the division of fiscal resources among the English chief, the Nawab of Surat and the Marathas inhibited the Company’s ability to outmanoeuvre its commercial rivals, in particular the Dutch company and Asian ship-owning merchants. The Company’s recourse to economic means for ensuring commercial gains, despite its military and naval power, can be interpreted as an attempt to benefit from the increasing commerce at Surat instead of militarily dominating the economy which could have had ruinous consequences. Even in their attempt to

40 Gordon, Marathas, 165-6.
41 Ibid. 164.
42 Bombay surrendered ‘all its gains except the islands and its harbour’ and it lost the rich district of Broach which they had possessed since 1772 (Pamela Nightingale, Trade and Empire in Western India, 1784-1806 (Cambridge, 1970), 13-14). In these adventures, the English Company was also constrained by the strong opposition to its forward policy from Bengal and London (Gordon, Marathas, 163-4, 168).
43 Gordon, Marathas, 165.
monopolise Surat’s freight trade with the Red Sea and the Persian Gulf, the English were not successful on account of merchants’ resistance to this monopoly. As we will see in chapter three, merchants, particularly those trading with West Asia, resisted the high import duty that was a hallmark of the new customs regulations of the 1790s. In the management of the fiscal resources that it acquired in Gujarat, the Company had recourse to farming. Thus the English share of 50 per cent of the customs of Bhavanagar was farmed out to merchants every year.\textsuperscript{44} It was only in the later years of the eighteenth century that the Company began collecting the land revenue directly from peasants by putting in its collectors in the acquired territories in Gujarat.

Local hereditary chiefs

For most of the local hereditary chiefs of Gujarat, the political reconfigurations in the eighteenth century meant no major change. They maintained their relative autonomy by paying tribute to the paramount power be it Mughal, Maratha or English. The Mughal governors and later, the Maratha military leaders such as the Gaekwars had to exert military pressure in order to realise tribute from the chiefs.\textsuperscript{45} The paramount powers had to be content with \textit{peshkash} and a nominal acknowledgement of overall suzerainty by the local chiefs. The Mughal emperor Aurangzeb, however, tried to liquidate some of these chieftaincies and extend his actual political control over them. His conquest of Navanagar (1663) and Ramnagar and the extension of imperial rule there proved to be short-lived. Soon thereafter, they were restored to their respective \textit{zamindars}.\textsuperscript{46} Like their Mughal predecessors, the Marathas did not exercise political control over the territories under the hereditary chiefs. They simply extracted tribute from the latter. The English too were sensitive to the chiefs’ hereditary claims and therefore proceeded rather cautiously in conquering the autonomous chieftaincies. Some of the large \textit{zamindaris} remained intact with certain political rights and prerogatives throughout the colonial period.

The contest for political power was not only confined to armed battles in the interior, it was also pursued on the high seas. In the eighteenth century, some Maratha warriors such as Kanhoji Angria in the Konkan and Shankarji Pandit at Bassein built their navies and used them to exercise their authority on sea. These navies and their seamen captured ships sailing without obtaining a pass from them. They captured ships sailing with European passes as well as those of the companies in the early eighteenth century which was much to the annoyance of the latter.\textsuperscript{47} The Europeans took it as a challenge to their maritime

\textsuperscript{44} See Appendix 1. The merchants bidding for the farm of Bhavanagar’s customs were predominantly Parsis.

\textsuperscript{45} Every year, the Marathas carried out the \textit{mulkgiri} campaign against the hereditary chiefs (Wink, \textit{Land and Sovereignty}).

\textsuperscript{46} Nadri, ‘Mughal Administration and the \textit{Zamindars},’ 325-6.

superiority and tried every means to incapacitate these navies, which the various companies’ records characterise as those of corsairs, pirates, _zeerovers_, or _geschutmers_.

On the Kathiawar peninsula, there were several groups of so-called pirates such as the Sultanpuri, the Sanganiyas, the Kolis of Jafarabad and Rajapur who were engaged in capturing vessels. In the 1750s, the Sultanpuri fleet, for instance, consisted of about thirty vessels and was strong enough to intercept ships and make sailing unsafe in the Gulf of Cambay. In 1755, two large private _bosis_, hired by the Dutch, were intercepted en route to Mandvi in the Gulf of Kachh, one by the Sultanpuris and the other by the Sanganiyas.  

48 Each of these groups had the patronage of the local chiefs who also shared the swag. From an English report written in 1799, it is evident that these groups owed allegiance to the Nawab of Junagarh or to some other local chiefs. They were so powerful that, as was observed in 1757, the sea route between Surat and the Indus was so insecure that no ship could sail without passes issued by the most powerful of them.  

Another group that challenged the Europeans was that of the Bellimoras (located on the western shores of the Gulf of Cambay close to Ghoga) which emerged in the middle of the eighteenth century under Appaji Pandit, a subordinate of Damaji Gaekwar of Baroda. Appaji had a fleet of small vessels and, as we know from the Dutch sources, had obtained the right to capture ships from Damaji. The Dutch vessels that sailed to Broach, Jambusar or Bhavanagar, were at first not molested by them but gradually Appaji’s fleet became stronger and, like the Angrias or the Bassein navy, began to attack large ships as well.

Apart from being a source of booty, predation committed by the Angrias and the Bassein navy seems to have been an expression of their political power and an attempt to have it acknowledged by other seafarers in the region. They attempted to tax maritime trade by forcing all ship-owners passing through what they claimed to be a zone of their influence to buy licenses (_dastak_) from them. The ships that ignored this claim were taken as prizes while the men on board were held for ransom. Such claims were in no way different from the European companies’ claim to superior rights over the Indian Ocean. As the Portuguese, the English or the Dutch imposed their license system on Asian shipping, in the same way the Maratha navy also imposed _dastak_ on all ships including European ones. If the latter did not abide by this, the Angria and Bassein navies claimed the right to capture their ships. This was not simply an act of outright piracy. Rather, it was a variety of entrepreneurship which required a great deal of training,

49 FRS 78, Proceedings, Surat, 6 Feb. 1799, pp. 87-100.  
networking, mobilisation of seamen and above all political manoeuvring. The men in action represented a miniature kingdom trying to extend its control over the sea and its resources most notably trade. For the coastal political states, maritime predation was one of the means of exerting political power and influence as well as of obtaining resources. The reliance on naval activities as a means of exercising political authority in the Gulf of Cambay during the early and mid-eighteenth century coincided with the unstable political regimes ashore. The groups involved in predation, although they showed their allegiance with one or the other major power, were not under the complete control of the Marathas or of any other major power.

Thus, the presence of these chieftaincies and the degree of autonomy they exercised in the pursuit of their political and economic objectives was a distinct feature of Gujarat's political economy. In many ways, they were able to contain the major political powers such as the Mughal governors, the Maratha military leaders or even the English company, in the exercise of political authority. In the eighteenth century, none of the states made sustained attempts to prevail upon the chiefs under whose aegis maritime predation was perpetrated. In dealing with the so-called pirates the state usually resorted to persuasive means and negotiated with them through written representations.

Conclusion

What was the implication of political change in the eighteenth century for the commercial economy of Gujarat? The takeover of the region by the Marathas and their practice of farming out the land revenue to entrepreneurs opened up new opportunities for merchants to invest a part of their capital in such activities. The English acquisition of political power and fiscal resources in Surat and elsewhere in Gujarat did not alter the structure of power relations. The Company, in the fullest expression of its commercial agenda to dominate the economy by exercising control over its production and exchange processes, the English Company was incapacitated by the presence of the Marathas and other power holders. The adverse consequences of the unprecedented political ascendancy of a merchant corporation (English Company) were not visible in the political economy of Gujarat to the same degree as they were in

53 These aspects have been illuminated in the studies on piracy in the Malay world in the eighteenth and nineteenth centuries (J. L. Anderson, ‘Piracy in the Eastern Sea, 1750-1850: Some Economic Implications’, in David J. Starkey et. al. (eds.), Pirates and Privateers: New Perspectives on the War on Trade in the Eighteenth and Nineteenth Centuries (Devon, 1997), 87-93. See also Nicholas Tarling, Piracy and Politics in the Malay World: A Study of British Imperialism in Nineteenth-Century South-East Asia (Canberra, 1963), 3-4.

54 In several instances when the English protected vessels were taken by the local navies the Company tried to recover the lost property through representations to the chiefs. In 1797, Daniel Seton in his letter to the Raja of Okha (a tiny port on the western tip of the Kathiawar peninsula), invoked the continuation of friendship between the two while complaining about the plunder of two vessels (FRS 76, Proceedings, Surat, 21 Jan. 1797, pp. 22-4).

55 Although a degree of uncertainty prevails about merchants’ participation in revenue farming, there are evidence, however, that suggest that some merchants took to revenue farming as an extension of their commercial enterprise (G. D. Sharma, ‘Ports of Gujarat in the Nineteenth Century: Trading Networks and Commercial Practices’, in Indu Banga (ed.), Ports and their Hinterlands in India, 1700-1950 (New Delhi, 1992).
Bengal or in south-east India in the late eighteenth century. This was mainly because of the Company’s major dependence on merchants and their capital in sustaining this ascendancy which also rendered the nature of its presence in Gujarat a bit distinct from the rest of the subcontinent.

The anatomy of eighteenth-century politics in Gujarat examined above supports the notion of a state that was constantly negotiating with local power groups including merchants. The swiftness of regime change and the co-sharing of economic resources among different political entities were distinct traits of the political economy of Gujarat. Even the powerful Mughals could not rule the province the way they were able to do in Bengal or other regions. During their heyday, the Mughal governors of Gujarat were forced to negotiate with merchants and bankers who rendered financial services so crucial for their survival. Their successors, too, were severely constrained in their exercise of actual political control. Why sovereignty was more often shared among various local and supra-local power groups in Gujarat than anywhere else or, in other words, what prevented the states from dominating the political and economic processes needs to be elucidated. Attributing this to geo-political conditions like the difficult terrain and the presence of some powerful local hereditary chiefs ruling over their principalities who, if dethroned, rendered the region simply ungovernable for any outsider, does not explain the unique features of the political economy of Gujarat. It was the distinct nature of Gujarat’s economy, a theme recurrent throughout this book, which constrained the states from the unrestrained use of force and convinced them of the usefulness of extracting resources through negotiations and sharing of privileges with those possessed of power and resources.

It seems evident that the states and rulers were limited in their ability to play any dominant role in the economy. They lacked the resources to maintain the large armies essential to subdue co-sharers of power and extract agricultural and trade surpluses. Merchants, on the contrary, seem to have exercised greater power and control since they possessed capital and dominated the money market. But before analysing the merchants’ position, I will examine the role and position of producers and artisans in the political economy and try to find out whether or not their labour was subordinated to merchant capital or state control. The next chapter is therefore devoted to a detailed enquiry into the condition of the labour market at Surat with special reference to the workers in the textile industry and the maritime proletariat.

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