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RESEARCH ARTICLE

RECONSTRUCTION OF ECONOMIC ISSUES AND CHALLENGES OF THE MUGHALS DURING THE REIGN OF AURANGZEB (1658-1707)

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Abstract

The economy was a crucial backbone in the governance of the Mughal Empire. Nevertheless, it was also an issue afflicting the stability of the empire due to the various challenges faced by its rulers during their reign, including the era of Aurangzeb (1658-1707). Military operations directed by Aurangzeb, especially to Deccan, were blamed to be the sole factor of economic crisis which happened during the period of his time. Consequent to the economic problem, Aurangzeb was forced to introduce a few appropriate measures to ensure the empire's economic stability to secure the sustainability of the Mughals dominance. Based on these, this article has the objective of re-examining the economic issues and challenges of the Mughals during the era of Aurangzeb's reign. In addition to that, this article also attempts to carry out a reconstruction of the economic problems in order to understand them which needed to be dealt with by Aurangzeb. This study applies a qualitative approach via historical study and content analysis of data while accumulating and analysing them based on primary and secondary sources. Results of this study showed that military expeditions during the era of Aurangzeb was collectively not the lone factor to the economic downturn of the Mughal kingdom. In fact, the economic challenges which needed to be tackled by Aurangzeb had already been in existence prior to his ascension to the throne. The economic challenges were inherited by Aurangzeb from previous administration causing him to undertake several measures to handle the economic problems in order to ensure sustainability of the empire

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Introduction:-

The emergence of the Mughal Empire brought India to a new era. This statement is supported by views which stated that the modern era of Indian history did not begin from the British rule in the 19th century but from the establishment of the Mughal kingdom in 1526AD (Ikram, 1964). The Mughal rule over Indian territories was the longest, in excess of three centuries. The civilizational achievements attained by this empire can be seen until today, such as in the construction of the Taj Mahal complex during the reign of Shah Jahan (1627-1658) which still stands and is considered one of the Seven Wonders of The World (Hassan, 2012). Achievements of the Mughal civilisation

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also encompass the economic aspect, an important core to the stability of any government. The systems of *jagir* and *mansabdar* which were closely linked to economic and military progress of the Mughals serve as a proof to its competence in managing its fiscal policies.

The economy is an important core to the building of any state or nation. Not only do economic and financial strengths invigorate the stability of a government but they also serve as a major resource to development and governance. Because of that the Mughal Empire placed a heavy emphasis on the Indian economy by introducing a number of measures and policies with regards to its administration such as in the tax collection system and the military hierarchy system known as *mansabdar* (Jaffar, 1972). Nevertheless, every ruler of the Mughal Empire faced economic problems during their reigns. For example, during the era of Shah Jahan, many government officials lived on debts due to the kingdom's failure to pay their salary (Edwardes & Garrett, 1930).

Aurangzeb's regime (1658-1707) was considered a successful and dominant rule in the history of the Mughals. According to Sarkar (1962), the Mughal Empire went through a golden age with its dominion being the largest in the history of the Mughals, covering from Ghaznah to Chatgaon and Kashmir to Karnatak. In addition to this, Aurangzeb also carried out reforms through strengthening of the Mughal's administrative institutions. These were driven by his own desire to see his government is administered according to the mould of Islamic rule. Moreover, the grip of the ulema faction within the Mughal kingdom after Aurangzeb's ascension to the throne also contributed to the reformations (Haq, 1977; Ashari, 2021; Ashari et al. 2021). Nonetheless, Aurangzeb was not free from economic problems when he was at the helm of the empire. Qamaruddin (2004) stated that Aurangzeb inherited the kingdom from Shah Jahan's rulership which was in debt. This posed a difficulty to Aurangzeb to improve the situation as it was beyond his control. Meanwhile, Richards (2008) suggested that it was Aurangzeb's military campaigns to the Deccan province that spelt disaster to the Mughal economy. Even though the Mughals military expeditions finally took control of the province, demands by the aristocrats of Deccan for *mansab* from Aurangzeb inflicted economic instability due to limited resources. This view of Richards portrayed that economic challenges of the Mughals at that time were caused by its policies and political measure and not linked to the issue of debts inherited from the previous administration.

Based on such views, this article has the objective of re-examining the issue of Mughal's economic challenges during the reign of Aurangzeb (1658-1707). This article also intends to carry out a reconstruction of the issue in understanding and remapping the issue of economic problems which Aurangzeb had to deal with. This study employed a qualitative method via historical study and content analysis in gathering and analysing data based on primary and secondary sources.

Economic Resources of the Mughals

Economic resources of the Mughal Empire were gained from various sources. According to Hintze (1997), these sources were a combination of two parts, namely ones that were stipulated by Islamic teaching and others that were decreed by the ruler to cover the expenses of government expenditures. Among the sources was *zakat*/alms, collected from Muslims and spent on their needs. Other revenues included gift contributions and tributes (*ufti*). Gifts were contributed by either representatives of foreign governments or aristocrats and inserted into the treasury. *Uftis* on the other hand were received from foreign states under the Mughal protection (Pandey, 1963). Meanwhile, economic resources decided by the ruler were obtained through tax collection. All revenues were accumulated and spent to cover government expenses such as remuneration of government officials, military budget, royal expenses, state awards as approved by the ruler, the cost of construction and maintenance of government buildings and public amenities such as bridges, roads, and waterways.

Jizyah Tax Controversy

Nevertheless, there was one tax which caused so much controversy in Mughals history, which was the *jizyah* tax. *Jizyah* which was imposed on non-Muslims was abolished by Akbar in 1564AD as an effort to build a government which was tolerant to all and fulfilling the aspiration of *Sulh-i-Kull*. However, after Aurangzeb ascended the throne in the year 1658AD, he reinstated the collection of *jizyah* in 1679AD to strengthen the government fiscals (Pandey, 1963). Furthermore, Aurangzeb was of the opinion that the *jizyah* tax was allowed by the shariah, being enforced by most of prior Islamic rules. Because of that, Aurangzeb felt that a relevance and justification existed in reintroducing the tax onto non-Muslim in India. Mahajan (2001) observed that the reinstatement of this *jizyah* tax was an effort by Aurangzeb of founding a pro-Islam policy in India. Mahajan also opined that imposing *jizyah* disheartened the non-Muslims of India, especially the Hindus who were considered strong backers of the Mughal Empire. Mahajan

(2001) also characterised that one of the factors of the Rajput opposition against Aurangzeb was due to the reintroduction of the tax. Non-Muslim groups displayed their displeasure to the reimposition of the *jizyah* tax by organising pickets in front of Aurangzeb palace. The event was recorded by Khafi Khan (1870) in his work, *Muntakhab al-Lubab*.

However, Faruki (1972) held a different view on the issue of the *jizyah* tax. He questioned criticisms thrown by certain researchers of history towards actions of Aurangzeb. According to Faruki, the reintroduced *jizyah* was not a form of political pressure onto any section of the society as claimed by a number of scholars. If it were true that Aurangzeb had such intention, Faruki argued that Aurangzeb should have reimposed the *jizyah* as soon as he assumed the helm of the Mughals rule in 1658AD. Aurangzeb, however, took almost 20 years after his ascension to the Mughals throne to enforce the tax because of his understanding of the political situation in India at that time. Faruki asserted that the action of reintroducing the tax of *jizyah* was not of Aurangzeb's action alone, it was in fact a pact between the aristocrats and the ulema of the Mughals who felt that it was appropriate to re-impose the *jizyah* tax because it was allowed by the shariah. In spite of the re-imposition of the *jizyah*, Aurangzeb abolished several other taxes to lighten the people's burden, including taxes on Hindus who visited their holy places. Besides, the *jizyah* can be considered as a deed by Aurangzeb to show dominance of Islam in India while the Mughal empire at that time was facing a variety of opposition from among the non-Muslim sectors of the society, such as the Hindu Rajputs, the Marathas and the Sikhs. To display the strength of the Mughals as the ruler of India, *jizyah* was seen as a safe measure to remind the people of the Mughals authority. In short, the *jizyah* tax was reintroduced not only as a policy of strengthening the economy and fulfilling religious requirement alone but, in fact, it was a measure taken with care and much diplomacy to portray the resolute strength of the empire in its political actions and administration.

Mughal Economic Downturn

When discussing the Mughal economic decline, Sarkar (1998) presented views which focused on the era of Aurangzeb rule. According to Sarkar, the Mughal economy contracted because of his endless military operations in the Deccan. Sarkar argued that large expenses to undertake the military campaigns rendered the Mughal administration to be seen as a poor one to the extent that it was not able to maintain its network of roadways and its buildings. Battles fought also destroyed agricultural lands causing it to virtually stop producing. The situation caused an economic downturn following a decline in tax and duties collection due a shortfall in agricultural produce. The same view was held by Richards who asserted that Aurangzeb should not have any excuse to anticipate the economic downturn. Due to the endless wars in the Deccan as well as the daily cost of running the state, the empire had to spend a lot more to rebuild the areas post-war (Richards, 2008). Richards was also of the opinion that the Mughal complete control of the Deccan in 1687AD did not bring lucrative income to the economy. Large expenses were even set aside to suppress the Marathas after the successful conquest of the Deccan (Richards, 1975).

Even though not denying the military campaigns in Deccan as a factor to the economic decline of the Mughals, Lane-Poole (1901) however had a different thought on the matter. He held the opinion that Mughal economic decline began even earlier, which was when a civil war erupted between Aurangzeb and his siblings to gain the Mughal throne. The war which occurred in the final years of Shah Jahan reign witnessed Mughal treasury being depleted, at both the central and territorial administration levels, to cover the expenses of each of their respective military campaigns. This view is supported by Qamaruddin (2004) who noted that Aurangzeb inherited debts of the previous administration of Shah Jahan. Large-scale architectural projects undertaken by Shah Jahan consumed a large amount of expenses. According to Richards (2008), Shah Jahan spent 25 million *rupees* to build constructions such as tombs complexes, palaces, mosques, fortresses and gardens in places like Delhi, Agra, Lahore and Kabul. The construction of the Taj Mahal complex for example took approximately 20 years to complete and costed an estimated amount of 3,02,28,000 *rupees* (Kanwar, 1976). Megaproject developments which were disproportionate to the economy caused imbalance to the fiscals of the Mughal state towards the end of Shah Jahan era. Furthermore, the state coffers were not allocated to priority sectors such as military and defence. In such a state, the performance of Mughal military machineries was not optimised that it suffered defeat at the hands of the Safavids in Kandahar. This clearly shows that the economic situation of the Mughal kingdom suffered an exhaustion and uncertainty even before Aurangzeb assumed the title of the emperor.

When Aurangzeb became the Mughals ruler in 1658AD, he inherited a dire economic situation and he embarked upon improving the state, in particular in the aspect of tax and duties collection and development of agricultural lands. His efforts raised the economic situation of the empire to the highest ever recorded in Mughals history. State

revenues in the Aurangzeb era exceeded 40,000,000 *pounds* compared to in the ear of Akbar which only amounted to 19,000,000 *pounds* (Lane-Poole, 1901). However, the situation did not last long as the empire was heavily engaged in military campaigns, particularly in the Deccan, which indeed required large spending.

Influence of the Financial Firms

Behind the inherited debts of the Mughal Empire and military expeditions to the Deccan, the researchers view that there was a major factor which led to the emergence of challenges during the era of Aurangzeb. Leonard (1981) opined that the role banking firms played caused the downturn of the economy thereby weakening the empire and causing it to decline. Financial houses at that time comprised professional groups which possessed the funds and had a close link to the kingdom. The link is painted to be, 'indigenous banking firms were indispensable allies of the Mughal state' due to a stake of the institutions held in providing financial source to the government of the Mughals (Leonard, 1998). Therefore, Mughal rulers were in need of a side which could be allies in facing threats posed by enemies thus ensuring the longevity and survival of the Mughals. Due to this, Mughal rulers fostered relations with a number of financial institutions at that time such as traders, professional financial groups and affluent tribes to secure a stable finance. In fact, the need for such relations become more crucial as these financiers provided the funds for the Mughals government expenditures. For example, the firm of Jagat Seth functioned as a financial institution which was appointed as *Imperial Treasurer* in the Bengal territory. The captain of the firm, Manek Chand, were even given the highest award personally by Aurangzeb himself for his contribution of lending a huge sum of money to the empire (Leonard, 1998). The close-knit relation between the bankers and the Mughal empire was not limited to high-ranking officers only in their capacity as office bearers but it also involved government officers and the *mansabdar* circles on personal basis. The banking cartels were ever ready to loan credits to government officials who wished to supplement funds to cover expenses such as management of *jagir* lands and wages of the army. Normally, Mughal officials, especially the *mansabdar*, would guarantee *jagir* lands awarded by the government as collaterals to the credits or loans. Such practice placed a burden on the Mughal state when entitlement of those lands were transferred should the officials fail to serve the loan. This caused great losses to the state as *jagir* lands were a source of the state income.

Profits which became a priority of the financial institutions caused a huge conflict with the Mughal state. Aurangzeb attempted to resolve the conflict by proposing interest-free loan policy to the bankers in 1702AD. The policy was mooted to secure funds to finance army salaries and facilitate serving the loan. However, such policy was not supported by the financial firms as no profits were to be gained. Since there was no acceptance of the policy, Mughal military expeditions in the Deccan were toned down. Moreover, tendency of the financiers to find other customers to increase their profits destabilised the financial status of the Mughal state. Among the clients were rival states to the Mughals and foreign trading companies, especially from Europe. For instance, Jagat Seth financial firm cooperated with and gave loans to the British East India Company to operate in Bengal. This scenario affected the position of the Mughal Empire economically and politically. The situation became critical when a rivalry in controlling trade and commerce and discords about tax payment between the Mughal state and the British company happened which consequently led to clashes between the two sides (Roy, 1968).

Conclusion:-

This study has shown that economic challenges of the Mughal Empire during the era of Aurangzeb's reign had already been existing much earlier before his ascension. Megaprojects carried out during the time of Shah Jahan and civil wars in seizing the throne caused the economy of the Mughals to go through a sluggish phase. After his ascension to the throne in 1658, he tended to the economic problems using a number of approaches; among them were updating the tax system and invigorating agricultural lands through the *jagir* system. Furthermore, the *jizyah* tax was reintroduced for the purpose of economic recovery even though that policy rendered him unpopular, especially among the non-Muslims. Military campaigns in Deccan which consumed a huge number of expenditures undermined the fiscal strength of the Mughals. The role of financial firms, especially in financing projects undertaken by the aristocrats and bureaucrats of the Mughals, also destabilised the empire's economy when this cluster of people had debts so considerable that they affected the Mughals' financial capacity to guarantee these debts.

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