

Political, Fiscal and Economic Trends in Telangana

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In this article, an attempt is made to present the Political, Fiscal and Economic History of the present day Telangana Lands and its People for the past two millennia.

Down the ages, the present day Telangana lands and its people have been ruled by fairly stable dynasties. Each one of the dynasties have spanned around a couple of centuries. Even before the commencement of the very first millennium, Mauryans were controlling these lands. Thereafter, the first millennium witnessed the rule of Satavahanas, Vakatakas (also Ikshvakus and Vishnukundis), Badami Chalukyas and Rashtrakutas followed by Kalyana Chalukyas. The second millennium witnessed Kalyana Chalukyas giving way to Kakatiyas. The collapse of Kakatiyas in fourteenth century was followed by Islamic polity which sustained till the middle of twentieth century. From 1950 CE onwards, all these polities were subsumed within the overarching polity of the Indian Union.

Such a vast stretch of historic timeline spanning more than two millennia, if looked from fiscal and economic perspective, had two historic break points. The first was during the fourteenth century and the second was during the eighteenth century. These break points divide the entire historic timeline in three parts. Let us look at each part at some length.

The First Part

That stretched from the year 187 BCE till the year 1323 CE, covering around fifteen centuries. As already alluded, after the collapse of Mauryans, these lands witnessed the rule of Satavahanas, Vakatakas (including Ikshvakus and Vishnukundis), Badami Chalukyas, Rastrakutas and Kalyan Chalukyas followed by Kakatiyas. Dynastic mutations notwithstanding, the fiscal architecture in all the kingdoms was almost the same. Agriculture, the dominant activity was taxed as per Shatabhaga (one sixth of the produce). There were other taxes and duties too, but their overall burden upon the people was rather gentle.

It must be stated categorically that there was no polity known as Telangana during those times. It was a part of the broader polity, which was geographically and economically

fully integrated with the wider Indian sub continental economy. Within the Indian land mass, innumerable holy places along rivers and atop hills and mountains were witnessing perennial flow of preachers, teachers and pilgrims. These highways were also used by raiders and traders. In addition, there was a thriving trade across high seas with lands afar. Therefore, the flow of people, goods, services and ideas was spread far beyond the geographic confines of Telangana.

Economic Prosperity

What about the estimates of GDP, population and per capita income during those times relating to the present-day Telangana State¹ as it stands carved out as the 29th state of the Indian Union from 2nd June 2014 onwards? Presuming the population ratios to have remained the same over time, we can derive comparative population of India and the present-day Telangana lands and its people during those times, as follows:

Population in Lakhs

Year	1000 CE	1300 CE	1500 CE
India	750	960	1100
Telangana	18.75	24.00	27.50

The arrival of Kakatiyas and their rule lasting till 1323 CE gave a certain shape to the Telangana polity because its present-day territories were substantially included in the then Kakatiya dominion. More than three centuries span (1000 CE – 1323 CE) witnessed a certain divide in the Indian sub-continental polity. The areas north of Vindhyan mountains were controlled by the Islamic polity while the areas south of Vindhyas were under the control of Chalukyas, Seunas, Kakatiyas, Gangas, Hoyasalas, Pandyas and Cholas. The overall socio economic and cultural landscape in all these kingdoms were almost similar. The tank was the economic fulcrum of a village, while a nearby temple was its social fulcrum. An international trade in spices, cotton textiles, diamonds, steel and horses were yet another feature of peninsular kingdoms. Mutual conflicts amongst neighbouring kingdoms were no doubt there, but none attempted to subsume thy neighbour's kingdom. As political boundaries, by and large remained intact for more than a couple of centuries, it is quite

¹ The ten districts from the erstwhile state of Andhra Pradesh were Adilabad, Karimnagar, Medak, Nizamabad, Warangal, Rangareddy, Nalgonda, Mahaboobnagar, Khammam and Hyderabad.

reasonable to conclude that the economic prosperity of these peninsular kingdoms must have been a notch ahead of their north Indian counterparts by around 1300 CE.

The Per capita income figures for India are estimated as 450 dollars in 1000 CE, 510 dollars in 1300 CE & 550 dollars in 1500 CE. *The corresponding figures for Telangana land & its people must have been a notch ahead of 510 dollars in 1300 CE.*

The Second Part

The period from 1323 CE till 1724 CE, covering a period of four centuries constitutes the second part. After the collapse of Kakatiyas, it witnessed the rule of alien dynasties, be it Bahmanis or Qutb Shahis. All those rulers, their advisors and ministers had their roots in Persian lands. They transformed native kingdoms into a Persianate Shia commonwealth. The fiscal architecture was imposed as per Islamic law. It mandated that each farmer, irrespective of his land holding had to part with half i.e., 50% of his total produce to the state. There was no respite even during famine years which were far too frequent. Non-payment was dealt with severe punishments. There were several other duties too.¹

Per Capita Income (In US Dollars at 1990 Rate)

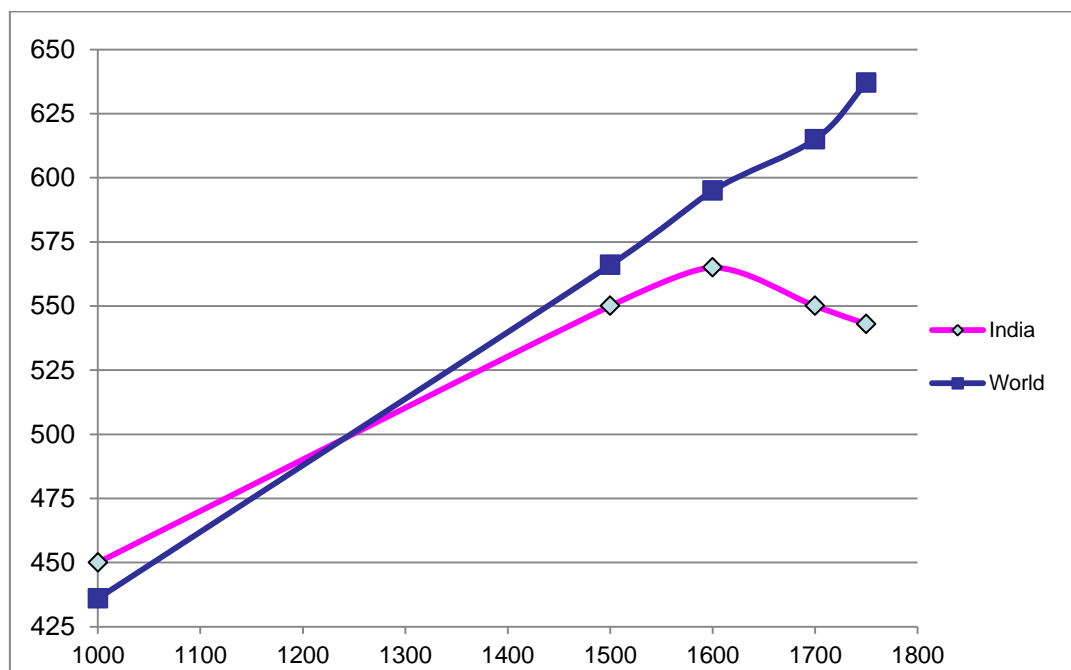
Year	India	World
1300	510	513
1500	550	566
1600	550	595
1700	550	615
1750	543	637

The economic impact of this new fiscal regime was regressive, to say the least. figures say it all. The Indian economy by 1300 CE had a sort of parity in terms of per capita GDP before the entry of Islamic rulers. However, it entered a period of relative decline from 1300 CE onwards and by 1750 CE, the Indian GDP Per capita had fallen distinctly behind the global averages. The Bahmani dominions followed by Qutb Shahi kingdoms, which included the present-day Telangana lands had been politically and economically interconnected, not only within the Indian subcontinent but also with Persian lands across the oceans. The obvious conclusion is that the present-day Telangana lands had entered a period of economic regression from the lapse of the Kakatiya Imperium.

The Economic decline

It is estimated that decline of per capita income, de-urbanisation and decline of real wages for unskilled and skilled workers commenced simultaneously from 1600 CE onwards. The unfolding triple tragedy held disturbing portends for the future. The Indian sub-continent including the Golconda territories, especially to most of the foreign visitors still appeared to be a land dotted with opulence and riches, as viewed from the ruler’s court. The overall riches of its people had however shrunken from a high of 29.2% in its global share in 1000 CE to 20.9% in 1750 CE. The graph of Indian prosperity was on a slow yet certain decline. The nadir had not been reached yet, at least by 1750 CE. The ‘Battle of Plassey’ was still some years away.

Per Capita Income at Constant Prices (From 1000 CE TO 1750 CE)



The worst was yet to come.

The Third Part and Economic collapse

The period from 1724 CE till 1948 CE covering a period of more than two centuries constitute the third part. It witnessed the rule of Asaf Jahis. They were Mughal sunnis who derived their inspiration from Aurangzeb model of governance. The local polity was additionally subjugated by foreign trading companies namely, French and British. Political subjugation caused additional fiscal drain and new trade policies, especially for paddy and cotton caused desiccation of rural economy.

Economic impact of this double whammy was disastrous. In a latest research paper, Mrs.Patnaik has calculated “*Theft of \$45 trillion by EIC & British empire from India between 1765 & 1938*”. It is seventeen times more than the total annual GDP of the United Kingdom today. The Hyderabad state, ensconced in the belly of the subcontinent shared its (mis)fortune in full measure. Homogeneity of the population and integration of Hyderabad economy with India has been forcefully and conclusively brought out in the seminal work of V.P. Menon, as follows.

“Geographically, culturally, economically and politically, Hyderabad had always been an integral part of India. No natural barriers separated the border areas, the population was completely homogeneous with the population of the surrounding Indian provinces, and the State had been entirely dependent upon India for its railways, its postal, telegraphic and telephonic services and its air communications. Economically, the State had never been an independent entity in any sense of the term, but had always been an integral part of India.”² The share of drain from Hyderabad dominion must have been at least 2 trillion dollars during this period.

In 1950 CE, literacy in Hyderabad state was less than 8%. Irrigated area in the entire realm was less than 9%, Life expectancy was 32.6 years in 1950. Population was emaciated. Mother and Child mortality was very high.

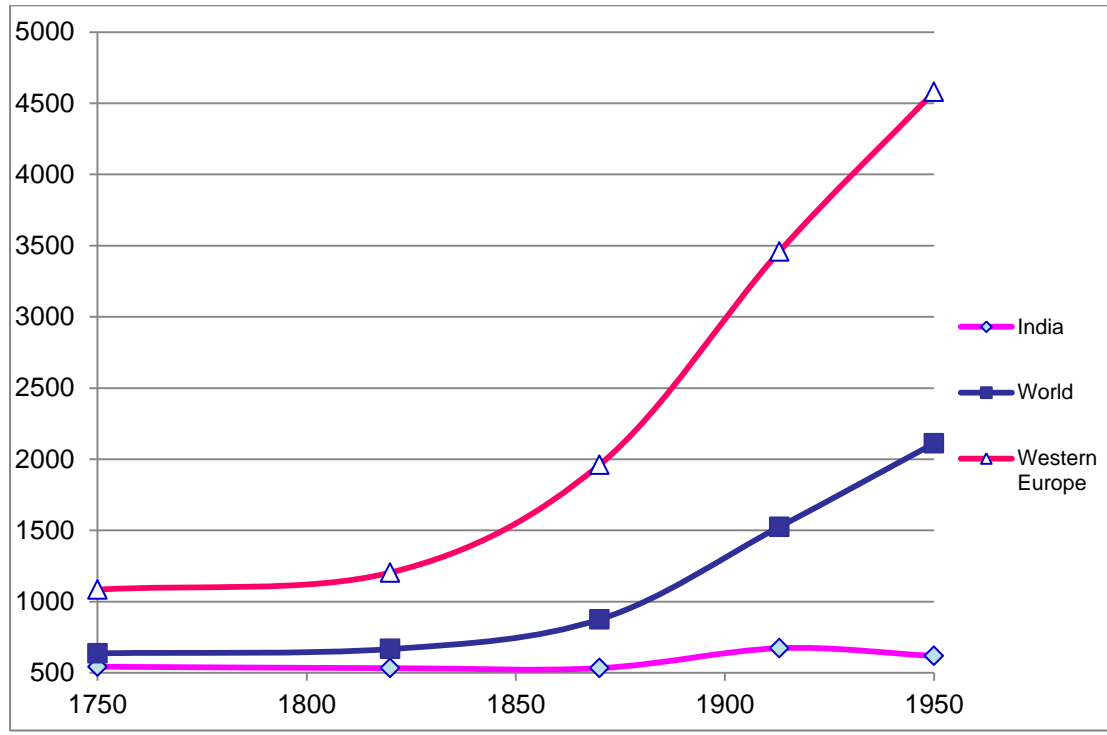
Population (In Crores)³

Year	India	World
1750 CE	18.3	78.6
1950 CE	35.9	252.4

Per Capita Income (In US Dollars at 1990 Rate)⁴

Year	India	World	Western Europe (Including U.K.)
1750 CE	543	637	1084
1820 CE	533	667	1204
1870 CE	533	875	1960
1913 CE	673	1525	3458
1950 CE	619	2111	4579

Per Capita Income at Constant Prices (From 1750 CE to 1950 CE)



From 1950 CE onwards, the Hyderabad state was merged with the Union of India. The evolution of political, fiscal and economic trends from 1950 CE onwards would be covered subsequently.

References:

1. Angus Maddison (2006), *The World Economy*, Organisation for Economic Cooperation and Development, Development Centre Studies, Adademic Foundation, New Delhi, p 642
2. Menon, V.P.(1985), *Integration of Indian States*, Orient Longman Limited, New Delhi, p 387
3. Angus Maddison (2006), *The World Economy*, Organisation for Economic Cooperation and Development, Development Centre Studies, Adademic Foundation, New Delhi, p 642
4. Ibid, p 642