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# A Survey of Proprietorship, Continental Bureaucratic Empires, and the Culture of Power, in South Asian History

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This historical survey examines the relationship between proprietorship, state structure, and cultures of power, over the broad expanse of South Asian History. In doing so the focus is kept upon the major Indian empires (Maurya, Delhi Sultanate, Mughal, British). The paper maintains that in continental bureaucratic empires that manifest arbitrary cultures of power the rulers perceive the state and the country as a personal estate. Consequently, the level of insecurity even within the elite, which can be dispossessed by the ruler, is remarkably high. Pervasive insecurity means that the incentives to work, save, and invest, are greatly diminished, and the creativity and enterprise that sustain qualitative improvement in the economic and technological base are by and large lacking. This pattern manifests itself more or less consistently until the British period when, for a number of reasons, private property, the rule of law, and other reforms are introduced. A new dynamic gains momentum an the basis for a modern economy are laid.

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## INTRODUCTION

Proprietorship is an essential fact that the social sciences and humanities must deal with. It is tempting to see the development of proprietorship as a struggle between the two distinctly European and modern institutional practices of private enterprise and communism leading to a grand synthesis in the form of the contemporary mixed political economies of welfare prevalent in the industrial democracies. While this generalisation may hold substance in the context of the West, the historical experience of the rest expressed itself differently. For much of history and for the vast majority of the human race proprietorship and the relations to which it gave rise flowed from the interaction or lack thereof with the continental bureaucratic empire.[1]

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[1]For a broader and more thorough investigation of continental bureaucratic empires, the ideocratic and arbitrary cultures of power they spawned, and the impact they had on South Asian history see Ilhan Niaz, *An Inquiry into the Culture of Power of the Subcontinent* (Islamabad: Alhamra, 2006).

Initially, continental bureaucratic empires developed in the river valleys of Egypt, Mesopotamia, the Indus, and China. The core organising principle of these empires and state formations was the universal proprietorship of the ruler. All landed and mercantile wealth was ultimately owned by the ruler who alone had an inherent right to property. In practice the territorial extent of continental bureaucratic empires combined with the physiological limitations of personal rule meant the sovereign had to rely upon intermediaries spread across the administrative subunits of his dominions. These intermediaries were organised in a hierarchical pattern and were recruited, promoted, transferred, and disciplined by the ruler or senior members of his staff. The principal economic function of these imperial servants was the collection of rents from the cultivator either for the ruler or for themselves as a part of their remuneration. The principal political function of the imperial servants was the maintenance of order through the explicit or implicit application of force. Society was atomised into insular village units incapable of coordinated resistance against the agents of central authority.

In this sense the entire empire was the personal estate of the ruler in whom alone were vested rights of proprietorship. Beneath the ruler were his administrative servants including scribes, clerks, priests, soldiers, and military officers. In Ancient Egypt, for instance.

In Egypt scribes were not only amongst the élite, they knew it, and said so plainly. “Be a scribe,” ran the advice, “it saves you from toil, it protects you from all manner of labour.” “Be a scribe. Your limbs will be sleek, your hands will grow soft. You will go forth in white clothes, honoured with courtiers saluting you”. And many a senior figure in the state included “scribe” amongst the accumulated titles of his curriculum vitae.[2]

These servants were in effect bureaucrats who exercised the ruler’s powers derived from his universal proprietorship. They received an inferior right of possession over lands and mercantile wealth as part of their remuneration. When they died or were dismissed, their mobile and fixed assets were confiscated by the ruler and recycled for administrative purposes. Below the administrative classes were cultivators, artisans, and merchants, each subjected in turn to the often arbitrary and extortionate demands of the ruler’s servants.

Broadly speaking the system of universal executive proprietorship towards which continental bureaucratic empires are historically and structurally prone was driven and reinforced by interlocking cycles of insecurity. The ruler felt insecure *vis-à-vis* the state apparatus and other members of the royal family for his universal proprietorship naturally made those around him covetous and insecure. This led him to reduce his servants and relatives to servility and dependence through a variety of means including preserving a significant portion of the military force at the centre, espionage, and reliance on slaves and outsiders to fill important positions. Retaining the ultimate proprietorship of the wealth of his servants in both land and moveable assets and frequently transferring them within the empire to pre-empt the formation of solidarities with the governed were some manifestations of the ruler’s fears.

Such abject dependence on the ruler’s arbitrary will rendered the imperial servants highly insecure. The near certainty that they were under continuous surveillance and that should they fall from favour their wealth was forfeit, drove them towards excessive

[2]Barry J. Kemp, *Ancient Egypt: Anatomy of a Civilisation* (London: Routeledge, 2002), 111.

corruption, extortion and arbitrariness towards each other and the people over whom they exercised power in the ruler's name. For the subjects of continental bureaucratic empires reactions to the arbitrary treatment meted out by imperial servants ranged from flight to fight. Cultivators often fled before tax collectors and the imperial compulsory labour requirements. For example, In Ancient Egypt scribes organised conscripted labour, rations, and building materials. While the pharaoh's subjects may have believed him to be a god, few relished the prospect of backbreaking labour in the Egyptian sun for months on end away from their families. Many tried to flee but failed because, as a "typical entry" from a prison register dated to the Middle Kingdom (2052-1786 BC) reveals, the families of runaways were thrown in prison and held hostage.[3] Subordinate landlords, tax farmers, and village headmen, rebelled in response to excessive extortion. Most, however, responded with a combination of concealment, evasion, and servility when the state was effective and apathy and opportunism when it weakened or failed.

Arguably, the greatest casualty of the continental bureaucratic mode of proprietorship was trust, within the apparatus, between the rulers and ruled, and amongst the members of society at large. So long as the personal abilities of the ruler and his servants were sufficient to grapple with inchoate but relentless centrifugal tendencies, the empire prevailed. Ibn Khaldun (1332-1406) quotes Anosharwan, the great sixth century AD Sassanid Persian emperor, to support his understanding of the ideal towards which such empires aspired:

Royal authority exists through the army, the army through money, money through taxes, taxes through cultivation, cultivation through justice, justice through the improvement of officials, the improvement of officials through the forthrightness of *wazirs*, and the whole thing in the first place through the ruler's personal supervision of this subjects' condition and his ability to educate them, so that he may rule them, and not they him.[4]

For the edification of senior civil servants of the realm Ibn Khaldun cites the *Epistle* of Abd al-Hamid bin Yahya, (d. 750) Secretary to the Umayyad dynasty, as the ideal towards which continental bureaucratic empires ought to strive in terms of the intellectual and moral qualities of their servants, upon whom depends, in no small measure, the quality of governance:

He (God) gave to you, secretaries, the great opportunity to be men of education and gentlemen, to have knowledge and good judgment. You bring whatever is good in the caliphate and straighten out its affairs. Through your advice, God improves the government for the benefit of human beings and makes their countries civilised. The ruler cannot dispense with you. You alone make him a competent ruler. Your position with regard to rulers is that you are the ears through which they hear, the eyes through which they see, the tongues through which they speak, and the hands through which they touch. May God give you, therefore, enjoyment of the excellent craft with which He has distinguished you, and may He not deprive you of the great favours that He has shown you.

[3] *Ibid*., 129.

[4] Ibn Khaldun, *The Muqaddimah (An Introduction to History*), trans. Franz Rosenthal, ed. N. J. Dawood (London: Routeledge and Kegan Paul, 1978), 40-41. For Ibn Khaldun, the terms "dynasty" and "state" were synonymous for "A state exists only insofar as it is held together by the dynasty; when the dynasty disappears the state collapses". *Ibid*., xi.

No craftsman needs more than you to combine all praiseworthy and good traits and all memorable and highly regarded excellent qualities, O secretaries, if you aspire to fit the description given of you in this letter. The secretary needs on his own account, and his master, who trusts him with important affairs, expects him, to be mild where mildness is needed, to be understanding where judgment is needed, to be enterprising where enterprise is needed, to be hesitant where hesitation is needed. He must prefer modesty, justice and fairness. He must keep secrets. He must be faithful in difficult circumstances. He must know (beforehand) about the calamites that may come. He must be able to put things in their proper places and misfortunes into their proper categories. He must have studied every branch of learning and must know it well, and if he does not know it well, he must at least have acquired an adequate amount of it. By virtue of his natural intelligence, good education, and outstanding experience, he must know what is going to happen to him before it happens, and he must know the results of his actions before action starts. He must make the proper preparations for everything, and he must set up everything in its proper customary form.[5]

When these abilities deteriorated the empire sank into anarchy and warlordism that awaited a Hobbesian solution in the form of a new Leviathan which, in turn, manifested the same arbitrary culture of power as its predecessors. In this culture of power the country was the personal estate of the ruler. The military and civil officials of the empire were personal servants or slaves of the ruler. The ruler was legitimated by an official ideology or religion that exalted him above questioning or presented him as divinity incarnate. It was thus that the universal proprietorship of the ruler formed the core principle of organisation in a continental bureaucratic empire and that the notion that the country was the personal estate of the ruler with which he could do as he pleased became an essential part of an arbitrary culture of power that reinforced the tendencies towards political centralisation, social atomisation and apathy, and ideological delusions.

## ANCIENT INDIA

Ancient India broadly refers to the period from the rise of the Indus Valley Civilisation (c 2250 BC) to the advent of the Turks (c AD 1000). As might be expected this period witnessed the rise and fall of many different empires, states, tribes, and religious and cultural movements. The great cities of the Indus Valley civilisation, the magnificent palaces and monuments of the Mauryas and Guptas, the fortresses of the Rajputs, and the temples and monasteries of Hinduism and Buddhism are just some of the major features of the period that the non-specialist will be familiar with. The greatest amount of information pertinent to the understanding of the exercise of state power during this period concerns the Maurya Empire (c 320 BC – 185 BC) and it is upon it that we will concentrate.

The Mauryas operated a large and complex state formally divided into over three dozen ministries and departments. The military and civil servants were paid salaries and held their positions by virtue of the emperor's favour. The emperor was an agent of divine will and possessed a varied network of spies and informers that were particularly watchful of his family and senior servants. Princes are compared to crabs by Kautilya, the compiler of the *Arthashastra* and prime minister to the first Maurya ruler.

[5]*Ibid*., 203-204.

The emperor was the universal proprietor. In his domains "all land" belonged to him and "no private person" was "allowed to own land".[6] In the countryside, which was divided into subunits ranging from the single village to provinces (800 villages), the cultivators paid rent to the emperor. The rent averaged 25 percent and was collected by a hierarchy of executive officers beginning from the village headman (paid 500 *panas* or silver currency units per year) graduating to the *gopa* (5–10 villages) and circle officer (*sthanika*) and culminating in the controller general. The farmers were granted possession of land for their lifetime or so long as they could meet the revenue demands of the state.[7] The village administration and executive officers received land grants as well as generous cash salaries, while the bureaucratic undergrowth of petty clerks, policemen, labour contractors and menials, made do with small salaries. It was the emperor's prerogative to construct large water reservoirs, allocate pasture land, fisheries, and forests, subsidise and administer local infrastructure, and maintain communications (highways, roads, inns).[8]

Like the agrarian sector, the mercantile and manufacturing sectors of the economy were subject to royal ownership, domination, and regulation. The emperor maintained royal workshops for the production of luxury goods and armaments. Mining, salt, and elephant forests, were royal monopolies. A "Chief Protector of Animals" was entrusted with the task of seeking out and bringing to royal attention such fauna as may arouse interest.[9] A hierarchy of trade and communications officials ranging from chief controllers of state trading and private trading, to timekeepers and inspectors, supervised and directed mercantile activity. The emperor and his servants prescribed limits to profits, inventories and movement, which, if violated, led to the auction and/or confiscation of the merchant's stock.[10] In terms of movement, merchants could bring their goods through customs posts where teams of four or five customs collectors made detailed records.[11] Moreover, spies and "clandestine agents" infiltrated mercantile establishments and sometimes posed as merchants.[12] The idea was to test the fidelity of customs officials and prevent merchants from trusting each other. Even bars and brothels were run by the state apparatus with madams receiving salaries of 1000 *panas* per year and freelance prostitutes having to pay 18 percent of their gross income as tax.[13] The state even attempted to regulate the rates of interest charged by private companies and merchants on loans for a wide range of transactions. Normal domestic trade was charged at 15 percent interest, commercial loans were fixed at 60 percent interest, overland travel through high-risk areas such as forests and borderlands, was fixed at 120 percent, while loans taken for shipping goods overseas charged 240 percent interest.[14]

The picture that emerges of proprietorship in Ancient India from the documentary record is that the ruler dominated it. The entire country was the personal estate of the ruler and he could at will confiscate, transfer, or occupy, property. This pattern differed

[6]Hermann Kulke, and Dietmar Rothermund, *A History of India* (New Delhi: Manohar Publications, 1991), 62.

[7]Kautilya, *The Arthashastra*, trans. L. N. Rangaraja (New Delhi: Penguin Books, 1992), 179.

[8]*Ibid*., 181-3.

[9]*Ibid*., 320.

[10]*Ibid*., 336-338.

[11]*Ibid*., 340.

[12]*Ibid*.

[13]*Ibid*., 351-353.

[14]*Ibid*., 426.

substantially from the norms prevalent in the classical West where proprietorship was vested either in citizens (Athens, Rome) or in the state as an institution (Sparta). Universal royal proprietorship led to a great deal of arbitrariness and insecurity within the ruling élite as well as between the rulers and the ruled. Society, atomised by absolutist rule, was principally apathetic to the fate of the apparatus. A change of dynasty or the breakup of the empire simply changed the ruler to whom rent was due. Resistance was localised and effectively dealt with by the central state so long as it was competently led. Even in the smallest pre-Turkic Indian states, such as the Rajput principalities, the ruler was the universal landlord who granted lands and took them away from his servants as he pleased. This was the condition of proprietorship that the Turkish invaders found in much of India when large parts of it came under their rule (AD 1000 – 1400).

## PROPRIETORSHIP IN MEDIEVAL INDIA 1206-1707

The Sultans of Delhi (1206-1526) divided their sprawling estate into lands administered and taxed directly by the crown (*khalsa*) and lands farmed out to their servants and slaves as payment for service (*iqta*). In the peripheral and geographically challenging areas local leaders were, in theory, supposed to pay rent in the form of tribute to their overlord, though practical difficulties often made this an unappetising proposition for the sultanate. The sultan was by far "the biggest landholder" and "in fact the only one whose property had an undisputed legal basis."[15] As the universal landlord, the sultan had his pick of the land and could "employ the resources of the state to enhance their productive capacity."[16] The tax rate on land varied from one-third to one-half and rulers routinely engaged in mass confiscations of revenue assignments, grants, and private property.[17] During the late-thirteenth century, for example, Alauddin Khalji's arbitrary confiscations and measures fell so heavily upon more prosperous cultivators and tax farmers that "…no trace of gold or silver or money remained in their houses and their wives were compelled to work as maid servants for wages."[18]

While land yielded the bulk of the sultanate's wealth, the market was also an important source of revenue. To dominate commerce and manufacturing the sultanate was equipped with a ministry of markets. This ministry granted licenses and government contracts, collected customs duties, enforced price controls, kept track of entertainment establishments, and regulated weights and measures. A central depository was maintained at the capital to control the distribution and taxation of certain goods, and traders who did not submit to its discipline were punished by having their joints "opened" by a blade.[19] Retailers and traders were dependent on the apparatus for their personal safety and prosperity, whose inspectors and supervisors were authorised to deal with them "through the whip of justice."[20]

[15]K. M. Ashraf, *Life and Conditions of the People of Hindustan* (New Delhi: Munshiram Manoharlal, 1959), 64.

[16]*Ibid*.

[17]Peter Jackson, *The Delhi Sultanate: A Political and Military History* (Cambridge: Cambridge University Press, 1999), 242-4.

[18]Tapan Raychaudhry and Irfan Habib, eds., *The Cambridge Economic History of India*, vol.1, *c1200 to c1750* (Cambridge: Cambridge University Press, 1982), 55.

[19]K. A. Nizami, ed., *Politics and Society During the Early Medieval Period: Collected Works of Professor Mohammed Habib,* vol. 2 (New Delhi: Peoples Publishing House, 1981), 158.

[20]*Ibid*., 155-6.

The sultan owned factories and workshops that employed thousands of slaves and labourers. Alauddin Khalji owned fifty thousand slaves while Firuz Tughluq, in the mid-fourteenth century, owned two hundred thousand slaves of which twelve thousand were craftsmen.[21] Leading nobles maintained similar establishments albeit on a smaller scale. The bulk of the production was absorbed by conspicuous consumption and the military, while the leftovers were sold in the market for profit or pilfered.

Under the larger and more stable Mughal Empire (1526-1707) the same principles of universal proprietorship prevailed with similar consequences. The emperor directly managed the crown lands and distributed the rest as revenue assignments (*jagirs*) to his officials and constituted "…himself the heir of all the *Omrahs*, or lords, and likewise of the *Mansabdars* or inferior lords".[22] Furthermore, "…what is of the utmost importance" is "that he is proprietor of every acre of land in the kingdom, excepting, perhaps, some houses and gardens which he sometimes permits his subjects to buy, sell, and otherwise dispose of, among themselves".[23]

The rent charged by the emperor varied from one-third to three-fifths and villages "could be so heavily assessed that the peasant population was threatened with slaughter and enslavement" should taxes go unpaid.[24] Flight from the land in the mid-seventeenth century, when the empire was at its zenith, "was a common phenomenon".[25] The revenue system was driven by "the uncomplicated desire" of the administrative élite for "more and more material resources" and extracted one-third to one-half of GNP as revenue.[26] The insecurity of the emperor's officials led them to squeeze "as much as they could" from the tenants and ignore "the economic future of the areas temporarily" in their charge.[27]

Trade and manufacturing fared little better. Bribes were absolutely necessary to get the complex official machinery, which, at major ports, included superintendents for everything from horses to charitable endowments, to do its job. Merchants needed passports to travel within the country, depended on official patronage, were wary of spies infiltrated into their caravans, and were acutely aware of the threat of expropriation that hung over their heads. Often, merchants became the middle-men and servants of officials who served monopolies. Indeed,

> There can be little encouragement to engage in commercial pursuits, when the success with which they may be attended, instead of adding to the enjoyments of life, provokes the cupidity of a neighbouring tyrant possessing both the power and inclination to deprive any man of the fruits of his industry. When wealth is acquired, as must sometimes be the case, the possessor, so far from living with increased comfort and assuming an air of independence, studies the means by which he may appear indigent.[28]

[21]Ashraf, *Life and Conditions of the People of Hindustan*, 59.

[22]François Bernier, *Travels in the Mogul Empire: AD 1656-1668*, trans. Irving Brock, revised and improved edition, Archibald Constable (London: Archibald Constable and Company, 1891; reprint, Karachi: Indus Publications, n.d.), 204.

[23]*Ibid*.

[24]Irfan Habib, *Essays in Indian History: Towards a Marxist Perspective* (New Delhi: Tulika, 1995), 192.

[25]*Ibid*., 195.

[26]Raychaudhry, *The Cambridge Economic History of India*, vol. 1, *c1200 to c1750*, 172-3.

[27]*Ibid*., 173.

[28]Bernier, *Travels in the Mogol Empire*, 225.

Artisans, employed for luxury goods and armaments production by the emperor and his servants had "reason to congratulate" themselves if they escaped whipping "given in part payment".[29]

The nature of proprietorship under the Delhi Sultanate and the Mughal Empire was precarious even at the best of times. The sovereign ruled the country like a personal estate and enforced his universal proprietorship through a predatory administrative élite. The elite was itself ever uncertain of its position relative to the emperor it served and behaved in the most arbitrary and self-aggrandising manner possible. This in turn reinforced the atomisation, apathy, and turbulence of Indian society, and ensured that soon after the accidental succession of competent rulers failed, the empire fragmented into hundreds of petty bureaucratic estates. By the early-eighteenth century, however, European trading companies were making their presence felt in parts of the subcontinent. The most famous and successful of these was the English East India Company, and it is to England that we must now turn to examine a profoundly differently form of the state and proprietary structure.

## ENGLAND

The oldest surviving document of Anglo-Saxon law (c AD 600) deals with private property rights.[30] The primordial structure of English government was characterised by a powerful landowning aristocracy that either lacked a central executive or submitted only reluctantly to higher political authority. The aristocracy dominated the *witena gemot* (the council of the wise) which, together with semiannual gatherings of free farmers and townsmen, voted taxes and approved laws.

In 1066, William, Duke of Normandy, invaded England and appended it to his realm. A more structured and authoritarian monarchy was established and nobility from Normandy was settled in the country. Consequently, the Norman monarchs regarded their nobility as tenants of the crown who held their estates not by any inherent right, but in exchange for military and political service. Having said that, the estates were hereditary and with the monarch's attention perpetually distracted by continental entanglements, the Norman nobility struck local roots, developed a powerful proprietary interest in their estates, became culturally anglicised, and adopted the Anglo-Saxon local government institutions. These developments had important consequences in two vital respects.

One was that from 1066 to 1230 the Norman (or Anglo-Norman) aristocracy, both lay and clerical, founded one hundred and twenty-five new towns and settlements.[31] Anyone with money was invited to *buy* land in the new settlement and/or set up shop in the market area. Purchase brought with it proprietary as well as personal rights and merely living in the town for over a year could confer freeman status on serfs. The lord collected taxes and fees from the city while the town, as it grew, conferred greater wealth, power, and prestige upon its founder. Given the low life-expectancy at the time and the slow rate of economic growth, developing a town was a long-term project unlikely to

[29]M. Athar Ali, *The Mughal Nobility Under Aurungzeb* (New Delhi: Asia Publishing House, 1970), 157.

[30]Robert Pipes, *Property and Freedom* (New York: Alfred A. Knopf, 1999), 125.

[31]Danny Danzinger and John Gillingham, *1215: The Year of Magna Carta* (London: Hodder and Stoughton, 2003), 52-3.

yield much profit within a single generation. If the Anglo-Norman aristocrat had felt that his property was subject to arbitrary confiscation upon his death or transfer every few years, the investment would not have, in all probability, been made.

The other striking manifestations of proprietary roots was that the Anglo-Norman aristocracy became increasingly suspicious of new arrivals from their ancestral home and began to resent performing military and political service at the monarch's behest in Normandy. These tendencies culminated in a showdown after, in 1204, the French occupied Normandy. King John (1199–1216) wanted to regain control of the Norman homeland. Generating resources for the re-conquest meant that the king pushed his legal prerogatives to the limits, raised taxes, hired mercenaries, and brought many of his foreign favourites to England. In 1215, these changes triggered a rebellion that led to the signing of the Great Charter or *Magna Charta*. Over a dozen of *Magna Charta's* sixty-three articles place limits upon the king's proprietary and fiscal rights especially as regards inheritance, tax collections, the rights and liberties of towns, and punitive confiscation for default on debts.

Reissued nearly forty times between 1215 and 1688, *Magna Charta* established the principle that the executive was not the universal proprietor with unlimited rights over the aristocracy and freemen. The civil wars and constitutional crises that periodically gripped England steadily shifted the balance of institutional power in favour of the parliament and judiciary. A curious development during this period was the commercialisation of agriculture as aristocrats and gentry enclosed their estates, evicted tenants, and took to sheep rearing and marketing wool for profit. Thus in England, the landlord evolved from a collector of feudal dues and rents, to a capitalist farmer with strong links to the market. English society's "positive attitude" towards commerce and manufacturing, was reflected in the "social hierarchy, as the great houses and estates of the merchant princes around London" while "many of the greatest families owed their fortunes to trade and did not disdain to return to it or to marry merchants' daughters".[32]

It was perhaps fitting then that the British Empire in India was founded the English East India Company, which "joined the ranks of the powerful predators at large in mid-eighteenth century India".[33] Simultaneously seduced by prospects of unimaginable riches and compelled by the turbulence of the period, "a small band of what might be called private-enterprise imperialists" took the initiative into their own hands and between 1750 and 1770 defeated their French rivals, conquered Bengal, and reduced the Mughal Emperor to the status of a protected stooge.[34] These company men aroused admiration and horror at home at the return of wealthy "nabob" from India who used their often ill-gotten wealth to buy parliamentary seats.[35] As evidence of Company misrule and corruption mounted demands for Parliamentary regulation grew increasingly vociferous. The results included a series of regulating acts, beginning in 1773, that brought the Company and its dominions under parliamentary control. The British Empire in India was thus born.

[32]T. C. W. Blanning, *The Culture of Power and the Power of Culture: Old Regime Europe 1660-1789* (Oxford: Oxford University Press, 2002), 303.

[33]Lawrence James, *Raj: The Making and Unmaking of British India* (London: Abacus, 2003), 28.

[34]Ibid., 43.

[35]Ibid., 48. There were 26 such Parliamentary "nabobs" in 1774-80, and 45 in 1790, out of a total of 558 MPs in the House of Commons.

## THE BRITISH EMPIRE IN INDIA

The "private-enterprise imperialists" who founded the British Empire in India were not particularly interested in reforming the principles of statecraft in their newly acquired dominion. If anything, the universal proprietorship of the sovereign and the irresponsibility of his servants that had traditionally characterised India's culture of power were admirably suited to the plunder and extraction of public resources for private gain. The last of the Company appointed governor generals, Warren Hastings (1773–1785), was mainly concerned about making the writ of the state more effective while retaining the overarching principle of ruler proprietorship. When in India, he felt, it was best to do as the Indians do, albeit more efficiently.

Change at the level of principle began with the arrival of Lord Cornwallis (1785–1793), the first aristocrat and parliamentary representative to be appointed governor general. Cornwallis, like many of his colleagues and subordinates, was convinced that the "oriental principles of government"[36] were inherently flaw and ultimately to blame for the poor quality of governance that prevailed. If a substantive change for the better was to be brought about, the reforms would have to address the principles of statecraft and not focus on merely making the mechanism more effective, though, that too was necessary. Cornwallis's reforms dealt with many aspects of governance, such as the civil service, police, taxation, and the judiciary. A conscious effort was made to reconstitute these organs as autonomous institutions under law. Along with these reforms, Cornwallis renounced the universal proprietorship of the ruler and assigned proprietary rights in land to the *zamindars* (tax farmers, not really "masters of the land") in exchange for a fixed assessment. Initially, the settlement was made for ten years but in 1793 it was reconstituted in perpetuity as the Permanent Settlement.

The Permanent Settlement was a classical example of Enlightenment and post-Enlightenment universalism and proceeded from a certain logic that made, and makes, eminent sense. Human nature is selfish, materialistic, and acquisitive. Under a despotic government the level of material insecurity increases. Wealthier people are thus driven towards unrestrained and remorseless self-aggrandisement coupled with flight and concealment. Those less economically fortunate, become apathetic and fatalistic in their outlook. The perception that wealth flows from the abuse of power, proximity to the ruler, and government favour, becomes entrenched in the minds of rich and poor alike. Consequently, at a collective level, the public and private interest in damaged as the incentive to save, invest, and work hard, is greatly diminished. By giving the landlord a permanent stake in the land under his control, moving the fear of arbitrary confiscation and transfer, and disbanding the private police forces, it was hoped that a virtuous upwards spiral of self-improvement, security, and prosperity, would be unleashed. Cornwallis "…hoped the *zamindars* would be transformed into paternalistic English squires who improved their land, looked after their tenants, built some roads and carried out the duties of local administration".[37] Of course, no such thing happened. The landlords "performed none of the duties expected of them",[38] continued to live as before,

[36]Eric Stokes, *The English Utilitarians and India* (Oxford: Oxford University Press, 1959; reprint, Delhi: Oxford University Press, 1982), 4.

[37]David Gilmour, *The Ruling Caste: Imperial Lives in the Victorian Raj* (London: John Murray, 2005), 110.

[38]*Ibid*.

took loans to pay their taxes and indulge their fancies, and ended up losing lands by defaulting on tax payments or loan payments. In the place of parasitic landlordism, an equally pernicious absentee landlordism by Bengali merchants emerged.

As the British Empire in India expanded and the deficiencies in the working of the Permanent Settlement became apparent, debate emerged on the structure of proprietorship. Senior civil servants like Thomas Munro, with experience in the Bombay and Madras presidencies, found that the earliest revenue settlements had been made between the state and individual cultivators or village communities. Munro and his supporters argued that vesting property rights in the ordinary cultivator (*ryot*) or village communities, would better serve the public interest.[39] The peasant and the village had a greater material interest in improvement and were already accustomed to hard work.

After efforts to apply the Bengal system to Madras ran into serious trouble, experiments began with *ryotwari* and village settlements and by the 1820s these became the norm in the Bombay and Madras presidencies. In other parts of India, such as the Punjab, small and medium landlords proliferated in certain areas while big *jargirdars* dominated others. Indeed, the "British were proud of the Punjab School, of its combination of respect for local culture and intolerance of practices singled out in John Lawrence's famous trilogue: 'Do not burn widows/Do not kill daughters/Do not bury lepers alive'."[40] In the Punjab laws were passed to protect landlords and farmers from moneylenders, "vast irrigation projects" were undertaken, and the province became a centre of military recruitment providing the Raj with half of its Indian troops by 1875.[41] Revenue settlements were made for a number of lengths varying from 10 to 40 years. The principle of compensatory confiscation in the event of emergency or public need was developed and regulated by law. Alongside privately owned land and capital, institutional public property, such as railways, canals, posts and telegraph services, health and education (under local governments), was also introduced.

Under a low-taxing and remarkably predictable British rule taxes varied from 5-9 percent of GNP as against the 18-50 percent of GNP extracted by pre-British states.[42] During the imperial period several important shifts occurred in the broad structure of proprietorship and political economy. By 1933, land revenue accounted for 23 percent of the total, against customs' 32 percent and income tax's 11 percent.[43] By 1946-7 the same heads yielded 7 percent, 22 percent, and 37 percent, respectively.[44] Institutionalised savings rose from Rs 125 million (eight banks) in 1870, to Rs 1 billion (56 banks) in 1913, to Rs 12 billion (700 banks) in 1946-7.[45] While the subcontinent remained substantially agrarian, the Raj had laid the foundations of a modern economy characterised by the dominance of private property in most sectors and institutional property in others (such as mass transit).

[39]Dodwell, H. H., ed. *The Cambridge History of India,* vol. 5, *British India 1497–1858* (Cambridge: Cambridge University Press, 1921; reprint, New Delhi: S. Chand & Company (Pvt.) Ltd., 1987), 470.

[40]Gilmour, *The Ruling Caste*, 163.

[41]*Ibid*.

[42]Dharma Kumar, *The Cambridge Economic History of India*, vol. II, *c. 1757 – c. 1970* (Cambridge: The Press Syndicate of the Cambridge University, 1982; reprint, Delhi: Orient Longman, 1984), 927.

[43]*Joint Committee on Indian Constitutional Reform Session 1933-34*, vol. I, part I (London: His Majesty's Stationery Office, 1934), 160.

[44]Dharma Kumar, *The Cambridge Economic History of India,* vol. II, *c. 1757 – c. 1970*, 929.

[45]*Ibid*., 775.

The many failings of the Raj notwithstanding, it had introduced and applied with remarkable success the principle that the country was not the personal estate of the ruler. This principle was rigorously applied to their official presence in India at the apex of which was the Indian Civil Service (ICS):

At his retirement dinner in 1898 Sir John Edge remarked that during his years as Chief Justice of the Allahabad High Court he had received over a thousand letters, usually anonymous, abusing the ICS. Yet not one of them had suggested 'even covertly that any member of the Covenanted Civil Service has acted from any corrupt motive in any matter.' With this omission, the authors of the anonymous letters had thus paid a great if unintended compliment.[46]

The British took great care to ensure that their officers in India did not abuse their public powers to secure private gain and disallowed them "any interest, however, innocent, in any commercial venture that might affect their professional conduct."[47] Thus, "If you were the Chief Secretary in Madras, your son could not own a coffee plantation in the presidency; if you were Political Agent in a native state, your relations could not buy property there."[48] Officers "had to be above suspicion" and "incorruptible".[49] Even the appearance of impropriety, such as in the cases of James Gribble (Madras, ICS) who unwisely invested in a local company and sold his shares or John Beames (Bengal, ICS) who borrowed money from Indians in his jurisdiction, resulted in "censure", "suspension", "demotion", "early retirement", and disgrace.[50] The point driven home so resolutely was that the state was not the personal estate of the ruler and that the use of public power for private ends was unacceptable. From that singular reform other reforms, such as autonomous bureaucratic institutions, legislatures, and the judiciary, drew strength.

## CONCLUSION

In this historical survey of proprietorship the most evident lesson is that for most of the subcontinent's history the ruler was the ultimate proprietor of landed and mercantile wealth in his realm. His servants received a share of that wealth while they remained in his favour. If they lost favour the ruler confiscated their wealth and kept it for himself or gave it to another servant. During some periods many of the servants were themselves the property or slaves of the ruler, such during the Delhi Sultanate. While this mode of proprietorship enabled centralisation regardless of the territorial extend of the state, it produced great uncertainty, rapaciousness, arbitrariness, and apathy.

In the British context an antithetical form of proprietorship emerged. Its two outstanding principles were that landed property and mercantile wealth were either owned by private individuals and secure under law, or it was owned by institutions (Bank of England, the East India Company, Turnpike Trusts, the Anglican Church, the City of London, etc.) under law. While many deficiencies and questionable practices continued well into the nineteenth century, proprietorship under these conditions produced sustained growth and harnessed to a significant degree private greed to the public good.

[46]Gilmour, *The Ruling Caste*, 148.
[47]*Ibid*., 149.
[48]*Ibid*.
[49]*Ibid*.
[50]*Ibid*.

The introduction of private and institutional property into India by the British had mixed results. Its structure in terms of landed property also varied from territory to territory, and, sometimes, within territories as well. Broadly speaking, these reforms and long years of application, brought British India to a point where the principles and practice of institutional and private proprietorship prevailed to an extent comparable to many continental European countries.

Regrettably, after independence, South Asian ruling élites have steadily reverted to the pre-British practice of treating the country as a vast personal estate. This has manifested itself in two ways. On the one hand rulers through arbitrary acts undermine the security of private ownership.[51] On the other hand, institutional property is used and abused as if it is the private property of the rulers.[52] These tendencies are inherent in the nature of continental bureaucratic empires and the arbitrary cultures of power that historically characterise their behaviour. The consequences of this reversion, successes in some sectors notwithstanding, include rampant corruption in the public and private sectors, capital flight, a heavy emphasis on speculation, and the steady erosion of public order and private security.[53]

[51]In 2003, Bihar's rulers, Laloo Prasad Yadav and Rabri Devi, celebrated the wedding of their daughter. In order to provide transport for the wedding, Prasad's henchmen seized forty-five luxury cars from showrooms in the provincial capital. One hundred sofa sets and other items were seized from shops and seven hundred thousand rupees worth of fabric were confiscated from Raymond's outlets alone. For refreshments, bakers and vendors were forced to handover their stocks. Before the Tatas, one of India's leading business and industrial families, lodged a complaint with the police, they locked down their showrooms and evacuated their staff to Calcutta for fear of arbitrary punishment.

[52]In Pakistan, the military and bureaucratic land-mafia has converted vast amounts of public land into housing schemes in which members of the apparatus received preferential rates, often at throwaway prices. This, of course, fuels land speculation.

[53]For further reading on this subject, see, Azhar Hassan Nadeem, *Pakistan: The Political Economy of Lawlessness* (Karachi: Oxford University Press, 2002).