

ECONOMIC POLICIES AND ADMINISTRATION UNDER THE PESHWAS

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Abstract:

*This study explores the Economic Policies and Administration under the Peshwas. The economic policies and administration under the Peshwas of the Maratha Empire (1714-1818) played a crucial role in shaping the socio-economic landscape of 18th-century India. The Peshwas, beginning with Balaji Vishwanath, established a robust administrative framework that emphasized revenue collection, trade facilitation, and agricultural support. The primary revenue system was based on the **ryotwari** model, where taxes were collected directly from farmers, promoting efficiency and productivity in agriculture. The Peshwas also implemented taxes like **chouth** and **shahukari**, extending their financial reach and supporting military and administrative expenditures. Trade and commerce flourished under Peshwa rule, thanks to relatively low tariffs and the establishment of vital trade routes. The Peshwas actively encouraged local markets and trade fairs, positioning Pune as a key commercial hub. Infrastructure development, including roads, bridges, and irrigation projects, was prioritized to enhance agricultural output and trade connectivity, reflecting the Peshwas' commitment to economic growth.*

Their decentralized administrative structure allowed local officials significant autonomy, ensuring responsiveness to regional needs. However, challenges such as agrarian distress, regional fragmentation, and external threats from European powers gradually undermined their authority. Internal dissent and conflicts among regional leaders weakened the central governance, leading to a decline in agricultural productivity and trade. Despite these challenges, the legacy of the Peshwa administration is significant. Their economic policies laid the groundwork for future governance and economic activity in India. The Peshwas' era exemplifies the complex interplay between administration, economy, and social dynamics, marking an important chapter in India's historical narrative and influencing subsequent economic developments in the region.

Keywords: Economic Policies, Administration, Peshwas.

INTRODUCTION:

The Peshwas were the prime ministers of the Maratha Empire in India, playing a pivotal role in its administration from the early 18th century until the empire's decline in the early 19th century. The institution of the Peshwa began with Balaji Vishwanath, who was appointed in 1714, and it significantly transformed the political landscape of the Maratha state. Under the Peshwas, the Maratha Empire expanded its territory and influence, becoming one of the most formidable powers in India during this period. The Peshwas not only managed the day-to-day affairs of the empire but also orchestrated military campaigns and diplomatic relations, balancing power among various regional chieftains and European colonial forces. Notable Peshwas such as Baji Rao I and Madhav Rao I were instrumental in consolidating and extending Maratha dominance, fostering a

sense of unity among diverse regions. Their administration was marked by a decentralized governance structure that allowed local leaders considerable autonomy while implementing effective economic policies focused on revenue generation, trade promotion, and agricultural development. This approach contributed to the prosperity of the empire, establishing Pune as a vibrant political and commercial center. However, the Peshwas also faced internal challenges and external threats that ultimately led to their decline, making their era a complex chapter in Indian history that highlights the interplay of power, administration, and economy in a changing landscape.

OBJECTIVE OF THE STUDY:

This study explores the Economic Policies and Administration under the Peshwas.

RESEARCH METHODOLOGY:

This study is based on secondary sources of data such as articles, books, journals, research papers, websites and other sources.

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The Peshwas were an essential part of the Maratha Empire, serving as the prime ministers and administrative heads from the late 17th century until the early 19th century. Their governance marked a significant phase in the economic development of India, with policies and strategies that not only shaped the Maratha state but also impacted the larger Indian economy during that period. The economic policies and administration under the Peshwas were characterized by a combination of state control and support for trade, agriculture, and infrastructure development.

Historical Context

The rise of the Peshwas began with Balaji Vishwanath in 1714, who established the Peshwa's authority and initiated a phase of political and economic stabilization in the Maratha Empire. His successors, particularly Baji Rao I and Madhav Rao I, expanded the territory and influence of the empire, which brought prosperity but also necessitated a robust economic framework. The Peshwas inherited a fragmented and diverse economic landscape shaped by the legacy of earlier rulers, regional disparities, and the agrarian economy that dominated India at the time.

Economic Policies

Revenue System

The Peshwas implemented an intricate revenue system to enhance state revenues while ensuring the welfare of the agrarian community. The land revenue system was primarily based on the assessment of crop yields and land productivity. The Peshwas favored the **ryotwari** system, where revenue was collected directly from the peasants. This method encouraged farmers to cultivate their lands more efficiently, knowing that they would benefit directly from any surplus. The revenue was often fixed for a set period, providing stability to farmers, although fluctuations in crop yield due to seasonal changes sometimes led to discontent.

In addition to direct taxation on land, the Peshwas imposed several other taxes, such as **chouth** and **shahukari**, which were collected from regions under Maratha influence but not directly governed. This system provided the Peshwas with additional revenue, allowing them to finance military campaigns and administrative expenses. Despite its effectiveness, the burden of taxation often led to agrarian distress, particularly during periods of drought or famine.

Trade and Commerce

The Peshwas recognized the importance of trade in boosting the empire's economy. They actively promoted commerce by establishing trade routes and fostering a network of markets and fairs. The Peshwas maintained relatively stable governance, which encouraged local and foreign merchants to engage in trade. Pune emerged as a vital commercial hub during this period, benefiting from its strategic location and the Peshwas' support.

The trade policies were characterized by relatively low tariffs, which encouraged both domestic and international trade. The Peshwas facilitated trade with European powers, particularly the British and the French, while also engaging with local traders. The **Maratha navy** played a crucial role in securing trade routes along the western coast, ensuring the safe passage of merchant ships and reducing piracy. This emphasis on trade contributed significantly to the empire's wealth, enabling the Peshwas to finance their administrative machinery and military campaigns.

Infrastructure Development

Infrastructure development was a key aspect of the Peshwas' economic policy. The Peshwas invested in roads, bridges, and irrigation systems to enhance agricultural productivity and trade. The construction of roads linked various parts of the empire, facilitating the movement of troops, goods, and information. This infrastructure not only improved trade but also integrated the diverse regions of the empire, contributing to a sense of unity among the Maratha territories.

Irrigation projects, such as the construction of dams and canals, were prioritized to boost agricultural output. The Peshwas understood that irrigation was critical for enhancing productivity in a predominantly agrarian society. By improving water management, the Peshwas aimed to mitigate the effects of droughts and ensure a more stable food supply, which in turn supported the population and the economy.

Support for Agriculture

Agriculture remained the backbone of the Maratha economy, and the Peshwas implemented several measures to support this sector. They provided incentives for farmers to adopt new agricultural techniques and crops, enhancing productivity and crop diversity. The Peshwas encouraged the cultivation of cash crops, which could be sold in domestic and international markets, thereby improving farmers' incomes.

The Peshwas also recognized the importance of market access for farmers. They supported the establishment of weekly bazaars and trade fairs, where farmers could sell their surplus produce directly to consumers, thus

bypassing middlemen and retaining more profits. This support for direct trade benefited both the agricultural community and the urban population, creating a more dynamic economic environment.

Administration

The administrative framework established by the Peshwas was instrumental in implementing their economic policies. They adopted a decentralized administrative structure, allowing local officials considerable autonomy to manage their regions. This system ensured that local needs and conditions were adequately addressed, fostering a more responsive governance model.

Bureaucratic Structure

The Peshwas relied on a well-defined bureaucratic structure to implement their policies effectively. The administration was divided into various departments, each responsible for specific aspects of governance, including finance, agriculture, and military affairs. The **Diwan** was the chief minister who managed financial matters, overseeing revenue collection and expenditure. The **Sar Subedar** was responsible for maintaining law and order, while the **Kotwal** managed local governance and administration in cities.

Local officers known as **Mamlatsars** or **Patels** played a crucial role in the revenue system, collecting taxes and managing local disputes. This decentralized approach allowed the Peshwas to govern effectively across diverse regions with varying needs and challenges. The local officials were often chosen from the local populace, enhancing their legitimacy and effectiveness in governance.

Legal System

The Peshwas maintained a relatively flexible legal system that combined traditional customs with formal legal procedures. The legal framework was based on **Hindu law**, but it also adapted to local practices, allowing for a degree of flexibility in its application. The Peshwas established courts at different levels, where local grievances could be addressed, and justice administered. This system aimed to ensure that the law was accessible to all, thereby enhancing the legitimacy of Peshwa rule.

The Peshwas were known for their emphasis on maintaining public order and justice, often intervening personally in cases of injustice. This direct involvement helped build trust in the administration and fostered a sense of stability and security among the populace.

Military Administration

The Peshwas understood the importance of a robust military for both internal security and external expansion. They established a well-organized military structure, with a focus on maintaining a standing army and a network of local militias. The Peshwa's military policies were closely linked to their economic strategies, as military campaigns often required significant financial resources. The Peshwas maintained an extensive network of supply routes and depots to support their military operations, ensuring that troops were adequately provisioned during campaigns.

The Maratha army was known for its mobility and guerilla tactics, which were well-suited to the diverse terrain of India. The Peshwas often relied on a combination of regular troops and local warriors, which allowed them to mobilize quickly in response to threats. This military prowess was instrumental in expanding Maratha influence and securing trade routes, further contributing to economic stability.

Challenges and Decline

Despite the initial successes of the Peshwa administration, several challenges emerged that impacted their economic policies and overall governance. The Peshwas faced increasing competition from European powers, particularly the British, who began to assert control over trade and territory in India. This competition strained the Peshwas' economic resources and military capabilities, leading to costly wars.

Internally, the Maratha Empire faced fragmentation as regional leaders, or **sardars**, sought greater autonomy and power. This internal dissent weakened the central authority of the Peshwas and disrupted the implementation of their economic policies. The resulting conflicts led to a decline in agricultural productivity and trade, further exacerbating the financial strain on the administration. Additionally, the rigid tax structures and occasional famines resulted in agrarian distress, leading to revolts and dissatisfaction among the peasantry. The inability of the Peshwas to effectively address these challenges contributed to a loss of legitimacy and authority, paving the way for further decline.

Legacy

The economic policies and administration under the Peshwas left a lasting impact on the Indian subcontinent. Their emphasis on revenue collection, trade promotion, infrastructure development, and agricultural support laid the foundation for economic growth in the region. The bureaucratic and legal structures they established influenced subsequent governance models in India. Despite the challenges and eventual decline of the Peshwa authority, their contributions to the economic landscape of India during the 18th century cannot be understated. The Maratha Empire, under the Peshwas, exemplified a unique blend of traditional agrarian practices with emerging trade dynamics, marking a significant chapter in Indian economic history.

CONCLUSION:

The economic policies and administration under the Peshwas significantly shaped the Maratha Empire's development and laid the groundwork for future governance in India. Their focus on a decentralized administrative structure enabled local leaders to effectively manage regional affairs, fostering responsiveness and stability in governance. The emphasis on revenue generation through innovative taxation systems and direct farmer engagement promoted agricultural productivity, while infrastructure investments enhanced trade connectivity, facilitating economic growth. Despite achieving considerable success, the Peshwas faced numerous challenges, including internal dissent, agrarian distress, and increasing competition from European colonial powers. These factors ultimately contributed to the decline of their authority and the Maratha Empire itself. Nonetheless, the Peshwas' contributions to economic policy and administration remain a crucial part of India's historical narrative. Their legacy is evident in the enduring influence of their governance model on

subsequent administrations and the economic landscape of the Indian subcontinent. The era of the Peshwas highlights the complexities of managing a diverse empire and serves as a testament to the interplay between political authority, economic strategies, and social dynamics in shaping a region's destiny.

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