
Coining the Past :A Numismatic Approach to Economic History

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Abstract: The article examines the historical and economic significance of coins, particularly in ancient India, highlighting their evolution and the insights they provide into societal development. Initially, during the Paleolithic period, societies primarily engaged in hunting and had limited need for exchange systems, relying instead on direct bartering for goods. As communities grew and political and economic relationships formed, the barter system began to evolve, necessitating a more stable medium of exchange, which eventually led to the introduction of coins.

The Indus Valley Civilization marks a critical point in this evolution, where numerous seals have been discovered, indicating that economic transactions

were already taking place. This period set the groundwork for trade and the emergence of early currency systems. The Vedic period saw the Aryans adopting a mixed pastoral and agricultural economy, where cattle became a form of currency, reflecting the early integration of economic concepts. Alongside this, the use of items like gold and silver coins began to emerge, particularly in the form of Niskas, which were referenced in Vedic texts.

The first documented coins, known as 'Punch Marked' coins, appeared between the 7th-6th century BC. These coins were typically flat pieces of metal punched with various symbols, indicating their value and origin. They facilitated trade during a time of urban development and were initially minted by merchant guilds before being adopted by state authorities. The motifs on these coins often drew inspiration from nature and geometry, illustrating the cultural influences of the time.

Coins are invaluable historical sources, providing insights into the reigns of various kings and the political landscape of ancient India. Many coins feature engravings that reveal the names of rulers, which is crucial for reconstructing the historical timeline of governance in the region. Furthermore, the materials used for minting coins—copper, silver,

and gold—offer clues about the economic conditions and trade practices of specific periods.

While coins are useful for understanding the shift from a barter economy to a monetary system, the article notes their limitations in providing a comprehensive view of economic developments. Other sources, such as literature and inscriptions, are necessary for a fuller understanding of the economic landscape of ancient India. The emergence of coinage reflects a significant stage in economic growth, enabling more complex trade networks and facilitating the movement of goods.

The choice of metals used in coinage is also telling; gold coins often signify a ruler's wealth and conquests. However, the decline in the use of gold can indicate shifts in political stability and economic management. Additionally, the manufacturing techniques of coins and their varying weights can provide insights into the technological advancements and economic relationships of the time.

The article emphasizes that the condition of coins found in archaeological contexts is essential for understanding their historical significance. Worn coins can indicate extensive circulation and economic activity, while hoards of coins may reflect societal behavior during

periods of instability or economic change.

In summary, the article posits that coins are a vital source for understanding the history and economy of ancient India. They reveal not just the currency system but also the cultural, political, and economic narratives that shaped the society, underscoring the need to analyze coins alongside other historical evidence for a comprehensive understanding of India's past

At first glance, coins may appear to carry historical information but they provide clues to several important historical aspects and processes. By a gradual process coin came into vogue as the most acceptable, convenient and stable medium of exchange of imperishable nature. They are linked to monetary history. An analysis of production and circulation of coinage could be made through them. If we start from Palaeolithic period then we don't find any coins as "they were primarily the hunting-pastors and their relationships with other tribes were mainly hostile. Thus they required no means to exchange for their daily life." But with due course of time political and economic relationship among different groups developed and then barter system started to exchange goods.

A large no of Seals have been found from various sites of Indus Valley Civilization. During Indus valley civilization trade flourished which mark the beginning of Seals, which must have used for economic transactions. As Prof. Francis A Walker points out "the

need of money comes from the trade. Trade in the beginning assumes the form of direct exchange. Commodity for commodity, what we call Trade or barter. But trade cannot proceed for without serious obstacle to direct exchange.”

In Vedic Period the Aryans followed a mixed pastoral and agricultural economy in which cattle played an important role. “Cattle assumed the nature of currency and values were reckoned sometimes in terms of Cattles.” Barter, the oldest means of exchange was perhaps the usual method of trade, but gold, silver or copper coins were also in use. “The use of Niskas (gold necklace) as means of exchange could be found in other Vedas.”

The first documented coinage is deemed to start with 'Punch Marked' coins issued between the 7th-6th century BC and 1st century AD. Regular or circular flat pieces cut from a hammered sheet of metal and clipped to the proper weight were used as coins. One or more devices or symbols were marked on them by punches and they were called punch marked coins.

The coins represented a trade currency belonging to a period of intensive trade activity and urban development which were issued initially by merchant Guilds and later by States They are broadly classified into two periods □ the first period (attributed to the Janapadas or small local states) and the second period (attributed to the Imperial Mauryan period). The motifs found on these coins were mostly drawn from nature like the sun, various animal motifs, trees, hills etc. and some were geometrical symbols.

Coins as a Source of History

Indian coins and coinage is the one of the best source of history of India. Coins help us to build up the

history of the country in many ways. They give us the names of the kings who ruled at various times in different parts of the country. In many cases, the coins are the only information we have for knowing the existence of certain kings. Without those coins, the very existence of those kings would have remained unknown. The coins of ancient times are made of copper, silver, gold and lead speak of the economic situation of that place in the period. Coins are essential that provide chronological information. Dates, royal portraits and names of kings were usually engraved on the coins which help in understanding the era of different rulers and illuminate the hidden corners of Indian history.

Also the location of coins helps to determine the extent of the territory of a king. The discovery of a large number of Roman coins in India confirms the fact that there was a brisk trade between India and the Roman Empire. Date and intrinsic value of coins narrate the evolution of country's economy. Religion and cultural condition of different era can be deciphered by the type and shape of coins.

Coins as source of Economic History

Coins are an inadequate and poor source, in view of the objectives of the economic history the coins do mark progress from the barter to monetary economy but they provide little information regarding further economics developments and institutions marking stages in the economic growth. Writers on economic conditions of ancient India have included coins among the sources, but have neither indicated the manner of their reconstruction of India's economic past. More and more information could be collected from epigraphs,

literature, and foreign accounts.

A close thinking however, reveals that the different elements, characteristics and attributes of the coins give adequate information, though varying in quantity and validity. “The existence and emergence of coinage marks a definite stage and economic growth of a country. It facilitates thinking about economic matters and enlarges man’s freedom; the increasing use of money accelerates changes in the methods of producing and distributing goods, and changes in the character of products.”

“Some coins were issued by the guilds and merchants and goldsmiths with the permission of the rulers. This shows that craft and commerce had become important.”

“Non-availability of coins of a particular ruler, dynasty or period need not be taken as indicative of economic collapse or deterioration.” This may simply show that a particular ruler did not feel the need of minting coins.

Importance of Metal

Important facts could be traced down through the metal used for the minting of coins. The use of gold currency should not be regarded as golden age of a nation “till involvement of the rulers issuing the coins in the economic matters is more precisely ascertained. Purchasing power of a nation is not inherent in the purchasing power of its medium of exchange.” The gold coins may be taken to comply with the demand for coins of a higher value. The choice of metal was dictated by economic need and opportunities. The decreasing use of gold in coinage may be better understood against the political background. It has been noted that gold coinage is usually started by a

ruler who is credited with definite conquests and thereby amassing vast treasures. For example, the beginning and maintenance of the gold coinage by the Guptas can be properly understood against Samudragupta's uprooting of the Aryavarta rulers and capture of their treasury, invasion of the south and receipt of tributes. The standard of currency is maintained till the administration is efficient maintaining a balance between expenditure and income. When the administration weakens due to internal or external reasons revenues record a decline and adversely affect the royal treasury."

The technique of manufacturing is an important point regarding the coin as source material. It may give some idea of the mint output, which is significant for economic studies, and expenditure involved on minting. "Varying weights of the punch marked coins and the differences in their alloying are partly understandable with reference to the undeveloped technique of their manufacture." Successive changes in the technique of coinage carried within two centuries after the Great Mauryan testify to the progressive economy of the country rather than any foreign influences.

Weight and motifs- The standard weight of a coinage is also important as sometimes it is modified with a view to adjusting it with other leading coinages of the economic world. Therefore this may be reflecting a country's economic relations with others.

The Lakshmi motif has been constantly seen on the North Indian coins which indicated that the coin was being almost identified with this goddess, it had become the main item of wealth or the wealth was reckoned at coins.

Condition of the coins- The condition of the coin in

which it is found also matters for understanding economic history. “The mutilation of or the gashes on the Roman gold coins have been taken to indicate their cancellation as currency and thereby Kushana economic policy particularly in regard to the Roman gold coins.” The worn condition of a coin reflects the amount of its circulation, rather the velocity of its circulation which in its turn gives deeper insight into the density and momentum of economic activities in different localities in a particular period.

Find Spots- The find spot is of recognised importance. It need not always be of political significance and may represent an economic factor as in the case of Roman gold and silver coins found in India. “The evidence of Roman coins from the district of Coimbatore and its borders has been taken to establish the use of the Palghat or Coimbatore gap by the ancient traders as by the modern railways.”

Hoard- “The evidence of coin-hoards has been utilised for ascertaining relative chronology and period of circulation of the constituent coins. But it may also be helpful in having a peep into the habit of the people, economic insecurity etc. the hoarding ordinarily implies reversing of the situations which give impetus to circulation of coins.” It may also give some idea of the growth of the capital and income. The seeds of banking may also be seen in them.

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