



## MERCHANTS, GUILDS AND URBANISATION IN NORTHERN INDIA DURING THE LATE ANCIENT PERIOD (C. A.D. 300-600)

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### **Abstract**

*The paper aims to study the advancement in the economic condition of the late ancient period with special focus on merchants and guilds employed to facilitate the urbanisation process during the selected period. It intends to provide an insight into the process of urbanisation of northern India during the c. A.D. 300-600. From the study, it is known that the process of urbanisation made it possible to deal not only domestic trade but also international trade on large scale. Money or capital just like in the present day was essential for trade and industry in ancient times too. An individual's own money how so ever rich he might be was not enough to invest in any trade. The merchants had to depend on the guilds. Guilds act as banks supplying financial and legal assistance to the merchants. It provides a way for the promotion of trade and commerce. Thus, it can be safely wind up that economic advancement and urbanisation were taking place and trading activities played an undeniable role in it just like its preceding period.*

**Keywords: Merchants, Guilds, Urbanisation, Northern India, Late Ancient Period, c. A.D. 300-600.**

### **1. Introduction**

The literal meaning of 'urbanisation' is the condition of being urbanised. It is the process in which cities grow and societies become more urban. Historically, urbanisation is mainly associated with economic development. However, its meaning and usage changes from time to time and in the present scenario the urbanisation in the broadest sense is associated not only with the economy but also in the development of society and culture. Till recently, history largely meant a political game between kings and nobles or wars and conspiracies or treaties. But increasingly historians are now committed towards the economic, social as well as the religious aspects of the life of our forefathers. To all these, the study of urban history has added a new dimension.<sup>i</sup>

A survey of the evolution of human society shows that for better utilisation of human and material resources cities were gradually developed to play their specific role in the civic and political life of a country. It has been shown that urban centres of early historical India did not all necessarily decline as there was a continuing process of the emergence of new urban centres in addition to many urban centres continuing into the early medieval period.<sup>ii</sup> As an outcome of the development of towns, crafts and many other industrial products were specialising in the late ancient period. Towns grew up at industrial centres, holy religious places, ports and at the headquarters of the kings where people have got great opportunity to earn money in the towns.<sup>iii</sup> The 'rich citizens'<sup>iv</sup> and merchants also developed a highly sophisticated urban culture of which the flourishing Sanskrit literature of ancient Gupta times was a result. The Kamasutra summarised the leisurely life led by these rich citizens.<sup>v</sup>

### **2. Objective**

- The present paper is meant to fulfil the following specific objective.
- To discuss the economic condition and urbanisation of northern India during the late ancient period concerning the corporate organisations and the merchants associated with the trade and commerce during the selected era.



### 3. Literature Review

The first purposeful academic attempts to understand urbanisation in ancient Indian period through cities were taken up by (C.P.V. Ayyar, 1915) and (B.B. Dutt, 1925) whose works were based on the traditional Indian principles of the modes of urban layout as embodied in different *Vastusastra* texts or the old literature (the old Tamil literature in the case of Ayyar). In 1972-73 and 1974, Dilip K. Chakrabarti published two articles in which he tried to analyse the concept of urban revolution in the Indian context in the first article and in the other, he attempted to delineate the main political phases of India's early historic urban growth (Chakrabarti: 1972, pp. 73-74). A. Ghosh who published soon after a full-length study on the topic entitled '*The City in Early Historical India*' (1973). V.K. Thakur (1981) published a book entitled *Urbanisation in Ancient India* where the approach was general and based mainly on literary rather than on archaeological issues. In 1988, Erdosy assessed the problem of urbanisation in early historic India against the background of his studies on the '*Ancient Settlement in the Allahabad Kausambi Region*'. In the same year, Dilip K. Chakrabarti added some comments on 'The Phenomenon of Urbanisation' in his book. F.R. Allchin (1995) published '*The Archaeology of Early Historic South Asia; Emergence of Cities and States*' in which he has highlighted on factors leading to the birth of civilisation and urban growth in South Asian context corroborated by archaeological sources. '*Trade in Early India*', edited by Ranabir Chakravarti was published in 2001 by Oxford University Press. This volume is a conglomeration of essays by historians of repute. As urban centres are linked with the commercial exchange, trade therefore, forms a basic feature of urbanisation. Another volume was published by Ranabir Chakravarti in the year 2002 entitled '*Trade and Traders in Early Indian Society*'. This book also provides useful information in the context of urban history.

### 4. Discussion

Maintaining a stable civilisation requires sound and substantial economy and prosperity of a nation depends on the economic achievements. Studying of any economic system is indeed incomplete without the proper understanding of the trade and commerce of its time. Trade simply means buying and selling of goods and services in return for money whereas the scope of commerce is wider than that of trade where not only exchanges of goods and services takes place but also include all those activities that are vital of that exchange in which merchants and guilds houses have an undeniable role to play. Hence, the role of merchants and guilds in upholding the smooth functioning of the trade and the economic activities has been critically related to the availability of urban centres or market places where all types of goods could be found and sold.<sup>vi</sup>

The large part of northern India in ancient times was a great economic hub and prosperity mainly depended on the trading activities of both internal and foreign trades. Like agriculture, trade and commerce constituted a predominant feature of late ancient period economy and urbanisation. Trades were run by various corporate houses like perfumers (*gandhavyavahara*), mortgagers and bankers (*nikshepapravesa*), cattle dealers (*goshthikara*), and so on. However, it was clear that the status India enjoyed during the heydays of trade with the Roman in the early ancient period was on the verge of deterioration and hurt the economic conditions of the latter period.<sup>vii</sup> But it does not mean that economic activities were stalled and people cannot find an alternative for their economic prosperity and survival.<sup>viii</sup> Due to such unpredictable nature of trade, economic expansion and the consequent evolution of cities into urban trade centres has been critically related to the availability of the corporate houses of the trade who manages import, export and economic transactions. Hence, it is not surprising that during the period under review maximum attention was paid towards the adequate functioning of the specialised groups of merchants and the flourishing of urban centres.



Urban centres became an important place in which political unity gave great impetus for its developments where trading activities were the main functionaries. Places like Ujjain and Pataliputra became humming trade centres during this period. The evidence of Ujjain markets being filled with horses, elephants, chariots and all kinds of goods can be traceable from *Padmaprabhitakam* and other sources.<sup>ix</sup> Kalidasa also details a very good description of the town market<sup>x</sup> and its business transactions where shops were lined on both sides of the highway.<sup>xi</sup> Besides other shops, there were liquor shops and evidence of people flocking there to have a drink was also found.<sup>xii</sup>

The articles of internal trade included all sorts of commodities for everyday use which includes sour milk, clarified butter, honey, bee-wax, pungent condiments and others coming from different places into the market. Items like pepper, sandalwood and coral from south India, musk, saffron and yak's tail from north-western India found its taker in all Indian markets.<sup>xiii</sup> Important metals such as copper, Iron and Mica came from South Bihar and gold from Mysore probably.<sup>xiv</sup> Salt was traded from the sea-coast and the various rock-salt deposits especially from the salt range in present Punjab (West Punjab) and from the present Himachal Pradesh.<sup>xv</sup> Certain food grains were also traded from resource-rich areas to scarce areas and filled the gap.<sup>xvi</sup>

#### 4.1 Merchants

In ancient times there were two distinct types of trade controlled by respective merchant leaders known as the *shreshthis* and the *sarthavahas*. The *shreshthis* had their shops in villages and towns and fulfilled the need of the local people. The *sarthavahas* (caravan leaders) on the other hand travelled from place to place carrying with them indigenous as well as foreign goods. They controlled import and export and acted as whole sellers and suppliers to local *shreshthis*.<sup>xvii</sup> The goods carried by caravans were carefully classified into four groups namely- *Ganima*, that is those which were countable like areca nuts, *Dharima* or those goods which were measured by weight like sugar, *Meya*, goods which were measured by volume, like ghee, oil, rice and so on and lastly *Parichchedya* or goods which were tested by the eyes like cloth, pearls and precious stones.<sup>xviii</sup>

The knowledge regarding the form of organisation of caravans in the ancient period may be traceable from the Jain works of literature.<sup>xix</sup> Jain literature attributed to the Gupta Period mentions the different kinds of caravans used by merchants. The *Avasyaka Churni* says there were caravans exclusively used for moving goods such as the *Bhandi Sartha*. There were caravans called *Audarika Sartha* for moving labourers and those of mendicants and monks called *Karpatika Sartha*. Caravans could also be hired by merchants on a contract basis for transporting goods.<sup>xx</sup> From this source, it is known that the *sartha* or the caravan was organised by a trader and other traders join him in his venture. But all the participants in the *sartha* were not bound to have an equal partnership. Members of a *sartha* could form several groups within the *sartha* based on their partners according to their business convenience. All the traders marching in a caravan under the leadership of a *sarthavaha* were known as *sangatrika*.<sup>xxi</sup> They had to abide by a certain code of conduct and had to obey the commands of the *sarthavaha*.

The merchants derived power and prestige not only from wealth but also from the guilds or autonomous corporations which they formed to protect their interests. Members of the merchant guilds framed regulations for conducting their business. They also framed elaborate rules for the establishment and management of markets and development of banking and other branches of trade. These regulations were accepted not only by their members but by the public also. The mutual trust and respect for rules framed by the guilds were so prominent that even the courts upheld them. The later texts especially of the Gupta period are more specific in advising the king to enforce the prevalent usage and custom of the



guilds and the decisions taken by them following their regulations framed.<sup>xxii</sup>

#### 4.2 Guilds

The guilds in ancient India not only played a very important role in ensuring economic prosperity but also took a vital role in urban life in organising the infrastructure for the sale and distribution of surplus products of the villages and urban centres. They were autonomous bodies having their own rules, regulations and bye-laws<sup>xxiii</sup> which were usually accepted and respected by the state. The guilds not only have autonomous rights but also had their funds and properties. Many of them were rich enough to excavate a cave or build a temple. It is believed that all guilds whether of artisans, agriculturists or merchants functioned with one purpose of protecting their interests.<sup>xxiv</sup> It would also appear that in case of emergency a guild could raise a militia from among its members and employees to afford protection to the person, property and merchandise of its members.<sup>xxv</sup>

Money lending or giving loans was another branch of the economic activities of corporate houses where they lend money for trading activities or to the industrial houses for interest in return. The guilds often lent money for sea trade.<sup>xxvi</sup> This process undoubtedly contributes to the pacing up of urbanisation in the late ancient historic period. Literary sources testify to the fact that money lending was approved as an honest business along with cultivation and trade. An earlier inscription of Nasik at the time of Nahapana (dated A.D. 119-24)<sup>xxvii</sup> informs us that Usavadata, the son-in-law of the Saka-Satrap Nahapana, deposited permanently 3000 *Karshapanas* with two weavers' guilds, 2000 (two thousand) were given to one weaver's guild at the rate of one per cent per month and remaining 1000 (one thousand) to another weaver's guild at  $\frac{3}{4}$  per cent per month which shows that the rate of interest varied between twelve and nine per cent per annum. Devavishnu, a Brahman from Indrapura (modern Indore)<sup>xxviii</sup> deposited permanently a certain amount of money for the perpetual maintenance of a lamp in the temple of the sun with the guild of the oil men of Indrapura. They invested this sum in their own oil business or lent the money to others and in return, they paid interest which provided two *palas*<sup>xxix</sup> of oil for the lamp daily. They undertook to do the same permanently even if they removed their residence from this place.<sup>xxx</sup>

From the fifth century, B.C. onwards loans were given in both cash and kind. Some early lawgivers such as Baudhyana and Gautama mentioned the percentage in terms of coins which shows that money lending was practised. Some later lawgivers do not clarify it but the rates they law down refer to loans in cash and concerning loans in kind they do not indicate the rate but merely prescribe the maximum to which the interest can arise. The rate of interest lay down by the legal texts show a tendency towards gradual increase. Baudhayana prescribes ten per cent per year but Gautama whose law-book was compiled later raises it to fifteen per cent which is supported by Vasistha. This rate is endorsed not only by the Arthashastra of Kautilya but also by the law-books of the first six centuries of the Christian era.<sup>xxxi</sup> Thus by the ninth century, there seems to have taken place an appreciable increase in the rate of normal interest which is a general rise from twelve per cent in the fifth century B.C. to twenty-four per cent in the ninth century A.D. It also appears from the *smritis* that during the ancient period credit in trade was prevalent. If the amount was paid within a fixed period after the delivery of goods, no interest was charged and if the money was not paid within the fixed period after the delivery of goods, only then the interest was chargeable.<sup>xxxii</sup> However, the interest in goods supplied on credit was perhaps charged according to the nature of goods thereby provided a flip to the circulation of money in those days.

The guilds on account of their nature could be classified into two categories: trade or merchant guilds and craft or professional guilds.<sup>xxxiii</sup> Between the two, the merchant guilds were much important in society than the craft guilds. They served as catalysts in the process of shaping the economic life of the country. The *Mahavastu* mentions the guilds or *srenis* that existed in Kapilavastu. Those are named as



*sauvarnika* (gold dealers), *hairanyika* (dealers in coins, bankers or money changers), *pravanika* (cloth-sheet sellers), *sankhika* (men working in conch industry), *dantakara* (ivory-carvers), *manikara* (gem-cutters), *prastarika* (stone-carvers), *gandhi* (perfumers), *kosavika* (wool and silk weavers), *teli* (oil-man), *ghrtakundika* (ghee-producers), *varika* (betel-cultivators), *karpasika* (cotton-growers or weavers), *dadhyika* (curd-producers), *khanda karaka* (sweet-makers or sellers), *modakaraka* (laddoo or sweet-ball makers), *phala-vanija* (fruit-sellers), *mula-vanija* (root sellers), *curna-kutta-gandha-tailika* (dry-perfume makers), *gudapacaka* (guda producers), *sidhakaraka* (wine-distillers), *sarkara-vanija* (sugar-sellers) and so on.<sup>xxxiv</sup> A work of the Gupta period called *Jambu-dvipa prajnapati*<sup>xxxv</sup> has also enumerated eighteen types of *srenis* or guilds. They are *kumbhara* (potters), *pattalla* (silk-weavers), *suvarnakara* (goldsmith), *supakara* (hoteliers), *gandharva* (perfumers or singers), *kasavana* (barber), *malakara* (garland-makers), *kachchhakara* (probably washermen), *tamoli* (betel-sellers), *chammayaru* (shoe-makers), *jaantapilaka* (oil-men), *ganchhi* (unidentified), *chhimpa* (cloth-dyer), *kansakara* (metal-utensil makers), *sivaga* (tailors), *guara* (cattle-rearers), *bhilla* (hunters) and *machhuya* (fishermen). An inscription from Mandasor also refers to the guild of *pattavaya*<sup>xxxvi</sup> (silk-weavers) and another inscription from Indor mentions the *tailika-sreni*<sup>xxxvii</sup> or the guild of oilmen. Another significant feature of the guilds was that they maintained corporate property (the property owned collectively by the members of the guild).<sup>xxxviii</sup> The references regarding the trade guilds of the merchants in ancient northern India are meagre. However, as in other parts of India, it can be safely presumed that with the growth of urban centres and port towns, local merchant guilds and associations must have emerged and played a vital role in the growth of inland and overseas trade.

It seems that at least from the Mauryan period the guilds became a regular feature of the northern India economic life. The importance of the guilds continued in the Gupta period and it increased during the post Gupta period. In a series of inscriptions from north Bengal ranging between A.D. 443-444 and 533-534, the guild president (*nagarsreshthin*), the leading merchant (*sarthavana*), the leading artisan (*prathammulika*) and leading scribe (*prathamakayastha*) are found to be associated with the District officer or the provincial Governor in the management of the crown lands.<sup>xxxix</sup>

## 5. Conclusion

The economic activities of northern India right from the time of the earlier ancient period of Mauryas down to the late ancient time of Guptas was influenced to a considerable extent by various factors. It has been observed that in the early period of history, the policy of free trade which is known as *laissez-faire*<sup>xl</sup> in modern term was given up to blend with the society thereby resulting in the formation of specific trade regulations.<sup>xli</sup> Afterwards, trade was brought under state control with the appointment of '*panyadhaksa*' or the 'Director of Trade'.<sup>xlii</sup> Through these agencies, the government tries to maintain a balance between interests of the State and the traders and of the traders and the customers alike. Trade has always been an important economic activity in India<sup>xliii</sup> since ancient times.<sup>xliv</sup>

There is little doubt that the organisation of corporate houses considerably benefited trade and economic expansion thereby paving a favourable way for urban centres where probably all the business transactions were carried on. Above all, it may not be denied all efforts put forward by merchants as the ultimate dependence of Indian economy in pumping up the urban process in the country which no doubt their functions are relevant even today. However, it seems quite probable that the state's initiative, as well as public efforts in providing and maintaining economic facilities led to a profusion of multiple corporate organisations. Economists are of the view that traditional economic functionaries like guilds, banks, being simple and sustainable, need to be respected, encouraged and maintained. They carry a



great deal of historical significance as they can provide a safe back up plan for future economic planning.

## Notes & References

- <sup>i</sup> Kalpana Jha, *Urbanisation in Early Medieval North India*, Janaki Prakashan Patna, 1992, p. 1.
- <sup>ii</sup> B.D. Chattopadhyaya, *Studying Early India: Archaeology, Texts and Historical Issues*, Permanent Black, New Delhi, 2003, p.247.
- <sup>iii</sup> Xinru Liu, *Ancient India and Ancient China: Trade and Religious Exchanges*, Oxford University Press, Delhi, 1988, p. 41.
- <sup>iv</sup> Rich city dwellers were a social group that based their status almost entirely on wealth (Xinru Liu: p. 41).
- <sup>v</sup> Xinru Liu, p. 41.
- <sup>vi</sup> V.K. Thakur, *Urbanisation in Ancient India*, Abhinav Publications, New Delhi, 1981, p. 11.
- Trade required a full time merchant class as well as certain specialist craftsmen who could manufacture goods that were in demand in the markets. They were also supposed to cater to the needs of the new sophisticated urban class.
- <sup>vii</sup> Ranabir Chakravarti, *Exploring Early India up to C. AD 1300*, 2nd edn., Macmillan Publishers India Ltd., New Delhi, 2013, p. 226.
- <sup>viii</sup> Ranabir Chakravarti, *Trade In Early India*, ed., Oxford University Press, New Delhi, 2001, p. 73.
- <sup>ix</sup> Moti Chandra, *Trade and Trade Routes in Ancient India*, Abhinav Publications, New Delhi, 1977, p. 172.
- <sup>x</sup> S.K. Maity, *Economic Life of Northern India in the Gupta period (circa A.D. 300-550)*, The World press private Ltd., Calcutta, 1957, p. 120. He described an urban market place (*vipani*) with big shops lined both sides of the highway.
- <sup>xi</sup> *Ibid.*
- <sup>xii</sup> Amarakosha. 10. 43. p. 235.
- <sup>xiii</sup> S.K. Maity, p. 120.
- <sup>xiv</sup> *Ibid.*
- <sup>xv</sup> *Ibid.*
- <sup>xvi</sup> *Ibid.*, p. 127.
- <sup>xvii</sup> Gupta P.L., *The Imperial Guptas*, Vol. II, Varanasi, 1979, p. 110.
- <sup>xviii</sup> Moti Chandra, *Sarthavaha*, Bihar Rashtrabhasha Parishad, Patna, 1953, pp.161-162.
- <sup>xix</sup> *Ibid.*, pp. 159-170.
- <sup>xx</sup> *Ibid.*, p. 161.
- <sup>xxi</sup> P.L. Gupta, p. 111.
- <sup>xxii</sup> *Trade practices and traditions: Origin and Development in India* by Birla Institute of Scientific Research Economic Research Division, New Delhi, Allied Publishers private Limited, 1984, p. 155.



- <sup>xxiii</sup> The progressive development of corporate organisations in our period is fully evidenced by the numerous laws and regulations laid down by Narada and Brihaspati, for there is no such detailed treatment in the earlier law books. These laws more or less used over the whole field of the origin, development and functions of the corporate life in our period.
- <sup>xxiv</sup> T.H. Dayal, *Ancient Culture of India*, Sandeep Prakashan, Delhi, 1981, p. 93.
- <sup>xxv</sup> *Ibid.*
- <sup>xxvi</sup> Romila Thaper, *A History of India* Vol. I, Penguin Books, London 1987, p. 112.
- <sup>xxvii</sup> Select Inscription. I, P. 157; E.I. VIII.P. 82 No. 12 (Lucid-No. 1133).
- <sup>xxviii</sup> Fleet., p. 68.
- <sup>xxix</sup> Although it is not specifically recorded in the inscription that the two *palas* of oil was given daily for the lamp, yet it was such a little amount that it must have been required daily- cf. Monier, Williams. S.V. p. 609.
- <sup>xxx</sup> P. L. Gupta, p. 123.
- <sup>xxxi</sup> Manusmriti, VIII. 140, Yajnavalkya., 11, Narada, 1. 99. Brhatsamhita., XI. 3.
- <sup>xxxii</sup> P. L. Gupta, p. 123.
- <sup>xxxiii</sup> P.C. Reddy, Privileges of the Guilds in Medieval Andhra-Desa, *India Past and Present*, Vol. No.2 (1986), p.271.
- <sup>xxxiv</sup> H. Mahavastu, p. 133; M.Chandra, , p. 151.
- <sup>xxxv</sup> Jambu-Dvipa -Prajnapti, 3.45; M. Chandra, p. 176.
- <sup>xxxvi</sup> Corpus Inscriptionum Indicarum (Cu), Vol. HI, p. 81, 1.16.
- <sup>xxxvii</sup> *Ibid.*, p. 70, 1.8.
- <sup>xxxviii</sup> Romila Thaper, p. 112.
- <sup>xxxix</sup> S. Radhakrishnan, *Cultural Heritage of India*, The Ramkrishna Mission, Calcutta, 1958, P. 674.
- <sup>xl</sup> It is the policy of leaving things to take their own course without interfering. According to Encyclopaedia Britannica, **Laissez-faire**, (French: 'allow to do') is the policy of minimum governmental interference in the economic affairs of individuals and society.
- <sup>xli</sup> R.S. Agarwal, *Trade Centres and Routes in Northern India (c.322B.C.-A.D. 500)*, B.R. Publishing Corporation, 1982, Delhi, p. 159.
- <sup>xlii</sup> *Ibid.*
- <sup>xliii</sup> The term covers the whole of the region which now comprises India, Pakistan and Bangladesh and which has been referred to as the Indian Subcontinent.
- <sup>xliv</sup> *Trade Practices and Traditions: Origin and Development in India* by Birla Institute of Scientific Research, p.1.