GUILD, THE INSTITUTIONAL ECONOMIC BASE OF ANCIENT INDIA

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ABSTRACT

Guild, the industrial and mercantile organization of ancient India took a predominant role in and through the long periods of the Indian history and restored the socio-economic progress during the ages. The article attempts to draw out a brief picture of its source, origin, periodical developments and finally its decaying condition in India with several reasons. It is, nevertheless to say that the concept of global economy of the 21st century upholds the similar role and impact in its modernized colour in and through the developing nations like India. Aspiration and achievements fall short its balance of progress in the socio-economic fields undoubtedly.

KEYWORDS: Guilds, its Origin and Evolution.

INTRODUCTION

Harappan Culture can be said to be the first developed civilization in India. It is known for its careful thought-out town-planning, use of baked bricks in architecture, fairly developed art and crafts, and flourishing trade and commerce. So, it is accepted that there were economic organizations in the Harappan period, our knowledge of such organization remains nebulous for lack of documentary evidence in this regard. By the later Vedic period significant changes had taken place in socio-economic life. The center of Aryan activity shifted from the north-western region of India to the Ganga planes (north-eastern India), the region which provided immense potentialities for the expansion of agriculture and exploitation of mineral and other resources (Ghosh, 1973, p. 4). So some socio-economic, religious and political conditions had now become favorable for the emergence and growth of guilds.

There are several terms, frequently occur in the Vedic literature, Sreni, Gana, Puga, Vrata, and Naigama, which denoted co-operative organization in ancient India. The exact meaning and nature of each of them is difficult to determine in view of the fact a single term does not have a strict consistent connotation through the ages. The term ‘Sreni’ is conspicuous by its presence in abundance in Sanskrit, Buddhist and Jain literatures, epigraphs, seals and sealing all like. It seems that the term was used in the literatures as ‘a form of industrial and mercantile organization’ (Basham, 1967, p. 219), in the typical sense of a guild of artisans and craftsmen. Besides, the term ‘Naigama’ occurs frequently in literature, epigraphs, coins, seals and sealing. In the Buddhist and Jain texts, naigama is used in the sense of the commercial town center inhibited by many tradesmen. ‘Dharamakosa’ (ed. Joshi, 1945), refers to naigama as a group of merchants of different castes going together to
foreign lands for trade. The modern scholars are sharply divided in taking the term either as denoting a market town (Majumdar, 1926, p.44) or a guild (Mookerji, 1958, p.112).

It seems that originally merchants were designated as naigama. After gaining affluence through trade they installed their settlements in the towns and later on their settlements also come to be known as naigama. Because of their allied nature with sreni and better status in society, they began to exercise some control over srenis or craft guilds generally inhabiting the villages.

ORIGIN OF THE GUILDS

The root of Indian guilds to some extent lay under the ancient Varna system, which is based on the functional division of the society. The Brahmans engaged in learning and teaching and performing religious rites, and the Kshatriyas constituting the warrior and ruling class, while Agriculture, Cattle rearing and trade & commerce - the three main occupations of the Vaisyas, in course of time, led to the formation of three separate occupational groups and later several sub-groups were formed. The function of the sudras in the traditional Varna system was to serve the three higher classes. Since the performing of menial tasks as also work involving manual labour came to be shunned by the higher Varnas, the manual arts and crafts also were left to the Sudras. Besides, a number of non-Aryan tribes come to be naturalized within the Varnas system by being placed mostly in the sudra class. They formed their own occupational groups. Thus arose various occupational groups of the Vaisyas and the Sudras, which were engaged in the processes of production, distribution and exchange. The Vaisyas and the Sudras were dominated and even exploited by the higher varnas (Sharma, 1958, p. 65-66) and they were subjected to social and legal discrimination. Under such circumstances the Vaisyas and the Sudras engaged in various professions would have realized the advantage of forming guilds for safeguarding their interests.

People residing in a particular area and following the same occupation naturally co-operated with one another to achieve common objectives. So, generally, the crafts were localized which helped in creating better understanding amongst craftsmen residing in the same area. Besides, the turning of professions as hereditary had the advantage that a child could easily learn from his father and other elder of the family the crafts of its family. The experience of the previous generation thus came to be utilized, and this also made sizeable number of trained craftsmen available to different guilds. Thus localization of crafts and hereditary nature of professions were also helpful to craftsmen in keeping their safety, separate identity and making their organization more compact with their own conventions and usages. Besides, by organizing themselves into guilds, the artisans and traders could negotiate with the state authorities with greater force to make their voice heard and grievances redress. Organizing into guilds was also deemed very helpful for providing safety and security of craftsmen and traders and their merchandise from dangers of robbers and irregular troops. It is, therefore, prescribed that guild should make a compact for prevention of calamities and for performance of duties.

The places near the sources of raw materials and with convenient approach to markets through land or water, as also those that were important political or administrative centers, developed into town and cities (Ghosh, 1973, p. 15-16). Urbanization was an important factor in leading to the growth of guilds. Obviously, the introduction of writing system, use of iron and coins in about the sixth century B.C played a significant role in the development of the economy. In one hand the coinage economy provided a great impetus to urbanization, which
accelerated the growth and development of industry, trade, and commerce. On the other hand, written records and accounts played an important role in the field of commercial economy.

The rise of large territorial states and the consequent stable political condition led to improvement in road transport crossing regional boundaries. As a result of long distances trade, traders became well posted about the goods in demand as also about the source of raw materials even in distant regions. The increased demand for manufactured articles of necessity and luxury in both indigenous and foreign market could be met only by a sizeable number of specialized and adequately trained labour forces, and this is what the guilds were designed to provide.

Above all, the spread of Buddhism and Jainism would have helped the development of various business activities. As the followers of Buddhism and Jainism free from expensive rituals like Brahmanical religion, it could be available for investment in crafts, trade and commerce. Besides, they could undertake long journeys without being inhibited by the fear of getting polluted as a result of mixing with people of lower varnas. Thus Buddhism and Jainism seem to have provided better environment for further advancement of guilds and they seem to have developed more particularly in areas where these two religions flourished (Hopkins, 1902, p. 26).

**EVOLUTION OF GUILD**

The position of guild can be explained in different five stages dating from 600 B.C. to 1200 A.D. in the perspective of socio-economic environment of ancient India.

I. Pre-Mouryan Period (600 – 320 B.C.)

II. Mouryan Period (320 -200 B.C.)

III. Post-Mouryan Period (200 B.C.-300 A.D.)

IV. Gupta Period (300 - 600 A.D.)

V. Early Medieval Period (600 – 1200 A.D.)

**PRE-MOURYAN PERIOD (600 – 320 B.C.)**

The sixth century B.C. is unique in ancient Indian history for emergence of the sixteen mahajanapadas which led to the transformation of loyalty from ‘tribal organization to politico-geographical units’ (Ghosh, 1973, p. 4). The use of writing helped in the codification of laws and in accountancy, and the introduction of coin-age, in the collection of taxes, payments of wages and also in the development of trade and commerce. The large scale use of iron tools and implements contributed to a considerable development in agriculture, production, and transport. Second urbanization brought about improvements in the socio-economic conditions of traders and artisans. Gradually, cultivators, herdsmen, money-lenders, traders, and artisans had come to from their own organizations to which the state gave recognition, and their spokesmen wielded considerable authority, and were consulted by kings (Majumdar, 1926, p. 27, 74).
As a result of close association with the king and organization of crafts into guilds there was greater specialization in different branches of industry, e.g., gold, copper, silver and iron objects, earlier manufactured by the same smith, become specialized fields of different smiths. This led to the development of crafts, trade and commerce. According to Nigrodha jataka (tr. Rouse, 1901), some state control over guilds is known from the appointment of Bhandagarika, with ‘judgeship over all guilds’, and also through sreshthis, some of whom were guild heads and visited the king’s court in official or semi-official capacity.

MOURYAN PERIOD (320 -200 B.C.)

This period witnessed the establishment of a vast and fairly well-knit empire with quite a uniform and efficient system of administration. The Mouryan state regulated trade and commerce and brought under its monopoly the mineral resources of land and controlled to quite some extent the economic activities of production and distribution. The ‘Arthasastra’ (ed. & tr. Samasastry, 1961) fixes rates of profits on indigenous and foreign goods, meticulously listed dutiable articles and prescribes punishment for violation of rules including artisans, default in the delivery of goods in time. Government officials were to keep records of trades and crafts and related transactions and conventions of the guilds (Majumdar, 1977, p. 349).

Instead of such restrictions, some facilities were granted by the state. The long distance high-ways (mainly from Pataniputra to Pushkalavati, via Taxila) constructed and maintained largely by the state facilitated greater mobility of the people, and easy transportation of goods and surplus production from one region to another. The state provided the guilds with separate areas in the town for running their trades and crafts. The guilds could make deposit with the competent agencies, which they got back in the time of financial distress, and they also advanced loan to merchants, as per evidence of the ‘Arthasastra’ side by side, during this period the state collected revenue in cash or kinds. In addition to taxes in cash, the artisans, many of whom must have been members of the guilds, also paid taxes in the form of labour (Adhya, 1966, p. 82).

POST-MOURYAN PERIOD (200 B.C. -300 A.D.)

In this period north-western and western part of India controlled by the Indo-Greeks, Sakas, Kushanas, and Parthians. The Mourya Empire disintegrated into a numbers of kingdoms and tribal republics. This led to the slackening of state control over administration and economy and the guilds assumed more power and influence that developed the closer commercial contact with the Roman Empire (Warmington, 1928). The discovery of the north-eastern monsoon, ascribed to Hippalus, in C. 46 A.D. (Srivastava, 1968, p. 105) gave impetus to mid-sea voyage, reducing the time of journey, minimizing the danger of piracy and also obviating the need of the service of middlemen in Indo-Roman trade. Then Indian mercantile activity also extended to central Asia and China.

India was the main exporter of the luxury items to the Roman Empire and earned huge profits. A large number of coins of this period those of the Indo-Greeks, Sakas, Parthians, Kushanas, indigenous rulers and tribal republics, cities and guilds have been found, some in hoards (Kosambi, 1956, p. 254). It indicates a greater circulation of money-economy and fairly advancement of bricks trade and commerce, in which guilds must have played a significant role. ‘Milindapanho’ (ed. Trenckner, 1880) refers to a number of occupational guilds, their number being much greater than the early periods.
Epigraphs from Sanchi, Bharhut, Buddhagaya, Mathura, and sites in Western Deccan refer to a number of donations by various kinds of merchants. These donations indicate to the prosperity and status of the donors who were most likely the members of the guilds, and some of them also their heads or representatives. Besides, guild also functioned as one of the ordinary courts of law for judicial authority of its members. ‘Yajnavalkyaasmiti’ (tr. Dutt & ed. Joshi, 2006) refers to executive officer of the guild, to their qualifications, and powers and discusses rules regarding vocational apprenticeship. According to Yajnavalkya, guilds rules were to be followed by the members like state rules. So, the guild system had much more developed form in the time of Yajnavalkya than in the Manu (Thaplyal, 2001, p. 31).

GUPTA PERIOD (300 - 600 A.D.)

The age of the Guptas was conducive of the development of internal and external trade and commerce. Though, after the decline of Roman Empire, the Indo-Roman mercantile relations became almost closed. There was, however, increase in trade with the other lands, particularly the countries of South-East Asia (Maity, 1957, p. 120). But the arts and crafts as well as internal trades prospered considerably, during this period.

The ‘Amarakosa’ (ed. Oak, 1913) lists the names of several metals, testifying to their use in the manufacture of different kinds of articles. So, metallurgy had reached a very high stage of development. Guilds must have contributed in a large measure towards such developments. Various literary and epigraphic evidence of this period bears witness to the prosperity of the guilds and their increased activities. In the preceding period, guild continued to function as banks, and courts, and made religious and charitable donations. The chief of artisans and traders’ guild acted as members of advisory board of the district administration (Prakash, 1977, p. 22). Actually guild came to acquire considerable autonomous power. In view of ample testimony to the power and privileges the guilds enjoyed the Gupta age.

But, no guild coin has been found for the Gupta period, either guilds of the period did not find it worthwhile to issue coins, or by that time the state come to assert itself as the only authority to have right to their issues. So, in the time of Guptas, guild power and status appear to have altered but little certainly show no advance over those of the earlier periods (Maity, 1957)

EARLY MEDIEVAL PERIOD (600 – 1200 A.D.)

During this six hundred century the guilds, which had played an important role in the industrial organization above all economic background of states of the early centuries of the Christian era, were no longer equally effective all over India. The north-eastern Indian guilds would seem in general not to be in a position of wild effective control over their members. The bonds which united the craftsmen or artisans of any particular industry in any area appear to have slackened. The reasons for this degeneration of the guild in the early medieval India can be summed up at follows.

Due to weak successors of Gupta Empire, there found the rise of a number of independent powers and of disturbed political condition. Though, under the rule of Harsabardhana, only for period of 41 years, the integrating units were brought under the central authority. But there was complete absence of any powerful central authority after Harsabardhana which could unify the whole of northern India under its sovereignty. The period witnessed constant conflicts between regional rulers and feudal lords. The condition
was further worsened by the foreign invasions of Hunas and, later on Ghaznis. It is very likely that in such an atmosphere of confusion and chaos the trade and industry suffered setback to a great extent. All this political disturbances must have kept the people busy in moving from one place to another for safety and security and so also to the tradesmen and craftsmen. As a consequence, people’s confidence in these institutions must have waned. There prosperity and affluence an account of which they commanded social status must also have diminished. Thus political upheaval exercised its worst effect on the guild organization (Jain, 1976, p. 301).

The sixth century A.D. witnessed the ascendency of the landed aristocracy in the forms of Samantas over the nigamas and srenis (Majumdar, B.P., 1966 p. 67-68). Therefore, Samantas replaced srenis and nigamas in the political administration of the sixth century A.D. In view of their past glory and importance, the artisans and merchant classes forming the urban bourgeoisie must have put in a hard struggle to safeguard their rights and privileges. Some of the inscription of this period throws light on this aspect. The Dudhapani rock inscription of the 8th century A.D. tells us that three merchants become master of three villages in the Hazaribagh district of Magadha. Since they were encumbered with the management of villages, they could not give full attention to their trade and commerce. The Indo-Roman trade of earlier period vitally affected the guild of silk-weaver in Gujarat who had to move away into the interior of the country (Maity, 1957, p. 138). So the scope for trade and industry was slackened and adversely affected the guilds in early medieval India.

Thus the feudalization of merchants turned them into some kind of landed intermediaries. The dominant power of these feudal lords in the rural economy of this period was a great retrogradatory factor. They had to collect taxes from peasants and pay the same to the government. All this adversely affected the conditions of the peasants as they had to pay rent to landed intermediaries and also provide labour. They had to fulfill the demands of the state as well. Thus all possibilities of surplus production were eliminated under this system (Jain, 1976, p. 303). So the growth of feudalism with its emphasis on rural and self-sufficient economy can also be expected to have had an adverse impact upon the fortunes of the guilds.

The traders and merchants were sighing under the border of additional taxes in this period. The merchants, in general, were asked to pay some dues by custom house in each cartload of goods passing through the roads. Arthuna inscription of Parmara Camundaraja, dated 1079 A.D. also gives a list of taxes levied on different trade and crafts. On the account of these taxes, the guilds of merchants and traders were loosing prosperity in the preceding centuries. This prevailed from their donations which clearly give the impression that they were poorer. To keep up their old reputation of donations and defraying there expenses views of a region federated themselves and pooled their resources. Though the guild representatives were admitted in the administrative board for the safeguard their interests, it would not be reasonable to suppose that they were forced to pay the charities (Majumdar, 1966, p. 71). But, it is certain that the merchant guilds were very much bereft of their affluence in this period on account of constant bickering load of taxes on them.

In early medieval India, the temples stood in competition with the ancient institution of guilds serving the society as banks. As it was an age of constant warfare, rulers of early medieval India always stood in need of money for war and for defensive operations. For this, the guilds were commanded for their disposal or otherwise to be seized by the kings by some diplomatic means. If the deposits of the guilds were lost through an act of God, or seized by
the king or stolen by thieves, the guilds or any concern was not bound to return the deposits. To avoid such risk, it was consider safer to deposit money in the temples. A Siyadoni inscription records that, in 912 A.D., Nagaka, a merchant withdrew his amount from the guild and he deposited the money in the temple. As a result, the temples became gradually the richest institutions of the time greatly affecting the guilds’ finance and prestige. Consequently, the guilds lost their grounds to the temples during early medieval India.

It appears from ‘Medhaththi’ (tr. Jha, 1999), a 10th century A.D. commentator of the ‘Manusmrti’, that there was a tendency in the period for the members of the guilds to refer their disputes to the king. The guilds did not like this because it gave the king’s officers an opportunity to interfere in their work. The executive officers of the guilds were losing their control over the members and they could not effectively carry out their decisions against members who had lost faith in their justness. The executive officers were also not powerful enough to enforce their decisions with full authority. Therefore, to keep up the compact authority of the guilds, the concern executives devised to rule out the compulsion of agreement and sureties, to maintain the competing members in their any disputes. Mutual cooperation and confidence were the basic ideas of a corporation like a guild which seemed to be disappearing from the organization (Jain, 1976, p. 304).

The decline of guilds was also the result of their being consolidated into sub-castes. In early medieval India, the guilds mostly appear to have fossilized into sub-castes (Basham, 1967, p. 217). Within these sub-castes however some sort of social control over members and the instinct of co-operation which was at the route of all their successes in the beginning, was rapidly disappearing. This change, therefore, appears to be one of the important factors which contributed to the degeneration of guilds. Although, it was a major cause of the decline of guilds, in the early medieval India, yet it was not the only cause. It merely accelerated the process of their degeneration in this period (Gopal, 1965, p. 84).

On account of these aforesaid reasons, the guilds lost their grounds in the early medieval India. But this does not imply their complete disappearance from the scene. Although their picture was changed, yet their existence and functionaries remained all over India. The literature and inscription adequately inform us about their modified form, the guilds had assumed, but no numismatic records of this period are available. The fact to be noted is that the institution did not die out an account of the political instability, prevailing confusion and chaos, although it made no significant advancement in the long duration of early medieval India from 600 to 1200 A.D. Its organizational solidarity and cohesion was fast vanishing. The rapid invasion of Islam in India broke down the vast organization of trade and industry. As a result of these blows the curtain drew down, for sometimes, on the history of guild organization in India. The flag-post that earlier used to hold aloft the colourful banner of the guilds turned to be used as a post for tying animals in early medieval northeastern India (Ray, 1946, p. 541).
CONCLUSION

The inborn tendency to come in close association with fellowmen was also an important factor in the quick development and wide acceptance of the institution in ancient India. But, economic pursuits always need a stable and peaceful atmosphere for their existence and development. This fact is clearly borne out by the present study. Political conditions always have their direct effect on the vicissitudes of trade and industry and consequently on guild organization. Whatever India witnessed an era of peace and security, the trade and industry flourished immensely in the period and in the same way the guild organization also implanted its roots firmly.

The Machiavellian policies adopted by Kautilya de-shaped the guilds organization which had become quite powerful by then. Yet, Kautilya himself could not completely wipe out their existence from the scene as they had come to have a hold on ancient Indian economy. Actually the rigid regulatory control and interference in the affairs of the guilds by the state in the Maurya period proved detrimental to some extent to their growth and development. But with the break-up of Mauryan empire and the consequent weakening of state control, the guilds gained their power, prestige and freedom of activity and became a formidable economic force enjoying considerable judicial and administrative power and reached their acme in the Gupta period.
Therefore, the post-Gupta period of India was remarked by political unrest and mass emigration for the sake of security, feudalization of merchants, imposition of additional taxes on traders and artisans, competition between temples and guilds for economic benefits, consolidation of guilds into sub-castes, above all scarcity of co-operation, confidence and authoritative control of guilds over their members, all these were the major factors for the guilds to their strives vigorously under the difficulties. Actually the root of degeneration of guilds was generated a long prior to early medieval India. But it failed to draw the attention of people (Chattopadhya, 1994, p. 152). In spite of the unfavourable conditions in early medieval India, the guilds struggled hard to maintain their structure and social status intact, but they ultimately failed and became almost irrelevant in socio-economic history.

Guilds, the socio-economic infrastructure of a long long past of India is now dead indeed, still we are to admit that where the ‘Ancient’ is the Past, prevailing reality is its hard Present and the eminent target of a bright prospect is its Future, to be fulfilled. Now, if we turn over our trip, with the concept of ancient guilds to the modern reality of a largest democratic country of the world, i.e. India, what we observe that the nation is running on its 12th five years planning along with a lot of hard crisis of overwhelming population of 1.20 Crore, more than 2% short in growth of agricultural production, millions of unemployment, ever growing suffering of the farmer families of the nation, imbalanced socio-economic structure etc. Still the nation lies under the same sky of GLOBALIZATION, the modern sigma.

Now, may we not correspond our ancient concept of guilds to the modern age of liberal economy that puts emphasis on marketing trade & commerce and market based manufacturing and its communications! Once, that was the ancient trends of trading business, now it had been transferred into the liberal trade and commerce with its world-wide influence in nation to nation. The picture of the same concept of guilds has come out in the present with its international formation that shares the same fate raising the impact of dividing economy among the class of population, common and uncommon. Lastly, let the journey stop here with the saying - ‘History Repeats Itself’ in and through the ages and it lasts a long.

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