UNIT 4  TRADING COMMUNITIES AND ORGANISATION

Structure

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4.0 OBJECTIVES

After reading this Unit, you should be able to explain the:

- relative position of traders and merchants in the society during the two major phases of early medieval India, viz. c.A.D.700-900 and c.A.D.900-1300,
- regional characteristics of trading communities,
- major activities of traders,
- types of traders and merchants,
- character and conduct of traders,
- trading guilds and their functioning—both in the North and South India, and
- control of merchants on artisans and craftsmen.

4.1 INTRODUCTION

Units 2 and 3 in this Block sought to explain the role of trade and commerce in the economic activity and its linkage with the growth of towns and cities. Their place in the overall growth of feudal tendencies was also emphasized. The present Unit ought to be seen as a complementary facet. An attempt has been made here to demarcate the role of traders and merchants in the society with reference to their organised economic activities. The fluctuations in their relative position through centuries have also been shown. The Unit also draws special attention to the overawing influence of big merchants on petty artisans and craftsmen.

4.2 TRADER AS A LINK

The traders form an important link between producers and consumers. They collect agricultural surplus and products of artisans and craftsmen from different regions and distribute them over a wide area. They trade not only in finished goods but also...
During the early medieval centuries, the process of collection and distribution of goods involved a large number of merchants, big as well as small, local as well as inter-regional. There were hawkers, retailers and other petty traders on the one hand and big merchants and caravan traders on the other. The relative position of traders and merchants in the society is related to the two phases of commercial activity outlined in Unit 3. While their role was adversely affected during the first phase (A.D. 700-900) on account of limited commercial exchange, the revival of trade in the second phase (A.D. 900-1300) led to considerable increase in the status, effectiveness and power of merchant communities. The ancient Indian texts specify trade along with agriculture and cattle rearing as the lawful means of livelihood for vaishyas. In the seventh century, the Chinese traveller Hiuen Tsang distinctly mentions vaishyas as traders and shudras as cultivators. However, the process of the two coming closer had already started and shudras were undertaking trade in such articles as wine, honey, salt malt, etc. The barriers of brahmanical varna order were crumbling in the post-Gupta centuries and people were adopting professions cutting across varna divisions. Trade was followed by the people of all varnas and castes. Some were compelled to take it up while others found it more lucrative than other economic activities.

4.3 POSITION OF MERCHANTS DURING THE FIRST PHASE (c. A.D. 700-900)

In view of the relative decline of trade during these centuries, the role of merchants in the society was considerably eroded. As trade slumped and markets disappeared, the merchants had to seek patronage and shelter with the temples and other emerging landed magnates. It robbed them of their independent commercial activity, and forced them to cater to the needs and requirements of their patrons. Some inscriptions from Orissa and Central India reveal that traders, artisans and merchants were amongst those who were transferred to donees. This must have meant a serious reduction in their free trading activities. Nor is there any significant evidence of administrative role being assigned to merchants between the eighth and tenth centuries. This is in obvious contrast to their role in administration evident from seals and sealings from Uttar Pradesh and Bihar during the Gupta period. However, trade did not disappear completely, some merchants were still active, particularly along the coast. But they were small in number and their activities were largely confined to the luxury articles required by kings, chiefs and temples. In South India too, trade was not a very important activity during the centuries under survey. This is indicated by the relative absence of the mention of merchants as a distinct class in the records of the period. In other words, it can be said that the first phase of early medieval India was marked by the thinning away, if not disappearance, of the prosperous and free merchant class.

4.4 POSITION OF MERCHANTS DURING THE SECOND PHASE (c. A.D. 900-1300)

The second phase of early medieval India brought the mercantile community back into prominence, and we notice large number of merchants carrying luxury and essential goods from one place to another. They accumulated fabulous wealth through commercial exchanges and acquired fame in society by making gifts to temples and priests. Many of them took active part at various levels of administration, and even occupied the ministerial positions in royal courts.

The literature and inscriptions of the period refer to the large number of merchants who were known by the specialised trade they followed. Thus, we come across dealers in gold, perfumes, wine, grains, horses, textiles, curds, betels, etc. Some of the merchants employed retailers or assistants to help them in trading activities. As inter-regional trade developed a group of merchants specialised in examining and changing coins for traders.
Moneylending also became one of the major activities of merchants. Though people deposited money in temple treasury for the religious purpose of endowing flowers, oil, lamps, there are very few references to guilds accepting deposits and paying interest thereon. There emerged a separate group of merchants, called nikesha-vanika in western India, who specialised in banking or moneylending. The Lekhapaddhati, a text from Gujarat, refers to a merchant's son who claimed his share in the ancestral property to start the business of moneylending. Medhatithi, a legal commentator, speaks of the association or corporation of moneylenders. The contemporary literature, however, presents a bad picture of moneylenders and describes them as greedy and untrustworthy who cheat common man by misappropriating deposits.

This period also witnessed the emergence of many regional merchant groups, i.e. the merchants who were known after the region they belonged to. They were mostly from Western India. As this region had a wide network of important land routes connecting coastal ports with the towns and markets of northern India, the merchants of certain specific places in this region found it more profitable to specialise in inter-regional trade. Thus, the merchant groups called Oswal derive their name from a place called Osia, Palivalas from Patli, Shrimali from Shrimala, Modha from Modhera and so on. Most of them are now a days collectively known as Marwaris, i.e. the merchants from Marwar. Apart from their functional and regional names, merchants were also known by various general terms, the two most common being—shreshti and sarthavaha. Both these terms were known from very early times.

Sresthi was a rich wholesale dealer who lived in a town and carried on his business with the help of retailers and agents. At times he lent out goods or money to small merchants, and thus acted as a banker too, though, as we have already pointed out, moneylending was becoming a separate and specialised activity.

The sarthavaha was the caravan leader under whose guidance the merchants went to distant places to sell and purchase their goods. He was supposed to be a highly capable person knowing not only the routes but also the languages as well as the rules of exchange in different regions.

The expansion of agriculture and the availability of surplus from the 8th/9th century onwards led to increase in commercial exchanges in South India too. It resulted in the emergence of a full time trading community looking after the local exchange. This community also participated in wider inter-regional and inter-oceanic trade. As in the North, South Indian merchants too specialised in the trade of specific commodities such as textiles, oil or ghee, betel leaves, horses, etc. At the local level, regional markets called nagaram were the centres of exchange. They were situated in a cluster of agrarian settlements, and they integrated not only collection from hinterland but also commercial traffic from other areas.

The numbers of these nagarams increased considerably during the Cola period in the eleventh and twelfth centuries, and the term nagarattar, i.e. member of the nagaram assembly, became a generic term for all Tamil merchants (See also Unit 2; Sub-sec. 2.4.2).

Check Your Progress 1
1) Mark (✓) on the right and (✗) on the wrong statements given below.
   i) The merchants had a prominent position in the society during the period c. A.D. 700-900.
   ii) Chinese traveller Huien Tsang mentions vaishya as traders and shudras as cultivators.
   iii) During the second phase (A.D. 900-1300) merchant class started even in the state administration.
   iv) Sresthi was a small retailer merchant.
   v) Nagaram were prominent trading centres.
4.5 SOCIAL ROLE OF TRADERS

As growth of trade brought economic prosperity to merchants, they sought to gain social prestige by participating in the maintenance of temples, priests and religious functions. Numerous inscriptions refer to the grant of cash or goods by merchants for these purposes. Some merchants became very influential and joined the ranks of state officials and ministers. A tenth century inscription refers to a merchant of Modha caste who was the chief of Sanjan (near Thane) in Maharashtra. In Gujarat, the merchant family of Vimala played an important role in the political and cultural life of the region. He and his descendants Vastupala and Tajapala occupied important ministerial positions at the court and are known for building the famous marble temples dedicated to Jaina gods at Mount Abu. A thirteenth century inscription from central Gujarat reveals that many important merchants, traders and artisans were a part of the local administrative bodies.

Character and Conduct of Traders
The foreign authors and travellers such as Al-Idrisi (twelfth century) and Marco Polo (thirteenth century) praise Indian traders for their truthfulness and honesty in business dealings. But in the contemporary Indian literature we come across many instances of greedy and dishonest merchants. The Kashmiri author Kshemendra refers to a typically selfish merchant who used to feel overjoyed at the approach of a famine or some other calamity because he could expect good money on his hoarded foodgrains. A text of the eleventh century from Western India, divides merchants in two main classes—on the basis of their position and character—high and low. It points out that rich merchants who indulged in large scale sea or land trade enjoyed great reputation while small merchants such as hawkers, retailers, etc. who cheated people by using false weights and measures were looked down upon in society. It also includes artisans in the list of dishonest people. It may, however, be noted that some of these views reflect the contemporary feudal tendency in which persons working with their own hands and resources were considered low in society.

4.6 ORGANISATION OF TRADERS

The merchants derived their power and prestige not only from wealth but also from the guilds or associations formed by them to protect their interests. In the first phase the decline of trade weakened the corporate activity of merchants, and many of the guilds were reduced to mere regional or occupational sub-castes. But as trade revived in the second phase, merchant guilds reappeared as an important feature of the contemporary economic life.

4.6.1 Guilds : Definition and Functions
What was a merchant guild? How did it function? What were the benefits which accrued to its members? These are important questions to be answered. Well the guilds were voluntary associations of merchants dealing in the same type of commodity such as grains, textiles, betel leaves, horses, perfumes, etc. They were formed by both local as well as itinerant merchants. The association of local merchants having permanent residence in town was more permanent in nature than

Write five lines on the practice of money lending during the period A.D. 900-1300.
the association of itinerant merchants which was formed only for a specific journey and was terminated at the end of each venture.

The guilds framed their own rules and regulations regarding the membership and the code of conduct. They fixed the prices of their goods and could even decide that specific commodity was not to be sold on a particular day by its members. They could refuse to trade on a particular day by its members. They could refuse to trade in a particular area if they found the local authorities hostile or uncooperative. The guild merchants also acted as the custodians of religious interests. The inscriptions refer to numerous instances when they collectively agreed to pay an additional tax on the sale and purchase of their goods for the maintenance of temples or temple functions.

The guild normally worked under the leadership of a chief who was elected by its members. He performed the functions of a magistrate in deciding the economic affairs of the guild. He could punish, condemn or even expel those members who violated the guild rules. One of his main duties was to deal directly with the King, and settle the market tolls and taxes on behalf of his fellow merchants. The growth of corporate activity enabled guild-chiefs to consolidate their power and position in society, and many of them acted as the representative of their members on the local administrative councils.

A member of the guild worked under a strict code of discipline and was also robbed of some initiative or action but still he enjoyed numerous benefits. He received full backing of the guild in all his economic activities and was, thus, saved from the harassment of local officials. Unlike a hawker or vendor, he had greater credibility in the market on account of his membership of the guild. Thus, inspite of the fact that guild-chiefs tended to be rude and authoritative at times, the merchants found guilds an important means of seeking physical and economic protections.

The digests and commentaries of the period refer to the corporate body of merchants by various terms, such as naigama, shreni, samuha, sartha, samgha, etc. The naigama is described as an association of caravan merchants of different castes who travel together for the purpose of carrying on trade with other countries. Shreni, according to Medhatithi, was a group of people following the same profession such as that of traders, moneylenders, artisans, etc. though some authors considered it to be a group of artisans alone. The Lekhapaddhati indicates that a special department called the Shreni-karana was constituted by the kings of western India to look after the activities of the guilds of merchants and artisans in their region. Another text Manasollasa reveals that many merchant guilds maintained their own troops (shrenibala) for personal safety. Inscriptions too refer to the corporate activity of merchants. An inscription from western India refers to vanika-mandala which was probably a guild of local merchants.

### 4.6.2 Organisation of Trading Guilds in South India

The expansion of agriculture and the growth of trade from the tenth century led to the emergence of many merchant guilds or organisations in South India too. The inscriptions refer to these organisations often as samaya, i.e. an organisation born out of an agreement or contract among its members to follow a set of rules and regulations.

The two most important merchant guilds of South India were known as the Ayyavole and the Manigraman. Geographically, the area of their operation corresponded to the present day state of Maharashtra, Karnataka, Tamil Nadu and South Andhra Pradesh. The Cola kings from the tenth century onwards made a concerted effort to trade and commerce through trade missions, maritime expeditions, abolition of tolls, etc. It greatly increased the activities of these guilds which were involved in not only inter-regional but also inter-oceanic trade across the Bay of Bengal.

The merchant guild called Ayyavole was also known as the guild of “the 500 Swami of Aihole” nanadeshi. While some have argued that such organisations were primarily traders in various types of merchandise and not a single unified corporation of merchants, a detailed study of Kannada Ayyavole shows that the
The organisation might have had an initial membership of 500. But there is no denying the fact that with the growth of trade and commerce, the Vira Banajas (representing the trading guild of Ayyavole) operated on a trans-regional plane and had developed deep socio-economic interests between the ninth and fifteenth centuries. They spread from Bhalvani (in Sangli district in Maharashtra) in the north to Kayalpattinam (in Tamil Nadu) in the South. The number “five hundred” also became conventional as the guild became a much larger body and drew its members from various regions, religions and castes. It is in this context that the term nanadeshi came to be used for this organisation.

In course of outward expansion, the members of the Ayyavole guild interacted with the local markets called nagaram, and promoted commercial activity by collecting agricultural goods from the hinterland and distributing the goods brought from elsewhere. The commercial influence of Ayyavole spread even beyond South India. It is indicated by the inscriptions found at Burma, Java, Sumatra and Sri Lanka. As the mercantile activities of Ayyavole increased, some of its members became quite rich and powerful, and acquired the title of samaya chakravarti, i.e. the emperor of the trading organisation. It may suggest that as in the North, certain individual merchants in South too were trying to establish their control on the working of commerce.
Another important merchant guild of South India was the Manigramam. It first appeared along the Kerala coast in the ninth century A.D. However, as it gradually came into close contact with the Ayyavole, it greatly improved upon its inter-regional activities and covered a large part of the peninsula. A ninth century Tamil inscription found at Takua pa on the West coast of Malaya indicates that it was engaged in the long distance sea trade from the very beginning.

Anjuman was another body of merchants in South India, which probably represented an association of foreign merchants, and not a group of five communities or castes as some scholars believe. Like the Manigramam, it also began its commercial activity along the Kerala coast in the eighth or ninth century, and gradually spread out to other coastal areas of South India by the eleventh century. It interacted both with local merchants as well as the Ayyavole and Manigramam organisations.

The importance acquired by trading guilds is apparent in the conscious attempt to trace exalted genealogies of traders of various corporations. The Vira Bananjas of the Ayyavole, for instance, are said to have been born in the race of Vasudeva and their qualities are compared with those of various epic heroes. A typical prashasti (panegyric) of the Vira Bananjas may be seen in the following description found in the Kolhapur stone inscription of the Shilahar King Gandardiya dated in A.D. 130:

"Hail! They who are adorned by a multitude of numerous virtues obtained by following the religion of the Five hundred Heroic Men renowned in the whole world; who are virtuous by reason of the maintenance of the code of the heroic Bananjas consisting of truthfulness, pure conduct, agreeable behaviour, political wisdom, courtesy and mercantile knowledge......who are exalted with their unfailing adventurous spirit.....who are born in the race of Vasudeva, Khandali and Mulabhadrade who are invincible when they fight; who are like Brahma in respect of proficiency of the sixtyfour arts; like Narayana in the possession of Chakra (discuss); like Rudra, who is the fire of the world destruction in slaying their opponents by their gaze....who are like Rama in perseverance; like Arjuna in valour; like Bhismada purity of conduct; like Bhima in adventurous spirit; like Yudhishthira in righteousness...... like Karnad in charity and like the sun in brilliance....."

In short, the vast trading network in South India was controlled by a number of merchant organisations which worked in close cooperation and harmony with one another. The guild-chiefs, on account of their control on trade and trading organisations, established close links with the royal houses and enjoyed great name and fame in the society.

4.7 RELATIONSHIP BETWEEN MERCHANTS AND CRAFTSMEN

The exact nature of relationship between the merchants and craftsmen, the two interdependent sections of commercial world, is not recorded in the contemporary sources. It is, therefore, not known whether craftsmen such as weavers, metal-workers, etc. acted independently or worked under the command of merchants who supplied them money or raw material or both. There is, however, some evidence to suggest that as merchants came to exert greater control on the mobilisation of raw material and finished products, their influence on the activities of artisans increased considerably.

Albiruni, who came to India in the eleventh century as well as Lakshmidhara, a jurist of the twelfth century, tell us that artisans lived in the midst of merchants. It may suggest that merchants supplied capital and raw material to artisans who were to produce goods as per the demand and specifications provided by merchants. An inscription of the 11th century from Erode in Tamil Nadu refers to an asylum given by merchants to the craftsmen, and thus indicates the dependence of the latter on the merchant organisations. As trade and commerce developed, merchants tended to
ability of artisans to market their goods personally. There are references to some oilmen and weavers who sold their goods themselves and became rich enough to make endowments to temples and priests. In general, the artisans and craftsmen during the early medieval period were economically dependent on big merchants.

Check Your Progress 2

1) What role merchants played in Administration?

2) Mark (√) on the right and (×) on the wrong statements given below.
   i) Al-Idrisi and Marco Polo praise Indian merchants for their honesty.
   ii) During the period under study people working with their own hands were considered low in society.
   iii) Guilds were established by the state to regulate trading.
   iv) Manigramam, the merchant guild in South India came into existence along the Kerala coast.
   v) During the period of our study artisans controlled the merchant activities.

3) Define the Guilds of merchants. List their main functions.

4) What was the role of Ayyavole in the expansion of trading activities in South India?

4.8 LET US SUM UP

Seeing trader as an important link between the producer and consumer, this Unit underlined:
- the ups and downs in the relative position of traders and merchants in early
• the centuries of relative decline in trade (c. A.D. 700-900), with the thinning away, if not the complete disappearance of the prosperous and free merchant class;
• the revival of trade and commerce during c. A.D. 900-1300 bringing the mercantile community back into prominence by accumulating fabulous wealth and acquiring fame in society by making gifts to religious establishments. Many traders also become influential with administrative set-up;
• emergence of regional merchant groups;
• organisations of traders, viz. guilds, which regulated corporate activity of merchants;
• trans-regional and inter-oceanic activities of guilds in South India;
• the role of itinerant traders; and
• growing hold of big merchants over artisans and craftsmen.

4.9 KEY WORDS

Nagaram : see Unit 2.
Nagarattar : member of nagaram.
Naigama : trading guild.
Nandeshi : guild of traders having a membership from different regions and castes.
Prashasti : descriptions of exaggerated praise.
Sarthavaha : caravan leader.
Shreni : general term for guild of traders, artisans and craftsmen.
Shrenibala : fighting force maintained by guilds.
Shreshthi : general term for trader.

4.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1
1) i) X ii)√ iii)√ iv) X (Sreshti was a rich wholesale dealer) v)√
2) During this period money lending was emerging as a specialised commercial practice. See section 4.4.

Check Your Progress 2
1) Your answer should include the influence of merchants in society and their position in administration. Also read section 4.5.
2) i)√ ii)√ iii) X iv)√ v)X (artisans were mostly dependent on merchants)
3) The guilds were voluntary associations of merchants dealing in the same commodity. The main functions of guild were to fix the prices, area of activity, decide market regulations, etc. See subsection 4.6.1.
4) The Ayyavole was the guild of merchants in South India. This was a strong body of merchants and contributed to the expansion of trade not only in South India but overseas also.

SOME USEFUL BOOKS FOR THIS BLOCK

Jha, D.N., ed. Feudal Social Formation in Early India. Delhi, 1987
Early Medieval Economy: 8th - 13th Century

Sharma, R.S. *Indian Feudalism*, 2nd ed., Delhi, 1980.


Jain V.K., *Trade and Traders in Western India (A.D. 1000-1300)* Delhi, 1990.