**Economic System of Pre-Medieval India: An Overview**

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**ABSTRACT**

During the pre-medieval era in India, the economic system was diverse and rich with various socioeconomic structures. Agriculture was the primary source of livelihood for the majority of the population, and the agrarian economy formed the core of the region's economy. The state's income was mainly derived from land revenue, which was controlled through different systems such as the Mauryan land revenue system and the village-based administration during the Gupta period. Indian subcontinent's trade and commerce flourished due to the extensive network of trade routes that connected it to other regions such as Southeast Asia, Central Asia, and the Mediterranean. The guild system played a crucial role in this era. Guild systems were crucial for regulating trade and crafts, encouraging specialization, and ensuring quality control. Although coins were used, bartering was common in rural areas. The caste system in India had a significant effect on economic activities, job roles, and social hierarchies. Despite the absence of a unified currency or centralized economic authority, pre-medieval India demonstrated impressive economic vitality and sophistication. This was supported by a variety of localized practices, institutions, and cultural exchanges. Studying the Indian economy before the medieval period reveals the foundation of its socio-economic structure and the lasting impact it has had on the subcontinent's economy.

**Keywords-** Pre-medieval Era, Economy, Guild system, Bartering, Trade routes

**INTRODUCTION**

The economy relies on a multitude of pivotal industries, encompassing agriculture, horticulture, manufacturing, trade, and industry. These sectors play a crucial role in the generation of goods and services, thereby exerting a substantial influence on the overall economic progress of society. Integral to attaining a self-sustaining economic framework is the capacity of agriculture to yield surplus produce capable of satisfying societal requirements. It's imperative that the profits derived from this surplus are equitably distributed and channeled towards societal advancement. When analyzing the economic cycle, it's essential to consider a plethora of factors including agriculture, land resources, food production, seed availability, water supply, revenue generation, animal husbandry, industrial output, craftsmanship, labor dynamics, and trade patterns.

The study of ancient economy typically starts with examining the ancient civilization. The Sandhav civilization's main occupation was agriculture, and they only cultivated nine different types of crops. The Sanghva civilization had established trade links with other regions, which played a significant role in its growth and prosperity. As a result, commercial factors were the key drivers of the Saindhava civilization's success.

During the latter half of the sixth century, the Gupta Empire began to crumble, leading to the emergence of new political kingdoms in India. This period, known as the pre-medieval era, was a transitional phase between the ancient and medieval periods. Despite the initiation of several Muslim movements in India, the old systems had not yet been Islamized. Kannauj became a significant center of political power in the northern kingdoms after the fall of the Guptas. The caste system grew in complexity, assimilating into a conservative society simultaneously.

During the latter half of the sixth century, the powerful Gupta Empire that had long been dominating the Indian subcontinent began to crumble and fall. This event marked the start of significant political turmoil, as various regional powers emerged to take its place. This period, which is also referred to as the pre-medieval era, serves as a bridge between India's ancient and medieval periods.

Despite the fall of the Gupta Empire, the Islamic influence in the Indian subcontinent remained limited. Although various Muslim initiatives were underway in the region, the existing social and political structures were largely unaffected by the impact of Islamization. This era was marked by the coexistence of multiple cultural and religious traditions, with Hinduism remaining the dominant faith.

After the collapse of the Gupta Empire, Kannauj became an important center of political power in northern India. The city played a key role in bringing together smaller kingdoms in the region and asserting regional power. As power dynamics shifted, multiple autonomous kingdoms emerged, each vying for dominance and influence over their respective regions.

The caste system, a defining feature of Indian society, underwent significant changes during this period. As political and social structures evolved, the caste system became more intricate and stratified. New groups emerged, while existing caste divisions became more pronounced. This complexity reflected the changing dynamics of Indian society as it adapted to shifting political and cultural landscapes.

Furthermore, the conservative nature of Indian society also experienced transformation during this transitional period. As new political entities emerged and cultural exchanges occurred, societal norms and values underwent reevaluation and adaptation. This period of flux laid the groundwork for the socio-cultural developments that would shape medieval India.

In the past, agriculture played a vital role in the local economy. It was a complex industry with intricate economic dynamics. Landlords and feudal lords had a significant influence on the agricultural landscape and wielded considerable power in this field. The presence of practices such as forced labor and slavery illustrates the complexity of the agricultural economy.

The region's economy was primarily driven by agriculture and supported by related industries such as irrigation, animal husbandry, and trade. The economy relied on commodity exchange, monetary systems, measuring standards, and both internal and foreign trade.

Despite the flourishing trade interconnected with agriculture, the rise of feudal powers introduced disruptions to commercial activities. The dominance of feudal elements had adverse effects on trade dynamics, altering traditional channels and hindering smooth transactions

During the ancient times, trade generally happened through two channels - overland and maritime. This highlights the importance of both land and sea routes in promoting economic interaction. However, with the introduction of monarchical powers in rural areas, there was a noticeable shift towards agrarian activities. This resulted in a decline in metropolitan centers, and consequently, there was a decrease in the amount of commerce being carried out both within and outside regional borders.

Due to specific conditions prevailing in northern India, there was a notable decline or setback experienced by both unions and classes. Consequently, an alternative system emerged wherein coins played a pivotal role in regulating commercial activities. This transition occurred during the pre-medieval era, marked by the rule of various monarchs who issued a diverse array of coins to facilitate economic transactions. Among these coins, one prominent example was the Dramma, alternatively referred to as Gadhiya. Comprised of gold, silver, and copper, these coins served as essential mediums of exchange for trading and bartering purposes within the region.

In pre-medieval times, the economy of agriculture and its institutional frameworks were the main focus. Agriculture was the main driver of the economy throughout this time, and agrarian methods were heavily relied upon. The extensive use of land transfers as a tool to control land ownership and promote agricultural development was one prominent aspect of this era.

These land concessions were very important in establishing land relations and encouraging agricultural growth in the area. This system of grants spread its influence throughout almost the whole subcontinent between the first and the eleventh century. Using these grants, kings or landlords distributed land to people or groups, sometimes in return for contributions, taxes, or other tribute. The gift of land fulfilled several functions. Along with making land allocation easier for all parties involved, it also promoted land development and investments in agricultural infrastructure.

Furthermore, because these loans were sometimes contingent on responsibilities and allegiance between the donor and recipient, they contributed to the consolidation of social and political systems. All things considered, the preponderance of land transfers during this period emphasizes the importance of agriculture in pre-medieval civilizations as well as the highly developed systems of economic organization and land management that were in place at the time.

In modern agricultural reports, a wide range of data is included, including more than 100 different types of grains, including pulses and wheat, which are staple crops. Bengal is a major contributor to this fertile agricultural environment, with over fifty distinct strains for film paddy, mostly grown by Shunya Puran, making up an amazing repertory."Amarkash" is an all-encompassing phrase that encompasses a broad range of staple foods, including staples like wheat and rice, as well as protein-dense lentils, a variety of vegetables, and fruits. This word emphasises the variety of agricultural products that are the foundation of many communities' livelihood.

In the past, workers in the agricultural industry were not limited to any certain class; in fact, farmers came from all socioeconomic classes. Scholarly publications by individuals like Hwansang, Khurdadva, and Al-Idrisi, however, have highlighted the importance of agriculture as the Shudra community's main source of income. Their study has revealed similarities and variations in farming methods, economic structures, with societal roles between their results and those of their European counterparts.

We may learn a great deal about the intricate interactions between socioeconomic dynamics, cultural traditions, and environmental elements that influence agricultural practices as well as food systems in a variety of landscapes by contrasting the agricultural structures of other groups and locations.

**Feudal Land System**

From the ninth through the fifteenth centuries, the Feudal Land System governed a large portion of medieval Europe on a socioeconomic and political level. The main focus of this system was how various social classes—princes, nobles, clergy, and peasants—were distributed in terms of land, power, & resources. This idea is explained in more depth below:   
Approximately from the ninth to the fifteenth century, the Feudal Land System was a sophisticated system of social organization that was common across medieval Europe. This complex structure was defined by the distribution of land, power, and riches among many social classes, most notably the king, nobles, clergy, and peasants. In the Yajnavalkya and Brihaspati Smritis, the concept of land rights is articulated across four distinct orders pertaining to a single piece of land. These orders delineate the hierarchy of benefactors involved in land ownership and cultivation. According to these texts, the hierarchy is structured as follows:

1. **Mahipati (king):** At the apex of the hierarchy is the king, who holds ultimate authority over the land. The king's role is to administer and oversee the distribution and management of land resources within the kingdom.
2. **Kshetra Swamiji (owner of the field)**: Next in the hierarchy is the owner of the field, who possesses legal ownership rights over the land. This individual is responsible for managing and overseeing the cultivation and utilization of the land.
3. **Krishak (cultivator):** The cultivator, or farmer, occupies the next position in the hierarchy. This individual is tasked with the actual cultivation of the land, working the soil to produce crops or other agricultural goods.
4. **Arthashakra:** The Arthashakra represents an economic intermediary or financial agent involved in the transactional aspects of land ownership and cultivation. This role likely involves aspects of taxation, trade, or financial management related to the land.

The act of gifting land, which prepared the way for the development of rights based on class and semi-tenancy agreements, is also covered in these writings. In the end, this custom helped zamindars—individuals or organisations given considerable land rights by the governing class—to come into being. Zamindars were basically landlords or rent collectors, and they frequently made their living on the produce or money the land produced.

Agrarian cultures eventually saw the emergence of discrete social classes as a result of the land-grant process and the ascent of zamindars, especially starting in the ninth century. The majority of the agricultural labour force, the peasants, were finding it more and more difficult to pay the zamindars' outrageous levies. Peasants were frequently made vulnerable and marginalised in the social order as a result of this economic burden.

Furthermore, peasants saw worse living circumstances and exploitation as zamindars gained greater privileges and rights in the land. The relationship of power between zamindars and peasants grew more imbalanced, with the latter controlling a disproportionate amount of resources and territory. Agrarian communities and the rise of zamindars were greatly influenced by the hierarchical system of land rights and ownership outlined in the Yajnavalkya and Brihaspati Smritis. A major socioeconomic consequence of this process was the marginalization along with the exploitation of villagers within the framework of the feudal regime.

A robust economy was facilitated by the widespread use of gold coinage throughout the Kushan and Gupta eras. But as time went on and the sixth century approached, these gold coins became less and less common. Despite this downturn, Punjab and the Indian subcontinent's northwest regions became prominent centers of currency manufacture, outpacing other areas in output by the year 1000 AD. Interestingly, during this time, Kashmir also had a big impact on currency circulation.

The widespread agricultural techniques of the era can be blamed for this rise in currency output. The foundation of the economy was agriculture, which needed significant investments in metals along with money to maintain output. Coinage was another way that the king's might and authority were demonstrated. As a sign of their sovereignty, kings were traditionally granted the only authority to manufacture coins bearing their name. This rule seldom saw exceptions, and when they did, it was usually due to unusual circumstances.

However, with the decline in commercial activities, there was a notable shift away from coinage towards alternative economic practices. Land grants gained prominence as a means of economic exchange, gradually replacing the traditional currency-based transactions. Commodities and bartering became more prevalent methods of trade as the reliance on coinage diminished. This transition reflects the dynamic nature of economic systems during this period, influenced by various factors including changes in trade patterns, agricultural practices, and political dynamics.

**Pre-medieval Period**

Pre-medieval times, often known as the Dark Ages or the Early Middle Ages, essentially correspond to the period between the fall of the West Roman Empire in the fifth century AD and the start of the high medieval era in the eleventh century AD. Significant political, social, and cultural shifts have occurred throughout Europe over this time, yet there have also been several classical traditions that have persisted.

* **Political Disintegration**- After the Roman Empire fell apart across the West, Europe went through an era of political disintegration. Tribal communities and decentralized kingdoms replaced the centralized power of Rome. On the remains of the Roman Empire, many Germanic tribes, including the Franks, the Visigoths, and the Ostrogoths, built their kingdoms.
* **The conversion to Christianity**- Europe had a large conversion to Christianity throughout the pre-medieval era. The Roman Catholic Church evolved into a powerful institution, bringing stability and solidarity in the face of political change. Monasteries developed into hubs of scholarship and culture, disseminating Christian ideas and conserving information from the classical world.
* **Feudalism and Manorialism**- During this time, social and economic systems changed. Feudalism, a hierarchical structure of land ownership along with allegiance, gave rise to manorialism, a system in which peasants farmed the land held by lords in return for protection. A complicated web of responsibilities and allegiances connecting lords and vassals was developed by the feudal system.
* **Cultural Interaction**- While centralized authority declined, cross-European cultural interchange persisted. Knowledge from the ancient world was preserved and spread by the Byzantine Empire across the East and the Islamic civilizations across the Mediterranean region. Through missionary work and pilgrimage routes, the growth of Christianity also promoted cross-cultural interaction.
* **Viking Invasion and Growth**- The emergence of Viking attacks and their extension from Scandinavia occurred throughout the pre-medieval period. With the help of their longships, the Vikings were able to quickly and destructively assault European shores, upsetting commerce and causing havoc. In due course, the Vikings settled in places like Greenland, Iceland, and possibly North America.
* **Innovation in Technology**- Although the Dark Ages are seen as a time of decline, there were actually a number of important technological advancements made during this period. Productivity in manufacturing and agriculture improved with the usage of watermills and windmills. Military and economic achievements were also aided by improvements in metallurgy and shipbuilding.
* **Art and Literature**- Oral traditions were at their height in the pre-medieval age, while written literature was in decline compared to the classical period. The composition and oral transmission of epic poetry like the Frankish "The Song of Roland" and the Anglo-Saxon "Beowulf" Artistic manifestations demonstrated the period's inventiveness and workmanship, especially in the form of metalwork and illuminated manuscripts.

Before the Middle Ages, monetary trade occurred in regions of Central & North India, such as Rajasthan, Malwa, and Gujarat. Trade was mostly carried out by land and water in the pre-medieval periods. India's Brahmo trade, which entailed the land-based transportation of necessities like salt, spices, and textiles, was thriving due to its import and export of products through China, Russia, and Arabia. India and the Brahmo nations continued to have close trading relations. For instance, South India supplied other countries with marine fish, teak, sandalwood, the colour indigo henna, gold, and valuable stones.

**Exchange of Commodities**

The evolution of human civilization can be traced back to a fundamental concept: continuity. At its core, this concept embodies the idea of individuals possessing certain resources or goods and engaging in transactions with others to fulfill their needs and desires. In its simplest form, this exchange of goods, commonly known as barter, laid the groundwork for the earliest manifestations of commerce and trade.

In this primitive system, individuals possessed certain goods or resources that they could offer in exchange for items they required but did not possess. This direct exchange of goods formed the basis of early economic transactions, enabling individuals to obtain necessities such as food, tools, or shelter through mutual agreements with others in their community.

The concept of barter highlights the innate human propensity for cooperation and collaboration, as individuals recognized the benefits of exchanging surplus goods or resources with others to fulfill their diverse needs and preferences. Through this process, communities were able to allocate resources more efficiently, fostering social cohesion and enabling the emergence of specialized roles and skills within societies.

Moreover, the practice of barter facilitated the dissemination of goods and ideas across regions, leading to the development of networks of trade and cultural exchange. As communities interacted with one another, they not only exchanged material goods but also shared knowledge, customs, and technologies, contributing to the enrichment and diversification of human civilization.

In essence, the evolution of human civilization can be viewed as a continuous process shaped by the exchange of goods and ideas, with barter serving as the foundational mechanism through which individuals established social connections, facilitated economic transactions, and propelled the advancement of societies over time.

**The Upasana**

In the pre-medieval Indian economic system, Upasana represented a comprehensive view of wealth creation and distribution. Upasana promoted a balanced approach where economic activities were considered as essential components of spiritual practice, in contrast to contemporary economic paradigms that frequently prioritise material acquisition and profit maximisation.

The Upasana school placed a strong focus on Dharma, or moral behaviour, in business dealings. It was expected of traders and merchants to conduct their business with morality and ethics. It was crucial to maintain integrity, fairness, and honesty in order to make sure that business transactions were both ethically right and lucrative. Moreover, Upasana promoted social responsibility among business players. Rather than being seen as a goal in itself, accumulating wealth was seen as a way to better the community and advance the well-being of society at large. Rich people were inclined to practice philanthropy, charity, and donations to religious organizations, which served to emphasize the connection between spirituality and riches. Pre-medieval India's economic structure understood the value of environmental protection and sustainability.

Ecological balance & resource protection were the guiding principles of agriculture, the foundation of the financial system. Rotating crops, watershed management, & forest protection were among the key practices that kept the land fertile and guaranteed long-term prosperity.

Throughout history, commerce, industry, agriculture, and animal husbandry have been the main sources of the economy. Even in the pre-medieval era, these activities were essential for the prosperity of the society. However, coins were scarce, leading to the deterioration of towns. The situation improved as coin circulation increased. On the other hand, the decline in trade, commerce, and industry adversely affected the status of merchants, craftsmen, classes, and guilds.

**Conclusion**

Agrarian communities and the rise of zamindars were greatly influenced by the hierarchical system of land rights and ownership outlined in the Yajnavalkya and Brihaspati Smritis. A major socioeconomic consequence of this process was the marginalization along with the exploitation of villagers within the framework of the feudal regime. Europe saw significant change and transition throughout the pre-medieval era. It was marked in some ways by political unrest and cultural deterioration, but it also created the conditions for the rise of mediaeval Europe and the resurgence of scholarship and civilisation in the decades that followed.

In the pre-medieval Indian economic system, the idea of Upasana represented a comprehensive strategy for riches and success, combining material pursuits with social obligations and spiritual principles. Upasana established a foundation for a fairer and more peaceful society by prioritising social welfare, environmental sustainability, and ethical behaviour. In this society, financial riches were viewed as a tool for achieving higher spiritual goals.

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