Chapter – 4

Guiding Principles and Management of Guilds
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The guilds were unaffected by the outer influences and were completely closed groups which were having their own administrative machinery and rules and regulations. Unified internal organization counterbalanced the strong and consolidated external organization of guilds which finally resulted in its long standing and widely popular existence in ancient India. The formalities concerning the formation of a new guild were included in the internal organization of a guild, its set of administrative machinery and its relation to the state. The complete picture of guild constitution was given by the legal literature, combined with other secular literature and epigraphs.

The nature of guild was economic and was composed of divergent elements. Organization of a guild rested upon the mutual confidence among the various units was the central point. “Mutual confidence having first been established by means of the ordial by sacred libation, by a stipulation in writing or by empires, they shall set about their work was admitted and enjoined by the Brhaspatismrti. ¹

The corporation which the members decided to form could not be easily dissolved or damaged because it was inspired by the Kosa (liberation) which was the means of inspiring mutual confidence for binding the parties by an oath. This ordial has been referred to by Narada ² and Yajnavalkya ³ as being employed in judicial proceedings also. After drinking three mouthfuls of water a defendant could have himself exonerated from any blame and the image of the deity whom he held sacred and worshipped was immersed. If any misfortune happened within a week, it was considered as a proof of his guilt. Otherwise, in the present context a worthy member of the guild and considered to be pure and innocent. Some sanctity was attached to the oath which was formulated for binding the constituents into one unit through the device of sacred libation. “The ordial of ‘kosa’ alone should be offered in cases of securing confidence when there is suspicion, always at the time of partition among members of the same family and when several persons do one act in a body ⁴ was the

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¹. कोषान लेखकायमा महायाजया परस्परप्र. विशालां प्रयम्यं कृतं कार्योपनयन्त्यत ॥ Brh. XVIII, 7.
². Narada, I, 326-332.
⁴. शाह, Kat, V, 415.
statement of Katyayana. Therefore, the kosa was, an oath which was solemnized by
the intending members in a very sanctimonious way.5

The basic agreement incorporating rules and regulation, duties and functions
etc. were referred as Lekhakrya of the guild to which all the members should
subscribe. The virtual backbone of a guild was constituted by this only. The time,
place and method of work which a particular guild was to undertake should be
reduced to writing6 was suggested by Kautilya. The agreements entered into by
members of any association among themselves shall be valid even though entered into
in private7 was laid by Kautilya. The agreements must be reduced to writing for
further reference in the mutual dealings of the corporation members. “Whatever are
declared as the conventional usages of the association of traders, of guilds of artisans
and groups of Brahmanas and the like, means of proving them are documents, neither
ordinal nor witnesses”8, was also enjoined by Katyayana. Each member had to
subscribe to it after looking into all its clauses and, thereafter, acquiring the
membership of the guild, he desired. And it was the most important factor.

The faithfulness and propriety of a particular member were testified by a well
known man Madhyastha. Madhyastha stood for middleman. In arbitrating any dispute
that might have arisen or likely to emerge after the formation of a guild9 the presence
of Madhyastha was necessary. But the meaning thus suggested does not find favour in
the present context. Brhaspati stated that Madhyastha as one of the means of inspiring
mutual confidence among members before the formation of a guild. Therefore, it
seems more reasonable to regard madhyastha as a middleman guaranteeing the
sincerity of the intending members.10 For the establishment of a new guild, the
previous sanction by the state was also necessary11 was stated by Sukracarya. The
apprehension of Kautilya regarding the possibility of these organizations dividing the
allegiance of the subjects12 was the result of that injunction. A new guild was
organized, after establishing confidence among the members by the above mentioned

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6 . निरिद्धित कालकाय च कर्म कुरु, अनिद्धितकाल कार्यविलारम् | Artha, 11, 14; IV,1.
7 . सार्थव्रजस्म्यवाद चारणमहेत्रवणय चमणसारणप्रकुत: सिहंग्रेष्य | Ibied, III, I.
8 . पूर्वश्रीणीचाहिनां या सिधिद: परिशोकिता।
       तद्यथासु साधन लेखय न दियय च साशिन II- kat, V. 225
9 . EIEH, p. 563.
10 . Se also C.L.A.I., p. 15.
11 . नवसमाज ज्ञेय निगम जातिरूपम्।
       अस्वामि—नाथिक धम संसाह नमनेवनम् II Supra, I, 305.
methods and seeking royal permission for its formation. Each guild had an objective before it which had to be in accordance with the sacred law in the interests. According to Narada “the king shall prevent the srenis from undertaking such acts as would be either opposed to the wishes of the king or contemptible in their nature or injurious to his interests”. He also adds, “Mixed assemblages, unlawful wearing of arms and mutual attacks between these persons shall not be tolerated by the king”.

Naradasmrti’s commentator Mitramisra, gives a few examples to illustrate this point in Viramitrodaya. According to him, if the sreni has any objectives such as, “we should ask the subjects not to pay taxes to the king”, “we shall always go naked”, ‘we shall gamble”, “we shall visit prostitutes”, “we shall drive at excessive speed along the public road”, “we shall worship at the places were sakhotaka grows”, then the king should immediately liquidate them. The objective of the sreni must be consistent with the injunctions of the sacred law and the regulations laid down by the king, sated by Yajnavalkya.

The Managing Committee

Sreni was headed by a President or Headman. Karyacintakas or samuhahitaradinam were the executive officers who assisted the headman.

The head of the guild

Each guild functioned under a leader designated variously throughout ancient literature and epigraphs. The terms jetthaka, sethi, pamukha, sreni mukhya, mahattara, mahara, pradhana, mahasresthi, mahaganastha, raja, pattalik.

13. नानुकुल च यदार्रा प्रत्यक्षमं च मतः। वाधक च यद्या तत्तत्त्वमाय विनियोतः II Narada X, 4.
14. स्मिष्टं संघात्करणमहितं शरसाध्यायम्। परस्यस्योपायं च तेषां राजा न मर्यातेषां II Ibid, 5
15. viram, p. 428.
16. कर्त्तव्यं वचनं सर्वं: समृहितालितनम् ही च च: पञ्चं वा कार्यं: समृहितालितिन:। कर्त्तवं वचनं तेषां ग्रामस्थिणेणादिति:।
20. Ram, II 26, 14, VI, 127, 4, 27”; Mbh, XII 59, 49.
etc. denote the leader of the guild. After that profession he was generally named such as, malakara jetthaka\textsuperscript{28}, kammara jettaka\textsuperscript{29}, vaddhaki jetthaka\textsuperscript{30}, corajetthaka\textsuperscript{31}, tailika raja\textsuperscript{32}, telipatel\textsuperscript{33}, kallapala mahattaka\textsuperscript{34}, malika mahara\textsuperscript{35} etc. The headman known as satthavaha jetthakah generally organized the caravan of merchants. The experienced merchant having knowledge of the route through which the caravan had to march jetthaka\textsuperscript{36} was appointed while on the way, he claimed full obedience from his fellowman.\textsuperscript{37}

However it was not possible to distinguish that his post was elective or hereditary. By the unanimous election the member having distinguished position by virtue, captured the post of the jetthaka. But actually, he owned this office on account of his professional capabilities only. Thus his mastery over the craft ultimately was responsible for conferring upon him the headmanship. The \textit{Suci jataka}, were informed that; “A blacksmith capable of making a perfect needle which was carefully polished with emery would be judged to have passed as a mater and might be chosen to succeed the head of the districts’ blacksmiths on the latter’s death”.\textsuperscript{38} General assembly (samuha)\textsuperscript{39} choose him. A guild president of Benares was known to be rich, wealthy, opulent, having rich possessions and property, large treasures and granaries, abundant gold silver and other resources.

The principal smith of the suci jataka was ‘a favourite of the king (rajavallabha) rich and of great substance.\textsuperscript{40} Special joyous birthday was celebrated on the occasion of the birthday of his first son. Garlands and ointments, drinks, food, perfumes, oil, ghee and drinks floured like a stream. This was all done just to inform the guild president that there was some urgent state business to be done and that he should come at once.\textsuperscript{41} \textit{Bohhisattva} was described as the head of the guild possessing

\textsuperscript{33}. JASB, 1914, No. 26, p. 241.
\textsuperscript{34}. Ep. Ind, vol. I, No. 21, p. 166.
\textsuperscript{35}. Ibid., No. 20, p. 160.
\textsuperscript{38}. Ibid., vol. III, No. 387, p. 181.
\textsuperscript{40}. Jat, vol. III, No. 387, p. 181.
\textsuperscript{41}. Maha, vol. III, pp. 402ff.
a large estate. He always followed the percepts of almsgiving and shared his opulence with others.42

Avishahya was another head of the guild with liberality, modesty, morals, sacred barning, spiritual knowledge and humility43 as their virtue. Thus, this proved that the virtuous, learned, prosperous and affluent man was the head of the guild. According to Brhaspati that a person who was acquainted with the veda (Vedadharmajna), able (daksah), sprung from noble families (kulodbhavah), honest (sucayo) and efficient in all kinds of business (sarvakaryepravinah) should be selected to be the head of the guild.44 The srenimukhyas exercised important powers in the state. A jetthaka was made the treasurer of the kingdom.45 The uraga jataka records that two heads of the guilds were appointed as mahamatra in the service of the king of Kosala. He took part in the coronation and consecration of the king.46 Bharata returned back from Kekaya on the death of Dasaratha, he was intimated that his own people, the heads of guilds (srenimukhya) and the king’s people were waiting for him to consecrate him to the throne.47

In the Yuddhakanda Srenimukhya went out, along with the ministers, to welcome Rama back home after his exile.48 He was an important elite in all the popular assemblies convoked by the king.49 He exercised a moral control on the state as is explicit from the remark of Duryodhana who, after being defeated by the Gandharvas could not dare to return back to his capital and face the heads of guilds chief in the political scene of the country is also explicit from the injunction that the creation of disaffection among the leaders of the corporations of enemy leads to his destruction.50 Srenimukhyas should neither be permitted to quarrel among themselves nor be allowed to present a united front.51

42 . Jatakamala No. IV, p. 25.
44 . Brh, XVII, p. 9.
46 . Ram, II.
47 . Ibid., 73.2.
50 . भ्रमण तत्त्वकृतं दीर्घविनिः शास्त्रशब्दलेखनेन च II – Mbb., XII, 59, 49.
51 . भ्रमण तत्त्वकृतं दीर्घविनिः शास्त्रशब्दलेखनेन च अमायान परिषेत भेदसंगायलोकविं II – Mbb., XII, 140, 69.
Commercial transactions were headed by him. The king is known to be summoning the master carpenter to give money for building a great hall\(^{52}\) in the Mahamagga Jataka. Guild rules and the secured privileges and rights of the members were applied by him. When the monster fish attacked the caravan, the leader save the life of the members of the caravan.\(^{53}\)

In the Kulavaka jataka, the head of the guild, came to rescue the whole guild from being trampled down under the elephant on the orders of the king.\(^{54}\) Parallel references are not wanting where the whole guild was destroyed by the folly of the jetthaka.\(^{55}\)

**The Executive Committee**

Besides the headman, two, three or five members of the guild formed the executive committee.\(^{56}\) *Karyacintakas* or *samuhahitavadinam* the executive officers were nominated. As a corporation consisted of a large number of members of diverse opinions and idiosyncratic, it was almost impossible to obtain unanimity of decision upon any point. Hence, there arose the necessity of appointing a few representatives, councilors or advisors.\(^{57}\)

The Executive Officers had to meet certain requirements which were as follows:

Councillors were those who harnessed in the veda and acquainted with its teachings, honest and not avaricious, should be councilors.\(^{58}\) Persons who were bashful, indolent, malicious, dissolute, timid, avaricious, too old or too young were never chosen as councillors.\(^{59}\)

However, who was to appoint the Executive officers was specifically mentioned. But it seems more probable that they were elected by the members themselves and not appointed by the king. The fact that the general assembly

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\(^{52}\) Jat., vol. VI, No. 546, p. 427.
\(^{55}\) Ibid., vol. IV, No. 466, p. 161.
\(^{56}\) Brh., XVII, 10.
\(^{58}\) वेदान्ताभासके भवन्तिष्ठ: काय्यचकि:।
कार्तव्य लयनं दह्नं समुपसग्निह पापिनातः।
II – Yaj, II, 191.
\(^{59}\) विद्याधिकार्याभासिकः सतांलोक शासीपाच।
लघुसति: साधनं न काय्य: काय्यचकि:।
II Bch., XVII.
(samuha) could punish them, in case they violated the constitution or acted contrary to the interests of the sreni, also supports this contention.60

The Executive affairs really managed the affairs of the guild. These officers were entitled to a complete obedience from the members.61 Those who defined their orders were to be punished with the first amercement.62 The first amercement is defined by Manu as a fine of two hundred and fifty panas.63 Brhaspati says, “If, however, these heads combine through malice or greed to injure any single member of the community, the king, coming to know of it, shall restrain them and punish them in proportion to the injury”.64

The authority of the king was invoked in such cases to protect the helpless members. All that the king could do in such cases was to try to bring about a conciliation. As Brhaspati puts in: “when a dispute arises between the head and the corporation, the king shall enquire into it and keep both of them to the right path’.65

General Assembly

A number of members functioned under this efficient managing committee. Only in the Jatakas, villages consisting of 100 or 500 or even 1000 carpenters or smiths or fishermen are referred to.66 Dr. Fich summarize the possibility of a limitation of the size of the guild.67 But the view is hardly tenable in view of other references of villages containing 1000 families pursuing a single craft.68

The general qualifications for membership of the General Assembly in Brhaspatismrti, the member should be of a noble parentage, clever, intelligent, conversant, active, expert in income and expenditure, honest and brave and should not be in competent, indolent, diseased, unlucky or destitute.69 The caste was no bar for

60 . Srivastava, G.P., Traditional Forms of Cooperation in India, p. 33.
62 . कर्त्येऽवस्तु राज्यं च हि समुद्धितवयविद्यानि।
यस्तं विद्यवेदं स्थानं से दायं महतं दसम् इति Yaj, II, 188.
64 . व्या कुलपूर्वकवेद दृष्टं समुद्धितं देशसंस्थुः।
राज्ये विनिवेशादिक शास्त्रार्थार्थमिथतम्।। Ibid., 19.
65 . मुक्तीं सह समुद्धिनां विकर्षणो यदा भवेत्। लाधि विषाणिद्रा राज्यम् व्यवेशति तानं।।
69 . Artha., II, 1.
the membership of a guild. But, sometimes membership was confined to a particular locality. Kautilya was opposed to the entry of a local ones, into a village.70

New member was admitted only after establishing a mutual confidence by the above mentioned methods. Mitramisra clearly mentions that the inclusion of a new member in a sreni and also the exclusion of a member from its fold dependent upon the general assembly.71

The assembly was supreme and every decision of the guild depended upon its unanimous approval. The Vivadchintamani explains ‘pragata’ occurring in this verse of Katyayana as; “One who has obtained admission and has not been invited to join”.72 It draws a distinction between members who have joined by invitation and those who have become members by application.73

Assembly Hall

The general meeting of a sreni was usually held from time to time in its assembly hall (sabhagrha) for transacting business and they seem to have drawn up rules regarding attendance, which required the king’s approval.74 Each member enjoyed a secured life within a guild and in case, he found himself involved in any unpleasant situation, the guild concerned always came to this rescue. The guild of which he was a member rescued him and he was released on bail offered by his guild till such time as sufficient proof could be obtained in his favour.75

General assemblies every member was responsible for its conduct. The general body investigated his conduct and, if he was found guilty of negligence or deceit, he had to take an oath for good conduct in future or undergo some ordial.76

Privileges of members

Certain powers were enjoyed by the members of guild assembly. Amercement77 was paid if a member opposed what was reasonable on who gave no
attention to the speaker when the group met or who spoke what was absurd. On the basis of statement of Katyayana, Dr. Majumdar stated “Regular speeches seem to have been made in the assembly and the idea of the liberty of speech was probably not unknown”. But the passage does not seem to convey the sense of the expression ‘right of speech’. There seems to have been no restriction upon any member while speaking reasonably and in a proper way and also at the proper time.

The injunction was, in all probability, devised to ensure the smooth working of the guilds. In case a member proved inefficient then the person having power to appoint a substitution, the next privilege was enjoyed by them. The improper discharge of duties determined the inefficiency of a member. A member was considered to be inefficient if he deferred his share of work without assigning any genuine reason or caused loss in the execution of the work. In such case, the corporation had the right to appoint in his place another capable member so that the work could be completed in time.

The next privilege was the right to remove the chief of the corporation. Kautilya states that a spy could accuse the chief in their assembly and adds that, “If the corporation punishes the chief”. It clearly points to the power enjoyed by the assembly to punish the chief. Kautilya does not mentioned that these cases should be referred to king. But, Brhaspati was of the opinion that, in cases of disputes between a guild and its chiefs, the king was to decide it and force them back to their duty. Katayana is even more rigorous in dealing with the guilty chiefs, he says “he who is guilty of sahasa (a heinous crime) or who destroys the wealth belonging to the group all these should be proclaimed to the king and destroyed by the group; this is the view of Bhrgu”.

Yajnavalkya’s injunction that, “He who embezzles the property of gana as also he who violates their usage, the king should deprive such as one of all his effects and
banish him from the realm\textsuperscript{85} and further comments that the removal of the chief officers was the proper function of the assembly (mukhyadardane samuhasya vadhikarah).\textsuperscript{86} Manu where it is enjoined upon the king to banish the person who violates his agreement with a corporation.\textsuperscript{87} In the same breath, he quotes a passage from the Brhaspatismriti stating that one who malicious, a back-biter, a sour of dissension, given to violent deeds, or inimically disposed towards the guild, the corporation or the king, shall be banished from the community.\textsuperscript{88}

To this he adds, “to be expelled from the place of the assembly, i.e. by the assembly itself. It cannot be argued that this interpretation is wrong in as much as the assembly has no right to award punishment, for the passage from Katyayana conclusively proves that it is the assembly only which has the right to punish the Executive officer’s”.\textsuperscript{89}

Another privilege of the members was the enjoyment of equal proprietary right. All shared equally what was saved or borrowed or obtained by royal favour.\textsuperscript{90} Any embezzlement of common property has to cover the loss.\textsuperscript{91}

\textbf{The guild and state}

Considerable decentralization of administration was witnessed in Ancient India. Besides the towns and cities, corporate constitution in certain special spheres.\textsuperscript{92}

In the \textit{Nirodha Jataka} we are told that the king of Magadha wished to bestow the office of the commander-in-chief on \textit{pottika}, but he refused to accept it. Before this no such office had existed, but from now onwards this office continued to exist. The \textit{Bhandagarika} seems usually to have been a very rich man and is sometimes mentioned to have possessed 80 crores.\textsuperscript{93}**

\textsuperscript{85} Yaj., II, 187.
\textsuperscript{86} Viram, p. 428.
\textsuperscript{87} Brh., XVIII, 16.
\textsuperscript{88} Brh., XVII, 22; Kat., V. 677.
\textsuperscript{89} Jat., Vol. I, No. 78, p. 349.
\textsuperscript{90} Brh., XVII, 22; Kat., V. 677.
\textsuperscript{91} Jat., vol. IV, No. 495, p. 37.
\textsuperscript{92} Jat., Vol. I, No. 78, p. 349.
In Jataka literature no other information was there regarding this officer. It has been speculated that the office originated in view of the occasional squabbles arising among the guild chiefs.\textsuperscript{94} Two of the jataka record the quarrels that broke out between the foreman of two guilds.\textsuperscript{95} The term \textit{Vicara} alludes more to the settlement of matters concerning bhandagara than to disputes among the guilds.\textsuperscript{96}

\textit{Setthi}, another officer about whom we find the reference in the early Buddhist literature as well as inscriptions. Setthi is a \textit{pari} (language) word which denotes a treasurer, a banker, a cityman, a wealthy merchant and a foreman of a guild.\textsuperscript{97} In the Jatakas, the wealth of Anathapindika, a \textit{mahasetthi} has been described as \textit{AsitakotiVibhavo} (eight hundred millions).\textsuperscript{98}

From the very Jataka, we learn that Anathapindika extended his borrowings to small peasants and traders with limited resources.\textsuperscript{99} In the Apadana sataka, a young banker (setthiputta) was visited by various craftsmen and merchants either for securing job or for selling their wares.\textsuperscript{100} At the same time, the setthi had to attend to the king daily.\textsuperscript{101} In the \textit{Anguttara Nikaya}, Bimbisara was requested by the king Pasenajit of Kosala, the king of Magadha to send him a setthi for appointment as nagar-setthi of saket. Bimbisara sent Dhananjaya of Bhaddya for appointment to this post.\textsuperscript{102} The appointed setthi had to seek the king’s permission before bestowing his money in charity\textsuperscript{103} and wealthy householders were conferred the office of the treasurer (setthithanam). Within the jurisdiction of the king\textsuperscript{104} disputes arising between them fell.\textsuperscript{105} Therefore, it is conjectured that, because of the setthi’s close association with different guilds as financier and stockiest and with royal courts as well, he acted as a judge in the disputes arising between headman of different guilds.\textsuperscript{106} For instance, mercantile operations were brought under the director of

\begin{footnotes}
\item[95] Jat., vol. II, No. 154, p. 12; No. 165, p. 52.
\item[96] El. E.H., p. 555.
\item[97] Pali-English Dictionary, P.T.S., p. 181.
\item[98] Jat., vol. I, No. 78, p. 349; No. 131, p. 466; vol. III, p. 188.
\item[99] Ibid., Vol. I, No. 103, p. 412.
\item[100] Apadana Sataka, ii, pp. 357 ff.
\item[102] Anguttara Nikaya I, 7, 2.
\item[106] Davids, Dhys, op.cit., p. 865.
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bills. The records in writing, the names of the traders, the place they hailed from, 
the extent of merchandise they brought and the name of place where their identity 
passes were issued or the stamping was done by the collector of customs and tolls and 
receiver of duty. Those who tried to evade custom duty or indulged in cheating were 
heavily find.

The guilds of weavers were under the superintendent of weaving (sutradhyaksa). The weavers were supposed to increase the weight of the thread in proportion of 10 to 11 by soaking the thread in rice gruel. An increase in the weight in case of silk clothes was to be in proportion of 1 to 1½ and in the case of woolen garments 1 to 2. Any loss in length was to be punished by a deduction from wages and a fine amounting to twice the loss incurred. Any loss in weight was to be punished by a fine equal to four times the loss. Substitution of yarn was to be punished with a fine equal to twice the value of the original.

Goldsmiths craft was controlled by a special department presided over by suvarnadhyaksa. Goldsmiths, who purchased silver and gold without informing the government office and from people of suspected integrity without changing the form were to be fined 12 panas. The fee for the manufacture of articles of copper, brass etc. was 5 per cent.

Trying to take possession of it in secret, was punished with 1000 panas. The city superintendent supervised over this work. The dangerous nature of the disease of the patient was informed by the physicians (bhisaja), if the patient did, he was punished with the first amercement. The physician was subjected to the next amercement, if the patient died from sheer carelessness. Growth of disease due to the negligence of a physician was regarded as an assault.

Musicians (gandharvas) also came under the penal law, they were to stay in a particular place during the rainy season, failing which they were fined with 12 panas.

108. Ibid., III, 21.
109. Artha.
110. Ibid., II, 23.
112. Ibid., IV, 1.
113. Artha., IV, 1.
114. Ibid.
Mendicants were to receive for an offence, as many lashes with an iron rod as the number of panas imposed on them.115

Narada enjoins, “whatever be their customs, or activities or rules of attendance or means of living – the king shall approve off.”116 To this Brhaspati adds; “whatever in shape of favour or punishment is done honestly by these heads, should be approved off by the king also”.117 But the Dharmasastras enjoin the state to arbitrate in their internal disputes and regulate their relations with the outside world.118

The king was also expected to ensure that they conformed to their conventions and usages.119 Whatever trade conventions are considered suitable by the traders and reduced to writing they must be given effect to and the king should not do any thing contrary to them.120 Any deviation from the established path made it incumbent upon the king to annul their decisions and bring them to their duty through punishment or reconciliation.121 In judicial matters also, although those guilds had their independent sphere, yet any member could appeal to the king if he felt dissatisfied by the decision of the guild court. In case the king himself regarded their decision as unfair, he had every right to nullify it.122

The king also imposed restrictions on their autonomy and enjoyed the prerogative of taxing these institutions according to his own will. Normally, each article they manufactured or treaded in was taxed which they paid either in kind or in money.123 The king was free to tax them as he pleased and “A traders’ guild whose members conspire to cheat the king of the share due to him from their trade profits shall be compelled to pay eight times as much and shall be punished if they take to flight”.124 Kautilya has suggested several ways of fluing them in times of financial

115. Ibid.
118. Narada, X, 4-5, 7; Brh, XVII, 19.
119. Manu., VIII.41; Yaj II 192; Brh, V, 16; Narada X.2.
120. Brh., XVII, 18-19; Brh, XVII, 21.
122. Brh, XVII, 19; Divyavadana, pp. 36-37.
bankruptcy. But the Mahabharata warns against the tendency to tax them too
heavily as their disaffection would be a calamity to the state.

State fabric was the indispensable factor considered by the srenis. Whenever the executive officers of the guild whenever they approached for some business of the guild the king expected that they will honour and bestow gifts on them. The gifts offered by the must have been considerable for Brhaspati makes a special mention of it in the list of incomes of a guild. The influence of guilds in the state fabric was considerable since they were big tax-paying institutions. They were indispensable elites on all important state occasions. Infact, Kautilya prefers the land with scattered people in comparison to one with a corporation of people because he considered the latter to be susceptible to anger and intolerant towards enemies.

**Guild Funds**

The guilds were fairly wealthy institutions in ancient India. From the Arthasastra we learn that the artisan guilds possessed bars of gold or gold in coins which could be loaned to merchants. Kautilya also devised methods for making heavy recoveries from merchants, artisans, dramatists, prostitutes etc. which in itself testifies to their opulence. And also he includes the revenue paid by the guilds as one of the major sources of the state’s income. The guilds performed multifarious works at their own expense. From epigraphic sources we learn that the ivory workers of Vidisa were in a position to offer one of the four monumental porticoes of the great stupa of sanchi in the 1st cen. A.D. The silk weavers of Dasapura were able to erect a temple dedicated to the sun at their own expense and also provide for its necessary repairs thirty five years later.

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125. Artha., V. 2.
126. Mbh, XII, 87, 15.
127. Amarakosa II, 8; Nitivakyaamrta, p. 156.
128. Yaj, II, 189-190; Kat V, 677; Trisastisalakapurusacaita, vol. I.
130. Artha, II, 4.
132. Artha. VII, II.
133. Artha. V, I.
134. Ibid, III, 14.
The source of the guild funds was derived from the contribution of individual members, the gifts from the king, the profit earned on public work, the fines imposed on those who violated the laws of the guilds and the profit from their banking functions. In the Arthasastra, Kautilya specifically mentions that the guild of workers and those who undertook any cooperative work shall divide their earnings either equally or as agreed upon among themselves.

Embezzlement of public funds was considered to be a serious crime and the misappropriator was heavily fined. Visnu says, “he who embezzles goods belonging to a corporation shall be banished”. Yajnavalkya is even more severe in this regard for he adds confiscation of property to banishment. This is in conformity with the view of Agni Purana also. There is a further provision that, those who did not surrender the money acquired from the corporation for themselves, shall be compelled to pay eleven times the amount as penalty. This reasonably explains why, inspite of the adverse situations existing in early medieval India, the guilds succeeded in maintaining their structure intact till 1200 A.D.

Legislation

The guilds were semi-states the state and claimed their own independent area of activity. The authority to enact rules and regulations to govern their own affairs and transactions is itself a testimony to their independent political status. Potent instrument in the hands of the guilds to safeguard their own rights from the oppressions of kings. Thus, the legislative authority was sanctioned by legal texts, there was not much scope for the royal authority to interfere in their affairs at will.

As a source of law the Dharmasastras sanctioned recognition to popular customs and traditions. The guilds was divided into the society as the castes were divided into various sub-divisions. Thus, side by side with the caste usages having the force of law, the customs and usages of the guilds also required legal sanction. The

139. सम्प्रदाय: सहमुखो नुपुरातारी या व्याकरणानि वेतनम् वि देण्यालेकल् II-Artha, III, 14.
140. Kat., Y. 674.
141. गणाधंश्ययागाध्यायावाच: Visnu, V. 167.
142. गणाधंश्य हरेरात्रायु सण्विन्द लड़म्याएः॥। Yaj. II, 187.
143. Agni Purana, 257, 39.
144. L.G.A.I, p. 102.
Gautam Dharmasutra lays down aphorism on this important aspect of guild organization, for the first time. He also holds the view that, while justice must be determined in accordance with the precepts of Vedas, Angas and Puranas, ‘the laws of countries, castes and families when not opposed to the sacred records are also authoritative’.  

Also he adds to this cultivators, trades, herdsmen, money lenders and artisans have authority to lay down rules for their respective classes”. Thus this statement testifies to the legal authority of the guilds representing various professions. Thus, there were certain rules of the guilds evolved for the conduct of its business and its affairs, in general and, within the limits of the sacred law, all these rules and regulations were valid.

Legal disputes arising among the guilds were to be decided in accordance with these rules only. The king give decision in a legal suit only after ascertaining the actual state of affairs from those who had the authority to speak for their groups this was charged by Gautama. Hardatta the commentator of the Gautama Dharmasutra, further elucidates that, in cases of legal disputes, the king was expected to give his decision after knowing the established laws of the community from its authorized and nominated representation who explained them in the king’s presence.

Manu recognized the guild laws, along with the country (desa), caste (jati) and family (kula). This was clarified by the Vasistha and he proclaims, “Manu has declared that the peculiar laws of countries, castes and families may be followed in the absence of rules of the revealed texts”. Srenidharma term was used by the Manu for the laws of guilds and includes it among the four categories of positive law.

He enjoins the king, familiar with the sacred law, to enquire into the laws of castes (jati) of districts (janapada) of guilds (sreni) and of families (kula) and thus settle peculiar law of each. According to this injunction, the king was authorized to look into the consistency of these laws with the sacred laws. It indirectly points to the
authority of the king to even liquidate such laws of guilds as were opposed to the sacred law. Thus the superiority of the sacred law was maintained with all care. At the same time, possibilities of a king being unfair in his judgement were eliminated by the rule that, “what may have been practiced by the virtuous by such twice born men as are devoted to the law that he shall establish as law if it be not opposed to the customs of countries, families and castes”. It is, thus, clear that the king was not all-in-all in deciding the validity of guild laws. He was himself bound by the sacred law to act justly. He could neither lay down srenidharmas to serve his personal wishes nor could he go against political and economic needs of the state.

The laws of srenis were derived from customs, traditions and usages. Within the fold of srenidharma, each guild laid down rules for commercial transactions and for the general governing of the guild. These laws were given the term samvid. It included rules and regulations binding the constituents regarding disputes, profit distribution, distribution of labour and various other functions that a particular guild was required to undertake. Under its samvid, all agreements and contracts were termed as samaya.

All these laws regulating the affairs of a guild were inserted into a document called sthitipatra in the Brhaspatismrti and, alternatively, as samvidpatra in the Katydyanasmrti.

Samvid and samaya were considered to be inviolable as they carried the moral and legal sanction of srenidharma behind them. Any violation of contracts and conventions was considered to be a breach of guild laws as is evident from Medhatithi. In his Mahabhasya, he explains how certain principal tradesmen (vanikmahattara) offered to the king his royal dues, verbally fixed, by declaring before him; “We are living by this trade, let the tax thereupon be fixed at such and such a rate, be our profits more or less”. After the king had agreed to this proposal, the tradesmen joined together to lay down certain rules intended to bring them large profits at the cost of the interests of the kingdom, e.g. a particular commodity could not be sold during a particular time. If anyone among them transgressed the rules, he

153 Manu, VIII, 46.
154 Narada., X, 1; Apastamba Dharmasutra, I, 1, 2, 2.
155 Brh., VI, 19.
156 – Kat., v. 254.
was to be punished for breach of guild laws. Similarly, *srenidharma* is explained by the *Smriticandrika* as being rules for grocers, artisans etc. within their own respective groups, such as, “this is to be sold on this day, this is to be sold by this guild only” and so on.

Thus, all rules and regulations which governed a public binding its members to be loyal to their respective shares of duties, were preserved in writing. All the members were required to solemnize it, before they started functioning as a corporate body, by the sacred libation (*kosaa*) and by written agreement (*lekhakrya*) before the arbitrators (*madhyastha*). The whole process was devised to eliminate all possibilities of a breach of contract and rules governing the guilds. It is important to note that the guild laws and conventions were applicable only when they were unanimously accepted by all the members. Rules framed in the absence of any member were not binding on him.

An anecdote, recorded in the *Divyavadana*, relates to the story of Purna, an adventurous merchant of Sopaia. One day he learnt about the arrival of 500 merchants from across the sea. He purchased all their belongings for eight lac *karsapanas*, paying three lac *kursapanas* in advance, and having the whole merchandise sealed with his own stamp. On the following day, when the other merchants despatched their middlemen (*avacarakdhpurusdh*) to buy the cargo, they were told that Purna had already purchased the entire merchandise. The middlemen charged Purna for misappropriating the common property. They told him that the *sreni*, of which Purna himself was a member, had framed certain rules according to which no member was authorized to purchase anything on his own and that the purchase could only be made on behalf of the *sreni*. But Purna objected to this on the plea that, at the time when *sreni* had framed this rule, he and his brothers were not present. But the *sreni* concerned imposed a fine of sixty *karsapanas* on him. Purna, thereupon, appealed to the king against the decision of the *sreni* and won the case.

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160. Divyadvadana, pp. 32-33.
Another important fact about these rules and regulations was that they were not to be contrary to the religious duties of the members. The *Smriticandrika* explains this point by mentioning that if there was a convention that all members of a corporation were supposed to be present in the king’s palace at a time which was laid down in the scriptures as the time for the twilight prayers, such convention should not be obeyed.

The laws and compacts thus formed were binding on all members who were expected to be firm in their observance of the same. Manu made it the moral obligation of the members to be loyal to their prescribed duties as those who followed them became dear to the people though they might be living at a distance. Furthermore, these conventions were to be observed by the king also.

The practice of having agreements on every aspect of the work undertaken must have been very essential or else they could hardly have functioned as corporate bodies in executing their work. Kautilya has specifically stated that guilds of workmen, workers employed by companies as well as those who carry on any cooperative work had to divide their earnings either equally or as agreed upon among themselves. The artisans had to state clearly the time, place and nature of work. Those, who taking shelter under the excuse that the time, place and nature of the work had not been prescribed and spoiled the work, were not only to forfeit their wages but were also-required to pay a fine twice the amount of their wages. Besides the conventions regarding prices and monopolies, there were other matters too which prompted the guilds to form compacts among themselves. Brhaspati says’ “A compact formed among village companies and *ganas* is called convention (samayakrya); such conventions must be made at times of distress and also in regard to acts of piety.” *Chandeswara*, in his commentary on this verse, explains *Samayakrya* as (i) raising a common fund by subscription during famines or for repairing temples and the like (ii) arranging to supply armed guard to every, household when danger from robbers was

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161. Yaj., II, 186; Kat., v. 668.
162. *Samajika* *samanya* *nirvikalo* *dharma* | *puh* *nirvarshini* *samasthi* *dharma* *vastunirdayanadvayataryam* *sahyadhik* *svakramapar* *pariharan* *rajadhana* *pravargan* *vam* | *yo* *na* *parihar* *tasya* *prashmadasahos* *samya* *drih* | *Sm. C.*, Vol. III, pt. I, p. 525.
163. *deshravamukte* *vayyuga* *ya* *niksrita* | *vishista* *tu* *vada* *darsana* *manjito* *raja* *manjunaya* | – *Kat.*, v. 48.
164. *svastha* *karmam* *karyitva* *duhi* *svarcakta* | *praya* *bhavato* *loka* *paato* *yo* *sah* *karbhyaprakarita* | – *Manu., VIII*, 42.
165. *karmakshetram* *pratyangraha* *duhi* *vastusramprapya* | *sankshetra* *samam* *raja* *purva* *ja* *janapade* *tan* | – *Narada., X*, 2.
166. *Artha.* III, 14.
168. *Samayakrya* | *vastubhagam* | *pratyangravrit* | *sankshetra* *samam* | *raja* *purva* | *janapade* | *tan* | – *Brh.*, XVII, 5.
apprehended and (iii) to designate persons who were to form a deputation to wait upon the king for the redress of their grievances.\footnote{169}  

It is thus clear that, besides commercial matters, all other matters which a guild had in view formed the part of the agreement. It facilitated the newcomer to know, before acquiring the membership of a guild, the share of responsibility he was required to carry out under prescribed circumstances. After joining the guild, each member was bound in his actions by the guild laws and bye-laws.

Not only the members, but even the king himself, was bound to respect and enforce these laws and compacts of guilds. \textit{Yajnavalkya} held the view that the king should maintain the peculiarities and conserve these rules of old.\footnote{170} \textit{Vihshnu} also maintains that it was the duty of the king to ensure that the four castes and the four orders performed their respective duties.\footnote{171} The legal writers of later period were more commanding and left no scope for the ruler to exercise his discretion. \textit{Narada} held the view that, “Among heretics, naigamas, guilds, corporations, troops or companies of soldiers, assemblages of kinsmen and other associations, the king must maintain the usage settled among them both in the fortified town and in the open country”,\footnote{172} and further that; “Whatever be their customs or activities or rules of attendance or means of living, the king shall approve off”.\footnote{173} But, later on, he cautioned the ruler against any custom that had an evil motive behind it or was opposed to the dictates of law and morality.\footnote{174} He enjoined the king to suppress such tendencies even though they may be a long continued one.\footnote{175}

\textit{Narada} has inserted the command to suppress such customs as had evil motives.\footnote{176} But apart from these exceptional examples, the independent character of the guilds was justified by other legal writers as well, \textit{Brhaspati} enjoined the king to preserve intact the time honoured institutions of each country, caste and family, otherwise the people would rise in rebellion, the subjects would become disaffected towards their rulers and the army and the treasure would be destroyed.\footnote{177} He also held
the view that; "When a decision is passed in accordance with local custom, logic of
the case is overruled by it"\textsuperscript{178} Katyayana also states that whatever trade conventions
are reduced to writing by traders as fit to be carried out, they must be given effect to
and the king should not do anything contrary to them.\textsuperscript{179} Thus, these later law-books
mark the transition of these guild customs and usages from a mere moral code to the
inviolable status of law. While earlier legal writers enjoined the king to respect these
usages, later writers have restrained him from exercising his despotism and have
made these customs and usages inviolable.

These usages were considered sacrosanct and because of the high moral sense
and reverence for \textit{dharma}, breaches of contracts and customs must have been very
few. The \textit{Mahabharata} records that the violation of \textit{srenidharma} is a sin for which
there was no redress.\textsuperscript{180} Even if the \textit{srenidharma} and \textit{samayyas} were violated, there
emerged a title of law for which \textit{Narada} employs the term \textit{samayasyanapakarma},\textsuperscript{181}
and \textit{Manu} uses the term \textit{sarhvidvyatikarama}.\textsuperscript{182} \textit{Manu} was also familiar with the term
\textit{samayasyanapdkarma} when he says; "I shall now declare the rules applicable to those
who violated \textit{samayas} (conventions)".\textsuperscript{183} It fell under the jurisdiction of the king to
punish the wrong-doers and to restrict their autonomy to a certain extent.

\textit{Manu} has prescribed banishment from the kingdom by the king of those who,
after having entered into a compact under oath with a village, or a country, or a
corporation, break it out of greed.\textsuperscript{184} Further, he says, having caught the violator of a
compact, the king shall make him pay six \textit{niskas} of four \textit{suvarnas} each and also one
silver \textit{satamana}.\textsuperscript{185}

In view of these two rules framed by \textit{Manu} regarding the infliction of
punishment, \textit{Medhatithi} opines that the penalty of banishment prescribed in the
preceding section applies to cases where the breach has been caused by the man's
greed, while the later section lays down the penalty for cases where the breach has

\textsuperscript{178} Brh., II, 26 (S.B.E., Vol. XXXIII, p. 286).
\textsuperscript{179} Kat., v. 50.
\textsuperscript{180} Mbh, XII, 36, 39.
\textsuperscript{181} Narada., X, 1; See also, Artha., III, 10.
\textsuperscript{183} Ibid., 219 (Ibid.)
\textsuperscript{184} Manu., VIII, 220 (S.B.E., Vol. XXV, p. 293)
been due to man's ignorance. But, according to the Viramitrodyā, Manu lays down four distinct penalties: (i) banishment (ii) a fine of six niskas (in) a fine of four suvarnas and (iv) a fine of one satamana. Which penalty is to be inflicted in a particular case shall be determined by the caste, the learning and other qualifications of the offender. Visnu also prescribes banishment from the town for breaking a compact.

The Arthasastra also prescribes punishment for those who break a compact. It says that a healthy person who leaves his work half finished shall be fined 15 panas for none shall of his own accord leave his company. Those found neglecting their share of work for the first time shall be shown mercy and given extra proportionate work on promise of proportional share from their earnings. For neglecting his work again and going elsewhere, he shall be thrown out of the company (pravādsanam), and for a heinous offence (mahaparadha) he shall be treated as condemned. The Dharmasastras, however, are not as lenient as the Arthasastra. According to Yajnavalkya, if any member of the corporation transgresses its rules, the king shall confiscate all his property and banish him from the kingdom. To this Brhaspati adds that, for a man who falls out from his associates or neglects his work, whoever he might be, a fine is ordained amounting to six niskas of four suvarnas each.

Thus for those whom morality could not bind to be true to their duty, several penal laws were maintained which made it very difficult for the members to break the guild laws and agreements. Breaches of laws and compacts were definitely few and we expressly learn from inscriptive sources that guilds undertook the contracts to last till the Sun and the Moon and the Earth endure. Even after their displacement from the place of contract, the guilds are recorded to be fulfilling their agreements.

It can thus be seen that all the members working within a guild were tied together as one unit by force of guild laws and the threat of expulsion. These were the most potent factors in restraining the members from falling out of the organization or neglecting their duties. It certainly made the members more sincerely devoted their
obligations. The loyalty of the members to their organization was very largely responsible for its smooth functioning through the centuries.