UNIT 2: ADVANCEMENT OF AGRICULTURE AND TRADE IN EARLY INDIA

Unit Structure

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2.1 Learning Objectives-

After going through this unit, you will be able to-

- Explain the factors responsible for agricultural expansion in the Ganga Valley.
- Analyze the growth and significance of trade in early India.
- Discuss the causes behind the rise of Buddhism and Jainism.
- Evaluate the social, economic, and cultural impact of neo-religious movements.

2.2 Introduction

The period between the sixth century BCE and the early centuries CE witnessed significant developments in agriculture, trade, urbanization, and religious thought in India. The fertile plains of the Ganga Valley became the centre of agricultural expansion, leading to increased production, population growth, and the emergence of towns and cities. Simultaneously, trade networks expanded both within and beyond the Indian subcontinent, connecting different regions through land and river routes. These economic and social changes created conditions for the rise of new religious movements such as Buddhism and Jainism, which challenged the existing social and religious order. The interaction between economic growth and religious transformation played a crucial role in shaping early Indian society.

2.2 Growth of Agriculture in the Ganga Valley

The Ganga Valley emerged as the most important centre of agricultural development in ancient India during the Later Vedic period and the age of the Mahajanapadas (c. 1000–300 BCE). The fertile plains of the Ganga and its tributaries provided favourable

conditions for cultivation and human settlement. The expansion of agriculture in this region transformed the economic, social, and political life of early India. Agricultural surplus supported population growth, urbanization, trade, and the emergence of powerful kingdoms such as Magadha, Kosala, and Vatsa.

- Geographical Advantages of the Ganga Valley

The Ganga Valley stretches across the northern plains of India and is nourished by the Ganga River and its numerous tributaries, including the Yamuna, Ghaghara, Gandak, and Kosi. The annual flooding of these rivers deposited fertile alluvial soil, making the region highly suitable for agriculture. Adequate rainfall brought by the southwest monsoon and the availability of water throughout the year further enhanced agricultural productivity. The fertile environment encouraged people to settle permanently, replacing the semi-nomadic lifestyle that had characterized earlier Vedic society.

The Buddhist and the Jain texts have mentioned agricultural expansion in the Ganga valley in 6th century BCE. Several agricultural similes have been found in the Buddhist text which reflect the importance and expansion of agriculture during that period. Besides agriculture, people also practiced animal rearing though land was considered the most important wealth. Plough and sickle were used in agriculture. Other agricultural implements mentioned in the Buddhist texts were Kudala (spade) and digging tools like Khaniti and Nikkhadana. Rice cultivation was the most important aspect of the agricultural production of the Ganga valley. Other agricultural crops were cereals, pulses, wheat, barley, beans, and sesame. Sugarcane was also cultivated. According to the Jaina texts, there were two types of agricultural lands (khetta). One was ‘Setu’ (meaning dam) and the other was ‘Ketu’. The ‘Setu’ land needed irrigation to cultivate and the ‘Ketu’ land depended mainly on natural rainfall. The harvested crops were stored in Kotthagaras(granaries) made of bamboo, straw grasses etc. The Buddhist texts also referred to the sale of land which indicates that the concept of private property was continued at that time.

- **Discovery of Iron**

The discovery and widespread use of iron technology played a crucial role in the agricultural expansion of the Ganga Valley and brought significant changes to the economic and social life of early India. Before the introduction of iron, farmers primarily used wooden and copper tools, which were less effective in cultivating the hard and fertile soils of the Ganga plains. The advent of iron implements such as ploughshares, axes, sickles, hoes, and spades revolutionized agricultural practices. Iron ploughshares enabled deeper tilling of the soil, improving its fertility and increasing crop yields. The dense forests that covered much of the middle Ganga Valley had earlier hindered agricultural expansion, but iron axes made large-scale forest clearance possible, allowing vast tracts of land to be brought under cultivation. As a result, new villages and settlements emerged across the region, particularly in present-day eastern Uttar Pradesh and Bihar. The expansion of cultivable land, combined with improved farming techniques and the use of ox-drawn ploughs, led to a substantial increase in

agricultural production. This increase generated surplus food beyond the immediate needs of cultivators, marking a transition from subsistence farming to surplus-producing agriculture. The agricultural surplus supported a growing population and enabled many people to engage in non-agricultural occupations such as trade, crafts, administration, and religious activities. Consequently, trade and commerce expanded, leading to the growth of markets and commercial centres. The prosperity generated by agriculture also contributed to the emergence of urban centres and the process of the Second Urbanization in northern India. Thus, iron technology not only transformed agricultural production but also laid the foundation for economic growth, urban development, state formation, and social change in the Ganga Valley during early historic India.

- **Mode of Production**

The crucial change brought about in 6th century BCE was due to the diffusion of iron. Iron diffusion and its extensive use in agriculture had a significant impact on labour productivity. Iron technology brought new forms of tools and also multiplied their numbers. It brought progress in agriculture and craft production. The change from copper to iron as the main material for making tools for the agricultural activities took place in the upper Ganga valley around or before 700 BCE. But the iron technology was not the only factor for the change. The important question was not just the introduction of iron technology but the manner in which it was used by those who wanted to establish their authority. Because, the date of the use of iron technology differed from region to region. All these regions did not show equal change in social and economic structure. In South India Iron was used prior to the Northern India. The mode of production in ancient India was given due attention by Marxist historians like D.D. Kosambi who studied the ancient history from a Marxist perspective. The Asiatic mode of production which Marx had introduced on the base of 19th century European ideas of Oriental Despotism could not directly be applied to Indian history. Because the whole social and economic structure of India was different at that time. The concept of private ownership of land and commercial developments were not established fully. But according to D.D. Koshambi if caste was class at a primitive level of production then there must have been some sort of class conflict or contradictions. For D.D. Kosambi 'production' was not confined to just the economy and technology of a particular period. It also involved the multiple aspects of society. Who Controls the technology and who works on it were the two important aspects of the mode of production? Kosambi referred that ancient Indian history has a nature of feudal economy. He emphasized on Marx's theory of the feudal mode of production. However, there is a difference between European and Indian concept of feudalism. (We shall discuss it in detail in the unit 5).

2.3 Growth of Trade in Early India

The growth of agriculture in the Ganga Valley and other parts of India led to the production of surplus goods, which played a vital role in the expansion of trade and commerce during early historic India. As agricultural productivity increased, people produced more goods than were required for their own consumption. This surplus encouraged exchange and commercial activities among different regions. The emergence of towns, the development of transport routes, the growth of craft

industries, and the rise of merchant communities further stimulated trade. Trade became one of the most important factors contributing to economic prosperity, urbanization, and cultural interaction in ancient India.

- **Internal Trade**

Internal trade refers to the exchange of goods within the Indian subcontinent. With the growth of agriculture and handicraft production, a network of local and regional markets developed across northern India. Villages exchanged agricultural products, while towns supplied manufactured goods such as pottery, textiles, metal objects, ornaments, and tools.

The extensive river system of northern India played a significant role in facilitating trade. Rivers such as the Ganga, Yamuna, and their tributaries served as important waterways for transporting goods. River transport was often cheaper and more convenient than overland transport. At the same time, a number of land routes connected villages, towns, and urban centres, enabling the movement of merchants and commodities across different regions.

Periodic markets and fairs were organized where traders, artisans, and farmers gathered to buy and sell goods. These markets became important centres of economic activity and social interaction. Several urban centres emerged as major commercial hubs, including Pataliputra, Rajagriha, Kaushambi, Varanasi, and Ujjain. These cities became important centres for the exchange of goods and contributed significantly to economic growth.

- **Long-Distance Trade**

As commercial activities expanded, Indian merchants established long-distance trade connections with distant regions. Trade routes linked northern India with the Deccan Plateau, coastal regions, and foreign lands. Merchants travelled across mountains, deserts, and seas to exchange valuable commodities.

India maintained commercial relations with Central Asia, China, Sri Lanka, Southeast Asia, and West Asia. Trade with Central Asia connected India to the famous Silk Route, through which luxury goods, horses, and precious commodities were exchanged. Maritime trade developed along the eastern and western coasts of India, linking Indian ports with Sri Lanka, Southeast Asia, and regions bordering the Arabian Sea and the Persian Gulf.

These long-distance trade networks not only facilitated economic exchange but also promoted cultural interaction, leading to the spread of ideas, religions, technologies, and artistic traditions across different regions.

- **Role of Merchants and Guilds**

The growth of trade led to the emergence of a prosperous merchant class. Merchants travelled individually or in caravans carrying goods over long distances. To

protect their interests and regulate commercial activities, merchants and craftsmen organized themselves into associations known as *Shrenis* or guilds.

Guilds played a crucial role in the economic life of early India. They regulated production, maintained standards of quality, fixed prices, supervised trade practices, and protected the interests of their members. Guilds also provided financial assistance to members in times of need and sometimes functioned like banking institutions by accepting deposits and providing loans.

The guild system encouraged cooperation among traders and artisans and contributed significantly to the stability and expansion of commerce. Some guilds became extremely wealthy and influential, enjoying considerable social prestige and political importance.

Use of Coins and Monetary Economy

The expansion of trade created the need for a more convenient medium of exchange than the barter system. Consequently, the use of coins became increasingly common during the period of the Mahajanapadas. The earliest known Indian coins were punch-marked coins made primarily of silver and copper.

The introduction of coinage facilitated commercial transactions by providing a standardized medium of exchange. It simplified buying and selling, enabled the accumulation of wealth, and encouraged long-distance trade. The growing use of money also promoted the development of markets and contributed to the emergence of a monetary economy.

Major Trade Commodities

A wide variety of goods were traded within India and with foreign regions. Agricultural products such as rice, wheat, barley, pulses, and sugarcane formed an important part of internal trade. India was also famous for its handicrafts and luxury goods.

Major trade commodities included:

- Cotton and silk textiles
- Spices and condiments
- Precious and semi-precious stones
- Ivory and ivory products
- Metal tools and weapons
- Pottery and handicrafts
- Agricultural products
- Perfumes and cosmetics
- Jewellery and ornaments

Indian textiles and spices were particularly valued in foreign markets and contributed significantly to India's commercial prosperity.

Consequences of Trade Expansion

The expansion of trade had far-reaching effects on the economic, social, and cultural life of early India. One of its most important consequences was the growth of urban centres. Towns and cities developed along major trade routes and became centres of administration, production, and commerce. Historians often refer to this phenomenon as the "Second Urbanization" in northern India.

Trade also contributed to the rise of wealthy merchant communities, who became an influential social group. The growth of commerce stimulated the development of specialized crafts and industries, creating employment opportunities for artisans and craftsmen. Increased interaction among different regions promoted cultural exchange and facilitated the spread of religious ideas, particularly Buddhism and Jainism, which received considerable support from merchant groups.

Furthermore, trade generated substantial revenue for states through taxes, tolls, and customs duties. This revenue enabled rulers to maintain armies, build infrastructure, and strengthen administrative institutions. Thus, the expansion of trade played a crucial role in the formation and consolidation of powerful states in ancient India.

The growth of trade in early India was closely linked to agricultural prosperity, urbanization, and technological advancements. The development of internal and long-distance trade networks connected different regions of the subcontinent and the wider world. Merchants, guilds, and the use of coinage contributed to the expansion of commercial activities and the emergence of a vibrant economy. Trade stimulated urban growth, strengthened political institutions, encouraged cultural exchanges, and laid the foundation for the economic development of early Indian civilization.

2.5 Neo-Religious Trends in Early India

Different religious sects emerged in the Gangetic valley in the 6th century BCE. Almost 62 religious sects came into prominence at that time. But among them only Buddhism and Jainism were able to survive and continue as major religions of that time. Both these religions were actually a resistance movement against the ritualistic dominance of Brahmanical religion. There were social and economic factors which led to the development of these heterogeneous sects in the 6th century BCE. These factors are analysed below. The Varna based social condition was one of the most important factors for the development of these religious sects. In the post-Vedic period, the society was divided into four Varnas; the Brahmans, the Kshatriyas, the Vaishyas and the Sudras. In the early Vedic period, the concept of Varna was on the basis of occupation of the people. But in later Vedic time the concept of Varna was based on the birth of the people. The Brahmanas and the Kshatriyas were considered higher Varna and as such they enjoyed a privileged position in society. The Brahmanas who performed the priestly duties claimed highest status in society and demanded to be given gifts as well as exemption from taxation and punishments. The Kshatriyas were second in the varna hierarchy. They held the position of power and ruled as kings. They collected taxes from the peasants. The Vaishyas were in the third category in the Varna system and were engaged in agriculture, cattle rearing and trade. The sudras

were considered in the last position of the varna system and their duty was to serve the above three varnas. The varna-divided society created lots of tensions. The Kshatriyas, as they were the rulers, definitely had more grievances than the Vaishyas. They reacted more strongly against the ritualistic domination of the Brahmanas.The reaction of the Kshatriyas against the domination of the priestly class called Brahmanas was one of the factors which led to the rise of these new religions. The spread of new agricultural economy in north-eastern India was another factor for the rise of these religions. The north –eastern areas were thickly forested. Before the discovery of iron the people inhabited in these areas had cleared the jungles with the help of bone, stone and copper implements. The use of iron tools made the clearance of the forest easier. Again, the agricultural economy based on iron ploughshare needed the use of bullocks. But the Vedic people used the cattle wealth in their Vedic sacrifices. Therefore, the scarcity of animals had threatened the new agricultural economy. Animal husbandry became important for the stability of the new agricultural economy. Therefore, the killing of cows in Vedic sacrifices had to be stopped. The use of money economy had also contributed to the development of the trade and commercial activities. As a result, the traders became the wealthy people in society. But in spite of their vast resources they did not enjoy equal social status with the two higher varnas (Brahmanas and Kshatriyas). To improve their social status, they were in search of a new religion. Let us now discuss the rise of the two religions-Jainism and Buddhism.

- **Rise of Jainism**

Mahavira was the religious teacher of the Jains. The Jainas believed that Mahavira was the last and 24th tirhankara of the Jainas. Before him they had 23 tirthankaras. It is difficult to fix the actual date of the birth and the death of Mahavira. According to one tradition, Mahavira was born in 540 B.C. in a village near vaishali. His father Siddhartha was the head of a Kshatriya clan.The name of Mahavira's mother was Trishala. Mahavira abandoned his family life for the search of truth and attained 'Kaivalya'(omniscience) after 12 years at the age of 42. He propagated his religion for 30 years and died at the age of 72 in Pavapuri near Rajgir. Jainism introduced five doctrines. These were, (i) do not commit violence, (ii) do not speak a lie, (iii)do not steal, (iv) do not acquire property and (v)observe continence (Brahmacharya). It is said that the fifth doctrine was the contribution of Mahavira and the other four were originally contributed by his predecessors. Jainism gave emphasis on ahimsa or non-injury to any leaving being. In later period, Jainism was divided into two sects: (a) Shvetambaras, those who wore white dress and the (b) digambaras, those who did not wore clothes. Jainism believed in the existence of gods but placed them in a lower position than the 'jina' (mahavira or the great hero). Jainism did not condemn the Varna system. The main aim of Jainism is to attain freedom from this mundane world and its bonds. But Jainism did not have any ritual to attain this concept of liberation. The liberation can be achieved by following right knowledge, right faith and right action. These three are considered as the jewels or triratna of Jainism .Gradually Jainism had spread into South and West India. Jainism spread to Kalinga in the fourth century B.C. Jainism was the first attempt to give a resistance to the ritualistic Vedic religion. The early Jainas discarded the Sanskrit language as it was the language patronized by the Brahmanas. They used the prakrit language to preach their doctrines. They used the Prakrit language because it was the language of the common people. Their religious

literature was written in Ardhamagadhi. Initially the Jainas did not worship images. But later on they started to worship Mahavira and the 23 tirthankaras.

- **Rise of Buddhism**

Gautama Buddha or Siddhartha, the founder of Buddhism was a contemporary of Mahavira. He was born in 563 BCE in a Sakya Kshatriya family in Lumbini (Nepal) near Kapilabastu. Suddhodhan was his father and his mother's name was Mayadevi. At the age of 29 Gautama left home in search of truth. He wandered about for seven years and untimately attained Nirvana (enlightment) at the age of 35 under a "Pipaltree" at BodhiGaya. After the attainment of the Nirvana he was called Buddha. Gautama Buddha delivered his first sermon (religious teaching) in a deer park at Sarnath(Banaras). He died at the age of 80 in 483 B.C. in Kusinagara (Uttar Pradesh). Buddha said that the world is full of sorrows and it is all due to the people's desires. Desires can be conquered by following eight fold paths (ashtangikamarg). People can attain Nirvana only after conquerors the desires. The eight-fold path included- (i) right observation, (ii) right determination, (iii) right speech, (iv) right action, (v) right livelihood, (vi) right exercise, (vii) right memory and (vii) right meditation. Gautama Buddha had laid down a code of conduct for the followers of this new religion. The code consisted of the followings:

– do not commit violence, do not covet other's property, do not get intoxicated, do not speak a lie and do not indulge in corrupt practices. Buddhism did not have faith on the existence of God and soul (atman). Gradually Buddhism became popular among the lower section of the society as it attacked the varna division. People from any caste and class could enter in the Buddhist Sangha. Women were also admitted to the Buddhist Sangha. The use of Pali, the language of the common people, helped in the propagation of Buddhism among the common people.There were three main elements in Buddhism – (a)Buddha, (b) Sangha and (c) Dhamma. The monarchies of Magadha, Kosala and Koshambi adopted Buddhism as state religion. Moreover, several republican states also adopted this religion. Ashoka, the great Mauryan king adopted Buddhism. He introduced several measures like foreign tour (Dhammayatra) for the propagation of Buddhism. Therefore, under the patronization of king Ashoka Buddhism had spread to Cental Asia, West Asia and Sri Lanka and thus became a world religion.

CHECK YOUR PROGRESS

Q.1: Which metal revolutionized agriculture in the Ganga Valley?
Q.2: Name the most important crop cultivated in the Ganga Valley.
Q.3: What is meant by agricultural surplus?
Q.4: Which river served as a major trade route in northern India?
Q.5: Name one important trade centre of early India.
Q.6: What were periodic fairs used for in ancient India?
Q.7: Which type of coins were first used in early Indian trade?
Q.8: Name one region outside India with which Indian merchants traded.
Q.9: What was the main function of a *Shreni*?
Q.10: Which process led to the growth of towns and cities in early India?

2.6 Let Us Sum Up

After going through this unit, you have learnt-

- Agricultural surplus laid the foundation for trade and commerce. The expansion of agriculture in the Ganga Valley led to increased food production and the generation of surplus crops. This surplus enabled people to exchange goods beyond their immediate needs. As a result, commercial activities expanded and trade became an important component of the economy.
- Internal trade developed through various transport and market networks. Trade within India was conducted through river routes, land routes, local markets, and periodic fairs. Rivers such as the Ganga and Yamuna facilitated the movement of goods across regions. These networks connected villages, towns, and cities, promoting economic integration and exchange.
- Urban centres emerged as important commercial hubs. Cities such as Pataliputra, Varanasi, and Ujjain became major centres of trade and administration. These towns attracted merchants, artisans, and consumers from surrounding regions. Their growth contributed significantly to the process of urbanization in early India.
- Long-distance trade connected India with foreign regions. Indian merchants established commercial contacts with Central Asia, China, Sri Lanka, Southeast Asia, and West Asia. Both land and sea routes were used for the exchange of goods and ideas. These trade networks helped India become an important participant in international commerce.
- Guilds played a crucial role in regulating commercial activities. Merchants and craftsmen organized themselves into guilds known as *Shrenis*. These associations maintained standards of production, regulated prices, and protected the interests of their members. Guilds also provided financial assistance and contributed to the stability of trade and industry.
- Trade expansion transformed the economic and social life of early India. The growth of commerce encouraged the development of craft industries and created new opportunities for merchants and artisans. Increased interaction among different regions promoted cultural exchange and the spread of religious ideas. Trade also generated revenue for states, strengthening political institutions and urban centres.

2.7 Further Reading

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- Jha, D. N. *Ancient India: An Introduction*. Manohar Publishers.
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- Singh, Upinder. *A History of Ancient and Early Medieval India*. Pearson Education.

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✓ 2.8 Answers to Check Your Progress

Answer 1: Iron
Answer 2: Rice
Answer 3: Production beyond immediate consumption needs
Answer 4: The Ganga River
Answer 5: Pataliputra
Answer 6: Buying and selling goods
Answer 7: Punch-marked coins
Answer 8: Central Asia
Answer 9: To regulate trade and craft activities
Answer 10: Urbanization.

? 2.9 Model Questions

A) Very Short Questions

Q.1: Which river valley became the centre of agricultural and trade expansion in early India?

Q.2: What were the merchant guilds of ancient India known as?

Q.3: Name the earliest coins used in ancient India.

Q.4: Which city served as the capital of the kingdom of Magadha?

Q.5: Mention any one commodity traded in early India.

B) Short Questions

Q.1: Explain the role of agricultural surplus in the growth of trade in early India.

Q.2: Describe the importance of river routes in facilitating internal trade.

Q.3: What were *Shrenis*? Discuss their functions in early Indian commerce.

Q.4: How did the introduction of punch-marked coins promote trade and commercial activities?

Q.5: Discuss the significance of long-distance trade in the economic development of early India.

Q.6: Explain the major consequences of trade expansion in early Indian society.

B) Long Questions

Q.1: Discuss the factors responsible for the growth of trade in early India and examine its impact on the economy and society.

Q.2: Explain the development of internal and long-distance trade networks in early India. How did these networks contribute to commercial expansion?

Q.3: Analyze the role of merchants, guilds (*Shrenis*), and coinage in the growth of trade and commerce in early India.

Q.4: Examine the major trade centres and commodities of early India. How did they contribute to the emergence of urban centres?

Q.5: Evaluate the consequences of trade expansion in early India with special reference to urbanization, craft production, cultural exchange, and state formation.