IJRAR.ORG E-ISSN: 2348-1269, P-ISSN: 2349-5138

INTERNATIONAL JOURNAL OF RESEARCH AND ANALYTICAL REVIEWS (IJRAR) | IJRAR.ORG

An International Open Access, Peer-reviewed, Refereed Journal

Economic System in Ancient India: Mauryan and Gupta Reigns

Rupan Boro is Assistant Professor in Economics, Barnagar College, Assam, India.

Abstract

This study explores the economic landscape of ancient India with a focus on the Mauryan and Gupta Empires, two significant dynasties in shaping the subcontinent's governance and economy. Drawing exclusively on secondary sources, it critically examines state control, land ownership, taxation systems, trade networks, and revenue administration. The Mauryan Empire, guided by Kautilya's Arthashastra, developed a centralised economy emphasising agriculture, state monopolies, and regulated commerce. The Gupta Empire, in contrast, introduced decentralisation, supported agricultural innovations, and fostered cultural and economic prosperity, marking India's "Golden Age." Both empires established advanced bureaucratic frameworks that ensured public welfare and economic sustainability. While land revenue was the financial backbone of both regimes, supplementary income came from excise duties, trade levies, and professional taxes. The article highlights the significance of administrative officials in economic governance and their long-standing impact on Indian statecraft. The comparative analysis reveals how ancient policies remain relevant in modern governance and economic discourse.

Key words: *Mauryan, Gupta, Land ownership, revenue, administration, trade & commerce.*

Introduction

This research attempts to explore various dimensions of Ancient Indian economy, aiming to gain a deeper understanding of prevailing conditions during that period. The central focus lies in examining the intricate relationships among administrative authority, the general populace, and the economic affairs—focusing specifically the reigns of two major dynasties: the Mauryan and the Gupta. The study investigates how such relationships mutually reinforced administrative effectiveness and economic affairs during those eras and also how these ancient models continue to resonate in contemporary discussions on governance, economic policies and development.

The Mauryan and Gupta reigns represent two of the most significant and influential periods in ancient Indian history. Emerging at different times, both laid the crucial foundations for centralised governance, economic prosperity, and cultural flourishing across the Indian subcontinent. The Mauryan Empire, founded in 322 BCE by Chandragupta Maurya, demonstrates an unprecedented organised state system, characterized by rigorous economic planning, state control and administrative efficiency. It is widely believed that this empire came to an end after death of Emperor Ashoka, primarily due to the emergence of weak successive rulers coupled with the growing public discontentment over oppressive governance. Nearly five centuries later, the Gupta Empire revived political unity in India and ushered in a “golden age” marked by remarkable achievements in science, art, literature, and economic growth. Despite differences in territorial extent and duration, both empires attained thrived and stable economy by emphasing on agriculture, taxation, trade, and revenue administration. Their administrations demonstrate sophisticated bureaucratic structures important for public welfare and economic stability.

Historians often compare their approaches to governance, particularly on land regulation, revenue collection and trade networks including the respective roles of the state and individuals in economic life. Through a comparative lens, this study offers valuable insights into the evolution of India’s socio-economic and administrative system in ancient period, highlighting relevant patterns in present governance and policies discourse.

Methodology

This study exclusively relies on secondary sources of information. These include a variety of books, scholarly articles and other documents focused on economic conditions of India in ancient period. All sources were critically reviewed in order to extract relevant information, which were then critically evaluated for their incorporation in this study. It used narrative analysis alongside quotation-based methods to align the findings with the objectives of this research. These sources of information have served as crucial evidence of economic landscape in Ancient India.

The Mauriyan and Gupta Reigns

The Mauryan Empire was founded by Chandragupta Maurya in 322 BCE. Emperor Chandragupta, with strategic guidance of Kautilya (Chanakya), author of the *Arthashastra*, successfully overthrew the Nanda Dynasty and founded the empire (Meena, 2015; Akter, 2020*)*. It was the first major empire that unified the political administration and economic system of the India subcontinent under a centralized administration. The empire, with its capital located at Pataliputra (present day Patna), was one of the most significant and extensive empires in ancient Indian history. Its geographical area extended to around five million square kilometers, bordered by eastern Iran in the west, the western Burmese hills in the east, the Himalayan kingdoms to the north, and the southern plateaus of peninsular India in the south (Shukla, 2021). The empire was marked by efficient governance, military strength, and thrived economic, especially under King Ashoka. The Arthashastra, authored by Chanakya, was the foundational text guiding Mauryan’s economic and administrative policies (ibid). It detailed policies on taxation, trade, land ownership, and law enforcement, making the Mauryan governance as the most efficient and advanced one (Shukla, 2021). The Mauryan establishment marked a major turning point in Indian political and economic spheres. The empire prioritised development of agriculture and infrastructure including trade regulation for economic prosperity. The Mauryan economy was a mixed economy, with the state controlling key sectors like mining, salt and liquor, opening other sectors for individuals (Mehta, 2018). The land revenue, alongside income from commercial and professional taxes formed the financial backbone of the empire. The Mauryan administration set enduring precedents in Indian history for organized bureaucracy, centralized power, and structured economic planning. However, the empire declined around 50 years later from the end of Ashoka's rule, and it dissolved in 185 BCE (Meena 2015; Akter, 2020). It dissolved due to weak leaderships of the Ashoka's successors and widespread uprisings caused by oppressive taxation.

After fall of the Mauryan Dynasty, the Indian unity was disrupted. No one of the successive rulers could be at par with Mauryans in maintaining strong administration and political solidarity across the empire. As a result, large part of India fell under the control of foreign powers for an extended period. Nearly five centuries after the fall of the Mauryas, another great empire emerged in the Magadha region under the leadership of the Gupta Dynasty. The dynasty was founded by Sri Gupta in 320 CE and lasted until roughly 550 CE *(*Meena, 2015; Akter, 2020*)*. The empire, founded by Chandragupta I, and extended by Samudragupta, and Chandragupta II, encompassing much of northern and central India (*ibid*). This empire was geographically smaller but it lasted longer in comparison to the Mauryan Empire. Unlike the centralized Mauryan administration, the Gupta Empire adopted a more decentralized governance model**,** where local rulers, village assemblies, and landlords played an important role in administration and revenue collection. The Guptas once again contributed significantly to unity, peace, and prosperity to the Indian subcontinent (Majumdar, 1977). Many historians regarded the Gupta era as the Indian "Golden Age" due to advancements in culture, science, and governance (Mookerji, 1989). Besides prioritising agriculture, trade and commerce, it emphasized effective regulation of social and religious institutions (Mehta, 2018). The Gupta period is thus noted for combining economic affluence with cultural renaissance**,** laying the groundwork for classical Indian civilization.

Economic structure

The economic system under the Mauryan and Gupta empires was marked by centralized planning, agricultural dominance, and state regulation. Both the empires emphasized on agricultural prosperity, industrial growth, strong trade network and thrived infrastructure for economic prosperity. The Mauryan emperors, basing the economic policies of the Arthashastra, founded a mix economic structure combining state control over certain major sectors alongside private enterprises. The state exercised monopolies over key sectors such as mining, salt and liquor, while limiting the control over other sectors. Agriculture was the primary source of livelihood, supported by state-led initiatives such as land grants, finical aid to farmers, irrigation system including initiatives of bringing forest and fallen land under cultivation (Sharma, 2001; Thapar, 2002). Farmers produced a verity of crops, such as cereals, pulses, vegetables, fruits, and spices (Meean, 2015 and Akter, 2020). Trade and commerce also flourished, gaining support of the state through regulated market, infrastructure like roads, ports and water ways, including fixation of profit margins to prevent exploitation (Mehta, 2018). The well-structured administrative system, combined with expansion of agricultural, trade network, and an effective taxation regime contributed to a significant economic growth (Meena, 2015).

Similar to the Mauryan Empire, the Gupta Empire largely remained agrarian economy but witnessed remarkable growth of trade and commerce. It adopted various scientific methods to enhance agricultural productivity, with special attention to improving irrigation systems (Mookerji, 1989; Meena, 2015; Akter, 2020). Reservoir and Wells, rain water harvesting through ponds and other reservoirs served major sources of irrigation. Land ownership became more individualised, and guilds played a significant role in organising crafts and trade along with acting both as economic and financial institutions. The Guptas continued the Mauryan revenue practices but with greater autonomy to local landlords and village assemblies, reflecting a shift toward feudal economic elements (Meena, 2015; Shukla, 2021).

Land ownership

The land ownership system during the Mauryan and Gupta Empires was primarily characterized by a combination of state control and individual ownership. Foreign travelers like Megasthenes and Diodorus reported that all land was considered the property of the king in the Mauryan regime (Meena, 2015; Akter, 2020). However, historical interpretations point a more nuanced system. Many historians believed that land ownership was state-centric with varying degrees of individual and community ownership. The Arthashastra categorized the land ownership into three main forms: *Royal Land (Shita Jamin),* directly controlled and cultivated by the state and *Peasant land*, over which tax payer peasants had hereditary cultivation (Kosambi, 1956). The state reserved the authority to reallocate uncultivated or misused peasant land. Additionally, some lands were collectively held by communities, categorized as *community land*. Over time, individual ownership became more prominent, despite the state continued exercise the authority of land distribution and taxation. The "Manu Smriti" further reinforced the concept that the king was the supreme owner of the land, though not ultimate cultivator (Meena, 2015). Instead, the state derived revenue from the land allowing farmers and communities to cultivate through a well-regulated tax system.

Historians hold varying opinions with regard to land ownership during the Gupta era. Some argue that the state did not possess absolute ownership of the land. For instance, Basak (1934) contended that land could not be transferred to anyone else without the approval of the local community. On the contrary, other historians believe that the state exercised authority over the land. Ghoshal (1929), for example, asserted that individuals could acquire land only with the king’s approval. Furthermore, an inscription found in North Bengal presents an exception, indicating a system of shared ownership between the state and the local community, where both the king and community had the authority to transfer land (Akter, 2020). Despite these varying historical interpretations, it is widely accepted that peasants enjoyed land ownership for extended periods during the Gupta period. Therefore, unlike the Mauryan era it remains difficult to draw definite conclusions on land ownership during the Gupta Empire.

Land Revenue

The land revenue system under the Mauryan and Gupta empires was a cornerstone of economic administration and a major source of state income. In order to maintain a well-organized and regulated land revenue system, the Mauryan Empire appointed officials like Gopas, Sthanikas, and Rajukas, and gave responsibility for land surveys, tax collection, and dispute settlement (Sharma, 2001). Apart from the land tax, the state imposed water levy. Farmers were required to pay a water levy if they utilise water from different sources (Akter, 2020). The standard tax rate on both land and water usage varied and typically ranged from one to sixth of the produce, depending upon the quality and productivity cultivated land (Meena, 2015). The Shita, Vag, Bali, and Kara were different kind of land tax, each serving a specific purpose within the broader taxation framework (Sharnma, 1991). While the Shita refers to the tax levied on Shita Jamin, the royal or state-controlled land, Vag was the king's regular share of the harvested crops. Contrary to them, Bali and Kara were sub-taxes, being imposed to support specific classes of state employees and to maintain certain categories of land. In similar way, land tax served important source of state income during the Gupta regime. Under this empire, greater decentralized land revenue system, with authorization of village councils and local landlords to collect taxes existed. However, land granted to religious and administrative elites often subject to tax-exempt (Shukla, 2021).

Trade and Commerce

Trade and commerce, during the Mauryan and Gupta periods, were highly organised and supported by the state, forming a pivotal part of the economy. The Mauryan Empire established an intricate system of internal and external trade, facilitated by good infrastructure such as constructed roads, ports, and regulated marketplaces. Trade was governed by state-appointed Superintendent of Commerce**,** who monitored market demand as well as fixed prices and profit margin (Mehta, 2018). Furthermore, both *Arthashastra* and *Manusmriti* describe detailed commercial laws ensuring fair competition, preventing hoarding, adulteration, and market manipulation. The state imposed custom duties on imports and exports, which enriched the treasury while regulating cross-border trade. Strategic trade routes extended across South Asia and beyond, enabling the Mauryan to emerge a significant global trader, particularly luxury goods like spices, textiles, and precious metals (Akter, 2020). Guilds were central to trade operations, functioning as merchant associations that managed production standards, pricing, and even acted as banks (Meena, 2015). During the Gupta Empire, trade continued to flourish, supported by stable government and growing urban centers. The empire used punch-marked coins, making a monetised and vibrant economic environment (Shukla, 2021).

Other income source

Besides the land taxes, Mauryan and Gupta Empires derived income from several other sources, showcasing a diversified fiscal structure aimed to sustaining administrative and other functioning. Mauryan rulers imposed tax on several important sectors such as salt, liquor, mining, forest products, and often exercising monopolies over these sectors. *Shenavaktam* and *Utshanga* were two notable taxes collected by the empire (Akter, 2020). While the former was imposed on the populace to finance the army, the later referred to gifts received on special occasions, such as the birthdays of royal family members. Additionally, the empire generated revenue by levying professional tax on handicrafts, guilds, prostitution, gambling, making these activities regulated sources of state income (Sharma, 1951). Interest earned on loans provided by the empire also contributed to its income. Property tax on urban households, ferry toll, court fees, transportation charges, and duties on import and export also supplemented the royal revenue. Additionally, the empire appropriated the property of individuals who passed away without legal heirs, which also added to the royal wealth.

Under Gupta Empire, the *Vog Kara* or *Chungi Kara* taxes were imposed on state employees of both villages and municipal areas. The Gupta rulers also imposed taxes on goods produced within their territories, known as excise duties. Furthermore, the tax called *Sulka* was imposed on goods and services transported by merchants from one place to another, contributing to the state's overall revenue system. The Gupta monarchs also granted land to Buddhist monasteries, which in turn acted as financial institutions, offering loans to those in need. Unlike the Mauryan era, borrowing money during the Gupta period was more affordable, as minimum interest rate was charged by government on such loans.

Revenue administration

Manu-Smriti refers to the royal secretaries as responsible for the state treasury affairs. It is mentioned in the Arthashastra that two high ranking officials, known as Shamarhata and Shannidhayta were appointed by the Mauryan rulers. They held the utmost authority to deal with economic affairs. Shamarhata was responsible to ensuring justice to the public, supervising businessmen and monks, monitoring overall financial conditions of the state. His duty was extended to overseeing key infrastructures such as ports, irrigation system, trade routes, mines etc. On the contrary, Shannidhayta was responsible for ensuring smooth functioning of the government, managing the treasury, and monitoring economics affairs including policy formulation. Superintendents, the lower ranked officers regulated wholesale prices, set profit margins, and prevented smuggling, adulteration, and dealt with all sorts of strike. Other officials like Gopps maintained financial records for groups of villages, while Pradeshthas collected taxes in their jurisdictions. The state appointed those officials with the objective to protecting the public from unfair practices, especially unjust prices for goods and services they purchased and fraudulent transactions. Attempt was also made to ensure security of the shipment and transit of transacted goods through appointment of local officials like Grama-Svami or Grama-Mukhya and Mlechchha. However, Gupta Empire gave administrative responsibility to two officers, Pustapala (the Record Keeper) and Gopasramini, with responsibility to oversee revenue collection and economic affairs (Thapar, 2002). While the former entrusted with maintaining official records, the later was responsible to take appropriate measures to prevent embezzlement and recover any losses due to negligence or fraud.

Conclusion

Both the Mauryan and Gupta reigns played a critical role in shaping the economic and political foundations in ancient India. The Mauryan Empire contributed to Indian socio-economic and cultural life through establishment of centralized governance, a robust economy, and a regulated taxation system, guided by the Kautilya's Arthashastra. Agriculture was the mainstay of the economy during that period, providing livelihoods to its people, especially in the rural areas. State, the supreme owner of the land, imposed land tax in the form of crops share and rent for its usages. Trade and commerce also thrived, which supplemented the Empire's economy. Likewise the Gupta Empire played significant role in advancements of culture, science and economic, ushered in a "Golden Age" of India. Though geographically smaller, it attained significant agricultural development using improved irrigation techniques. Additionally, the strong currency system and the trade guilds, led to flourishing of trade and manufacturing such as textiles, metals, and pottery. The empire collected revenue through land taxes, excise duties, and trade levies. Overall, both empires laid enduring foundations for Indian governance, economy, and societal structure.

Reference

1. Akter, I. (2020). Economic System of Ancient India: Maurya and Gupta Empire. American Journal of Humanities and Social Sciences Research, Volume-4, Issue-9, pp-218-228
2. Basak, R. G. (1934). *Ancient Indian polity*. Calcutta: University Press.
3. Ghoshal, U. N. (1929). *A history of Indian political ideas*. Oxford University Press.
4. Majumdar, R.C. (1977). *Ancient India.* Orient book distributors.
5. Meena, S. (2015). Ancient Indian Economy Maurya and Gupta Empire, *AIJRA*, *6*(I), 1-13.
6. Mehta, P.S. (2018). Economic Regulations,Competition, and Consumer Protection in Ancient India. *The Antitrust Bulletin*, *63*(3), 316-329.
7. Mookerji, R. K. (1989). *The Gupta Empire*. Delhi: Motilal Banarsidass.
8. Sharma, R. S. (1951). *Aspects of political ideas and institutions in ancient India*. Motilal Banarsidass.
9. Sharma, R. S. (2001). *Perspectives in social and economic history of early India*. Munshiram Manoharlal.
10. Shukla, S. (2021). An Analysis of Economic Philosophy and Leadership in Ancient India, *Journal of Applied Business and Economics*, *23*(5), 159-164.
11. Thapar, R. (2002). *Early India: From the origins to AD 1300*. Penguin Group, New York 10014.