

**YAGNIK Achyut & SHETH Suchitra, Ahmedabad, From Royal City to Megacity,  
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### Mahajan and Panch

Gujarat has a long-established tradition of merchants' guild known as mahajan and artisans' association known as panch which have regulated trade and manufacture for at least a millennium. From the eleventh century, we find references to merchants' sangh or samooch and artisans' shreni enjoying well-established rights and privileges. This tradition of autonomous associations of merchants and artisans continued down the centuries in most trading centres of Gujarat. During the rule of the Gujarat sultans, prominent merchants like Gunraj and Gadaraj were appointed ministers and through them the associations of merchants maintained close relations with rulers and the ruling elite.

While artisans' associations were mostly coterminous with their caste or community, be they Hindu or Muslim, merchants were concurrently members of their caste association and their mahajan or trade association. Mahajans framed their own rules of membership and decided the norms of professional conduct for their members. Depending on the specifics of their trade or profession, the mahajans also framed rules for sale, purchase and transactions. Moreover, whenever necessary, the head or Sheth of a mahajan intervened with rulers or their representatives to negotiate and settle specific issues related to their particular trade. In case of a dispute with the state bureaucracy, influential Sheths were powerful enough to make representations to higher authorities, the governor, king or even emperor.

In the Mughal era, particularly from Jahangir's reign, the mahajans of Ahmedabad and their Sheths enjoyed great power and prestige. Most members of the royalty and nobility were engaged in commercial ventures and Persian and European sources show that Jahangir, Noorjehan, Prince Khurram (Shah Jahan) and even the queen mother owned ships which plied between Surat and the Red Sea ports. While Shah Jahan was suba of Gujarat, his ships carried on extensive trade in broad cloth, textiles, indigo and tobacco; these activities continued even after his accession to the throne. Aurangzeb's sister Princess Jahanara had ships of her own and also transported her goods in Dutch and English ships. Dara Sikoh and Aurangzeb owned a fleet of ships which traded with the Red Sea ports and Africa.<sup>22</sup> Obviously commercial ventures in textile and indigo were not possible without close linkages with merchants and, as commercial transactions were supervised by mahajans and their heads, both the merchants and the mahajans carried great influence with the ruling classes and within society.

Compared to merchants, the socio-economic status of artisans was inferior in many ways. Among the Hindu upper castes it was common practice to divide Hindu society into eighteen divisions known as adhaar varan in which the fourfold classical varnas and nine naaru castes and five kaaru castes were aggregated. The eighteen divisions are listed in *Vimalprabandh*, composed by the Jain poet Lavanyasamay in the early sixteenth century. Goldsmiths, potters and carpenters were included in the naaru castes and among kaaru castes were cloth printers, blacksmiths and shoemakers. Among these, goldsmiths were better off while the others were barely able to eke out a living.

For Hindu and Muslim artisans, caste and community leaders were also leaders of the panch or professional association. The panch was headed by a Patel and this post was usually hereditary. The panch or council not only managed social affairs of the members but also governed their commercial relations. For the average artisan, the panch was his 'mai baap' or as good as parents and it was very difficult for him to even imagine disobeying panch leaders. Panch leaders also

managed caste or jamaat funds which were used to assist the needy, the orphans in the community and for maintaining religious places and public wells. A panch fund was collected as tango or obligatory fees from all member families and fines were levied for transgressing caste-community rules. In critical times like war and natural disaster the panch provided support to members and thus the panch governed the social, commercial and cultural life of its members while in a way providing social insurance to them.

Ahmedabad's mahajans maintained close relations with the artisans' panch and through these institutions merchants conducted commercial transactions with artisans. The predominant mode of payment was to give the artisan a part payment as advance and the remaining amount was given after the task or product was completed. As a result artisans were always subservient to traders. In case of non-compliance, artisans would be forced to pay double the amount to his panch. The English and the Dutch companies also gave advances through their agents or middlemen for obtaining textiles and other commodities.

### **Mahajans - The Guilds**

Ahmedabad has maintained near autonomy in its day to day functioning, trade and industry regardless of change of rule at the Centre, due to its parallel administrative structure, economic independence and initiatives of its citizens in the local governance. The key organisation instituted for nearly thousand years is that of Mahajans - the Guilds of various trades and manufacturing units. This tradition is unique to Gujarat and has been institutionalised to a great extent. Mahajans assume the powers to impose or reduce any taxes on the goods, which could not be challenged by the court or the government bureaucracy. They essentially functioned in the interest of the collective good - well being. It was the Mahajan that took the business orders and distributed amongst its members to ensure equality and undue competition as well as disparity of income amongst its members. Workers wages, the minimum base price, dealings with outstation traders, offering verdict on any trade related disputes, ensuring amity between communities, introduction of taxes, representations to authorities, initiation and management of any charitable activities all were within the provision of the Mahajans. In addition to safeguarding the trades and businesses, the Mahajans also involved with philanthropic works. Imposition of a quarter percent octroi tax to compensate the Nagersheth family who saved the city of Ahmedabad by paying ransom money to the Marathas, imposition of the surcharge on Ghee, management of these funds for repair of city walls, creation of *Panjarapol* - an asylum for the infirm animals, installations and maintenance of *parabadi* - bird feeder etc. are some of the profound examples of charitable works taken up by the Mahajans.