

From Silk Road to Modern Trade: Ancient Indian Commercial Networks, Guilds, and Lessons for Contemporary Entrepreneurship and Sustainability

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Abstract- *Ancient India participated in extensive systems of commercial exchange that connected the subcontinent with Central Asia, the Mediterranean world, Southeast Asia, and the wider Indian Ocean. These networks were supported by merchants, artisans, guilds, ports, political authorities, and diverse systems of social and economic regulation. This article examines ancient Indian commerce through three interconnected dimensions: long-distance trade networks, guild-based organization, and the relationship between commerce and political authority. It subsequently develops a historically cautious comparison between these institutions and contemporary MSMEs, startups, cooperative enterprises, and sustainability-oriented economic practices. The article does not claim institutional continuity between ancient guilds and modern enterprises. Instead, it identifies comparable organizational principles, including collective action, specialization, apprenticeship, reputation, resource pooling, risk distribution, and network-based exchange. It also considers the relevance of ancient Indian economic thought to contemporary debates about responsible enterprise and sustainability. At the same time, concepts such as dharma and resource reverence are treated within their historical contexts rather than being presented as direct equivalents of modern sustainability frameworks. The article argues that historical study can provide conceptual resources for contemporary economic policy, provided that analogy is distinguished from historical continuity.*

Index Terms— *Ancient Indian Economy, Entrepreneurship, Guilds (Śreṇī), Indian Ocean Trade, MSMEs, Silk Road, Sustainable Development*

I. INTRODUCTION

Trade was an important component of economic and social transformation in ancient India. Archaeological evidence, inscriptions, literary sources, coins, and foreign accounts collectively indicate that communities across the subcontinent participated in exchange networks operating at local, regional, and

long-distance scales. These networks connected agricultural settlements, craft-producing centres, cities, inland commercial routes, and maritime ports.¹ The historical significance of Indian commerce cannot, however, be reduced to the movement of commodities. Trade created relationships among producers, merchants, political authorities, religious institutions, and consumers. Commercial activity contributed to urban development, specialization of production, the circulation of monetary instruments, and interaction across cultural boundaries. R. S. Sharma's study of the period from approximately 200 BCE to 250 CE identifies this period as one of significant growth in crafts, commerce, urban centres, and monetary exchange.²

The present article connects the study of ancient Indian trade with contemporary questions concerning entrepreneurship, MSMEs, institutional cooperation, and sustainability. The underlying research proposal identifies overland Silk Road connections, maritime trade, śreṇī or guild organization, state regulation, and ethical economic ideas as central areas of investigation.³

The central argument is deliberately limited. Ancient commercial institutions should not be treated as direct predecessors of modern corporations, startups, or MSMEs. The economic environments were fundamentally different. Nevertheless, historical institutions can provide useful comparative insights into organizational problems that remain relevant: how producers cooperate, how knowledge is transmitted, how reputation is maintained, how commercial networks are organized, and how economic activity interacts with public authority.

II. SOURCES AND METHODOLOGICAL APPROACH

The reconstruction of ancient Indian trade requires a multidisciplinary methodology because no single source category provides a complete picture. Literary works reveal concepts and social practices; inscriptions provide evidence of donations, organizations, and individuals; archaeological remains illuminate production and exchange; coins provide evidence concerning monetary circulation; and foreign accounts offer external observations of Indian ports and commodities.

The research proposal underlying this article identifies textual sources such as the Arthaśāstra, Sangam literature, Buddhist narratives, travel accounts, inscriptions, archaeological sites, and museum collections as important sources.⁴

This article therefore adopts a historical-comparative approach. First, it reconstructs broad patterns of ancient commercial organization using established scholarship. Second, it examines institutions such as guilds and merchant networks. Third, it compares selected organizational principles with contemporary entrepreneurship and MSME structures. Finally, it considers whether historical economic practices can contribute to contemporary sustainability debates.

Such comparison must remain cautious. Ancient economic categories cannot simply be translated into modern economic terminology. Terms such as śreṇī, dharma, merchant corporation, or caravan organization belonged to specific historical contexts. Their meanings should therefore be reconstructed before any comparison with modern institutions is attempted.

III. ANCIENT INDIA AND LONG-DISTANCE TRADE NETWORKS

Ancient Indian commerce developed through both overland and maritime routes. The northern and northwestern regions of the subcontinent were connected with Central Asian routes, while networks across the Indian Ocean connected western and southern India with the Persian Gulf, Red Sea, East Africa, and Southeast Asia.

The emergence of large-scale commercial networks was associated with broader changes in settlement, craft production, political organization, and urbanization. Sharma's discussion of the early historic period demonstrates that commercial expansion was closely connected with craft specialization and urban growth.⁵ Trade was therefore not an isolated economic activity but part of a wider transformation in material and social organization.

The Silk Road should likewise not be understood as one single road. It consisted of interconnected routes through which goods, people, technologies, ideas, and cultural practices moved between different regions. India's participation occurred through several land corridors rather than through one uniform commercial system.

Maritime networks were equally important. Himanshu Prabha Ray's archaeological study demonstrates that early South Asian maritime history involved a broad community of merchants, guilds, sailors, boat-builders, craft producers, religious specialists, and political actors.⁶ Her analysis is valuable because it moves away from a state-centred explanation and emphasizes the interaction of multiple social groups.

Archaeological evidence from sites such as Arikamedu provides further evidence for the complexity of maritime exchange. The excavation of Arikamedu has produced material associated with long-distance commerce and Mediterranean connections, making the site important for reconstructing ancient Indian Ocean trade.⁷

IV. MARITIME COMMERCE AND THE INDIAN OCEAN

The Indian Ocean provided an important environment for long-distance exchange because maritime movement connected geographically distant regions while allowing merchants to exploit predictable seasonal sailing patterns.

Indian ports functioned as nodes within larger networks rather than isolated centres. Goods arriving at ports could move inland through established commercial routes, while agricultural products, textiles, craft goods, spices, beads, and other

commodities could be transported toward maritime markets.

Ray's archaeological work shows that maritime trade involved complex interactions between inland and coastal networks.⁸ The distinction between domestic and international commerce was therefore less rigid than modern administrative categories might suggest. Producers inland could participate indirectly in overseas markets through merchants and port networks.

This network character is important for understanding ancient entrepreneurship. A merchant did not necessarily operate as an isolated economic actor. Commercial activity depended upon relationships with producers, transporters, financiers, port communities, political authorities, and consumers. Reputation and trust were therefore important components of economic exchange.

The conventional term Indo-Roman trade also requires qualification. Rajan Gurukkal has challenged overly simplified interpretations of ancient exchange, emphasizing that commerce involved different forms of exchange, institutions, political structures, and social relationships rather than a single integrated market resembling a modern international economy.⁹

V. GUILDS AND THE ORGANIZATION OF PRODUCTION

One of the most significant institutional features of ancient Indian economic life was the development of guilds, commonly associated with the term *śreṇī*. Guilds brought together artisans, merchants, and other occupational groups and could perform economic, social, and organizational functions.

Kiran Kumar Thaplyal's detailed study of guild organization in northern India and the western Deccan demonstrates that guilds were not simply informal associations. They could possess internal organization, rules, leadership, collective resources, and mechanisms for regulating professional activity.¹⁰

The importance of guilds was connected partly to specialization. As craft production became increasingly differentiated, collective organization

could facilitate the transmission of occupational knowledge and the coordination of producers. Sharma's account of early urbanization also describes specialized artisan and merchant groups and the importance of guild organization in urban economic life.¹¹

Apprenticeship represented another important dimension. Skills could be transmitted through established occupational structures, helping to reproduce specialized knowledge over generations.¹² Such systems should not be romanticized: hereditary occupations could also reproduce social hierarchy and restrict mobility. Nevertheless, from an organizational perspective, guilds demonstrate the importance of knowledge networks and institutionalized skill transmission.

Guilds could also possess collective financial arrangements and represent the interests of their members. Such collective organization provided mechanisms for cooperation that were particularly relevant in economies where individual producers operated within larger networks of production and exchange.

The historical importance of guilds therefore lies not merely in their existence but in the organizational problems they attempted to solve: coordination, quality, skill transmission, collective representation, economic security, and relationships with political authorities.

VI. STATE REGULATION AND COMMERCIAL ACTIVITY

Ancient Indian commerce did not operate independently of political institutions. States had interests in taxation, market regulation, roads, security, production, and revenue. The *Arthaśāstra*, as preserved and interpreted through the scholarly edition of R. P. Kangle, contains extensive discussion of administration, economic regulation, taxation, trade, and state responsibilities.¹³

Romila Thapar's analysis of Mauryan society similarly emphasizes the relationship between political organization and economic change. Her discussion of Mauryan society identifies expanding economic

activity, craft production, trade, agrarian activity, and changing forms of social organization as interconnected developments.¹⁴

This evidence suggests that economic development depended partly upon institutional environments capable of supporting production and exchange. Roads and routes needed protection; markets required regulation; commercial transactions required systems of trust and enforcement; and political authorities had incentives to encourage activities that generated revenue.

At the same time, the ancient state should not be imagined as an omnipotent economic manager. Ray's maritime history demonstrates that merchants, guilds, craft producers, sailors, and religious institutions also exercised agency.¹⁵ Ancient economic organization was therefore produced through interaction between state institutions and social actors rather than through state control alone.

VII. FROM ANCIENT GUILDS TO MODERN MSMEs: A CAUTIOUS COMPARISON

The contemporary Indian economy contains a large population of small and medium enterprises operating in manufacturing, services, agriculture-related industries, crafts, technology, and trade. The organizational challenges faced by these enterprises include access to finance, skill development, market access, technological adaptation, infrastructure, and institutional support.

It is tempting to describe ancient guilds as the MSMEs of ancient India. Such a statement, however, is historically inaccurate. Modern MSMEs operate within a legal, financial, technological, and regulatory environment fundamentally different from that of ancient guilds.

The more productive comparison concerns organizational principles. First, both systems can be studied in terms of collective organization. Ancient guilds created institutional mechanisms through which producers could coordinate activities. Modern cooperatives, producer organizations, clusters, and business associations similarly attempt to reduce the disadvantages faced by individual small producers.

Second, both involve specialized knowledge. Ancient guilds contributed to occupational training and the reproduction of craft skills. Contemporary enterprises similarly depend upon vocational training, technological knowledge, and skill development.

Third, both illustrate the importance of reputation and trust. In environments where transactions extend beyond immediate personal relationships, reputation becomes an economic resource. Historical merchant networks and modern entrepreneurial networks both demonstrate the importance of relationships in facilitating exchange.

Fourth, both raise questions concerning collective access to resources. Ancient guild organization could allow producers to pool resources and coordinate activities. Contemporary clusters and cooperative institutions attempt to address similar problems through shared infrastructure, finance, procurement, marketing, or technological facilities.

Thus, the historical lesson is not that ancient guilds should simply be reproduced today. Rather, the history of guilds suggests that small producers can benefit when institutional arrangements reduce isolation and provide mechanisms for cooperation.¹⁶

VIII. TRADE NETWORKS AND CONTEMPORARY ENTREPRENEURSHIP

The history of ancient Indian commerce also provides an alternative perspective on entrepreneurship. Entrepreneurship is frequently presented as a purely individual activity involving innovation, risk-taking, and private ownership. Historical evidence demonstrates that entrepreneurial activity can also be deeply networked.

Merchants depended on routes, information, credit relationships, producers, transport systems, and political stability. Similarly, contemporary startups and small enterprises depend on digital platforms, investors, suppliers, skilled workers, customers, incubators, regulatory institutions, and market networks.

The comparison therefore suggests that entrepreneurship should be studied not only through

individual entrepreneurs but also through the ecosystems in which entrepreneurial activity occurs. This insight is particularly relevant for contemporary India. Small businesses frequently face disadvantages not because of a lack of entrepreneurial capacity but because of limited access to finance, technology, infrastructure, information, and larger markets. Historical guilds demonstrate that collective institutions have long played a role in addressing such problems.

This does not establish a direct institutional lineage between śreṇīs and startups. Instead, it suggests that contemporary entrepreneurship policy may benefit from emphasizing networks, clusters, skill ecosystems, collective infrastructure, and cooperation alongside individual enterprise.

IX. ETHICS, DHARMA, AND SUSTAINABILITY

The relationship between ancient Indian economic thought and sustainability requires especially careful treatment.

The research proposal associated with this article identifies concepts such as dharma, resource reverence, reuse, and social welfare as possible areas of investigation.¹⁷ These themes can contribute to a historical discussion of economic ethics, but they should not automatically be translated into the modern concept of sustainable development.

Ancient societies did not possess the contemporary scientific understanding of climate change, biodiversity loss, carbon emissions, or circular production systems. Therefore, it would be misleading to describe ancient India as having a circular economy in the technical modern sense.

A more defensible argument is that some historical practices can be examined comparatively in relation to modern sustainability principles. Craft traditions involving repair, reuse, long-term use of materials, and community-based resource management may raise questions relevant to contemporary discussions of resource efficiency.

Similarly, dharma can be examined as part of a broader intellectual history of responsibility, obligation, and social order. It should not, however, be presented as a universally egalitarian environmental ethic. Ancient Indian society contained substantial social hierarchies and exclusions.

The value of historical analysis therefore lies in identifying questions and principles, not in presenting the ancient past as a perfect model for the present.

X. POLICY LESSONS FOR CONTEMPORARY INDIA

Several limited policy lessons can emerge from this historical comparison.

First, strengthen collective institutions for small producers. Historical guilds demonstrate the potential value of organizations that connect individual producers through common institutions. Contemporary policy can similarly encourage producer organizations, cooperatives, business clusters, and shared infrastructure.

Second, treat skills as an economic institution. Ancient systems of occupational learning demonstrate the importance of transferring specialized knowledge. Modern entrepreneurship policy should therefore connect enterprise support with vocational education, apprenticeship, technological training, and continuous skill development.

Third, strengthen commercial networks. Ancient trade prospered through interconnected routes and commercial nodes. Modern MSMEs similarly require access to transportation, digital infrastructure, logistics, information, finance, and domestic and international markets.

Fourth, integrate sustainability with enterprise development. Environmental responsibility should not be treated as a separate activity imposed upon enterprises after growth has occurred. Resource efficiency, durability, repair, responsible sourcing, and waste reduction can be incorporated into business strategies from the beginning.

Fifth, recognize the importance of institutional trust. Ancient commerce depended on relationships among

merchants, producers, political authorities, and communities. Contemporary entrepreneurship likewise requires reliable institutions, transparent regulation, contract enforcement, and trustworthy networks.

These lessons should be treated as policy principles rather than direct prescriptions derived from antiquity.

XI. LIMITATIONS

Several limitations must be acknowledged. First, evidence for ancient commerce is uneven. Archaeological remains survive selectively, while literary texts often reflect normative rather than descriptive perspectives.

Second, ancient India was not an economically uniform region. Commercial institutions differed across political formations, ecological zones, and historical periods.

Third, the meaning and organization of guilds changed over time. A single model of the *śreṇī* should therefore not be projected across the entire ancient period.

Fourth, comparisons with modern MSMEs and startups are analytical rather than genealogical. Similar organizational functions do not prove institutional continuity.

Finally, the sustainability argument must avoid romanticization. Historical societies experienced inequality, resource pressures, political conflict, and social exclusion. The purpose of historical comparison is therefore not to demonstrate that the past was superior to the present, but to identify institutional experiences that may broaden contemporary thinking.

XII. CONCLUSION

Ancient Indian trade provides an important historical field for understanding the relationship between economic networks, institutions, entrepreneurship, and political authority. Overland routes connected the subcontinent with Central Asia and wider Eurasian networks, while maritime systems connected Indian communities with the Indian Ocean world. Commercial expansion was associated with

urbanization, craft specialization, merchant activity, and increasingly complex forms of institutional organization.

Guilds are particularly significant because they reveal the importance of collective organization in economic life. Their functions included occupational organization, skill transmission, collective interests, and interaction with wider political and social institutions.¹⁸

The contemporary relevance of this history should not be expressed through claims of direct continuity. Ancient guilds were not modern MSMEs, and ancient trade was not a modern global market. The stronger argument is that historical institutions can illuminate enduring economic problems: coordination, trust, skill formation, access to markets, collective action, and responsible resource use.

For contemporary India, this historical perspective can encourage a broader understanding of entrepreneurship. Enterprise development need not be reduced to individual initiative. Networks, institutions, skills, cooperation, infrastructure, and social responsibility are equally important. In this sense, the study of ancient Indian trade can contribute to contemporary debates about MSMEs and sustainable development without sacrificing historical accuracy.

The central lesson is therefore not to reproduce the past but to learn critically from it. Ancient commercial institutions demonstrate that economic development has always depended upon relationships among people, institutions, resources, and political structures. A historically informed approach can help contemporary policy move beyond the simple celebration of entrepreneurship toward the creation of economic ecosystems in which enterprise, cooperation, social responsibility, and sustainability reinforce one another.

NOTES

1. R. S. Sharma, *India's Ancient Past* (New Delhi: Oxford University Press, 2007), 221–30; Upinder Singh, *A History of Ancient and Early Medieval India: From the Stone Age to the 12th Century* (New Delhi: Pearson Education, 2008), 403–18.
2. Sharma, *India's Ancient Past*, 221–30.

3. See the uploaded research proposal, which identifies Silk Road connections, maritime trade, śreṇī organization, state regulation, entrepreneurship, MSMEs, and sustainability as principal areas of investigation.
4. Research Proposal-Sumit Rajput, "From Silk Road to Modern Trade: Learning from Ancient Indian Trade for Today and Tomorrow," sections on main sources and methodology.
5. Sharma, India's Ancient Past, 221–30.
6. Himanshu Prabha Ray, *The Archaeology of Seafaring in Ancient South Asia* (Cambridge: Cambridge University Press, 2003), 188–235.
7. Vimala Begley et al., *The Ancient Port of Arikamedu: New Excavations and Researches, 1989–1992*, 2 vols. (Pondicherry: Centre d'histoire et d'archéologie, École française d'Extrême-Orient, 1996–2004).
8. Ray, *The Archaeology of Seafaring in Ancient South Asia*, 193–213.
9. Rajan Gurukkal, *Rethinking Classical Indo-Roman Trade: Political Economy of Eastern Mediterranean Exchange Relations* (New Delhi: Oxford University Press, 2016), 200–48.
10. Kiran Kumar Thaplyal, *Guilds in Ancient India: A Study of Guild Organization in Northern India and Western Deccan from circa 600 BC to circa 600 AD* (New Delhi: New Age International, 1996), 60–64.
11. Sharma, India's Ancient Past, 221–30.
12. Kiran Kumar Thaplyal, "Guilds in Ancient India," in *Indian Knowledge Systems*, 997–99.
13. R. P. Kangle, ed. and trans., *The Kauṭīliya Arthaśāstra*, 3 vols. (Bombay: University of Bombay, 1960, 1963, 1965).
14. Romila Thapar, *Aśoka and the Decline of the Mauryas*, 3rd ed. (New Delhi: Oxford University Press, 2012), 70–118.
15. Ray, *The Archaeology of Seafaring in Ancient South Asia*, 188–235.
16. Thaplyal, *Guilds in Ancient India*, 60–64; Himanshu Prabha Ray, *Monastery and Guild: Commerce under the Sātavāhanas* (Delhi: Oxford University Press, 1986), 33–90.
17. Research Proposal-Sumit Rajput, section on ancient economic values, sustainability, and resource use.
18. Thaplyal, *Guilds in Ancient India*, 60–64; Ray, *The Archaeology of Seafaring in Ancient South Asia*, 188–235.

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