

TRADE ROUTES AND ECONOMIC POLICIES OF THE RASHTRAKUTAS: A HISTORICAL STUDY

Dr. Somanatha

C H, Associate Professor, Dept of History, SSS Govt. First Grade College, (Autonomous)
Ballari.

Abstract:

The Rashtrakuta dynasty, which dominated large parts of the Indian subcontinent from the 8th to the 10th century CE, developed one of the most sophisticated and far-reaching economic systems of early medieval India. Their economic strength was deeply rooted in the effective exploitation of strategic trade routes—both inland and maritime—combined with pragmatic economic policies that fostered prosperity, stability, and regional influence. With their capital at Manyakheta and command over the vital western seaboard, the Rashtrakutas established robust trade links that connected the Indian hinterland to foreign markets in Arabia, Africa, Southeast Asia, and beyond. Major inland cities such as Ujjain, Paithan, and Tagara became key commercial centers, facilitating the transport of goods such as textiles, spices, diamonds, and metals to coastal ports like Bharuch and Sopara. Maritime trade flourished, with Arab and Persian merchants playing a crucial role in importing horses, luxury goods, and precious metals, while exporting Indian commodities like cotton, muslin, ivory, and spices. The Rashtrakutas encouraged the formation of merchant settlements and trade colonies to promote foreign commerce.

Economic policies under the Rashtrakutas were marked by a well-structured taxation system that included land revenue, trade taxes, and levies on artisanal production. The state supported guilds or “shrenis,” which regulated crafts, trade standards, and banking. Artisans and merchants were not only vital to the economy but also received royal patronage, ensuring a collaborative relationship between the state and economic actors. In conclusion, the Rashtrakutas’ trade networks and economic governance reflect a highly organized and globally connected economy. Their ability to harness regional resources, stimulate international commerce, and implement stable economic structures contributed to their historical prominence and lasting impact on the economic landscape of medieval India.

Keywords: Trade Routes, Economic Policies, Rashtrakutas etc.

INTRODUCTION:

The Rashtrakutas were a prominent royal dynasty that ruled large parts of the Indian subcontinent between the 8th and 10th centuries CE. Their empire was centered in the Deccan region, with their capital at Manyakheta (modern Malkhed in Karnataka). Originally feudatories of the Chalukyas of Badami, the Rashtrakutas rose to power when Dantidurga overthrew the Chalukya king in the mid-8th century and established the dynasty's independence. Under rulers like Krishna I, who built the famous Kailasanatha temple at Ellora, and Govinda III, who expanded the empire's influence across northern and southern India, the Rashtrakutas reached their zenith. Indra III and Amoghavarsha I were also notable kings, the latter known for his patronage of art, literature, and Jainism. Amoghavarsha's reign was marked by cultural prosperity and political stability.

The Rashtrakutas were known for their military prowess and administrative efficiency. They engaged in frequent conflicts with the Pratiharas in the north and the Palas in the east, forming the three major powers of the time. Their control over strategic trade routes and coastal ports enabled them to accumulate wealth and influence. Culturally, the Rashtrakutas made significant contributions to architecture, particularly rock-cut temples, and supported Sanskrit and regional literature. Their decline began in the late 10th century due to internal strife and external invasions, eventually leading to their replacement by the Western Chalukyas. Despite their fall, the Rashtrakutas left a lasting legacy in Indian political and cultural history.

OBJECTIVE OF THE STUDY:

This study explores the Trade Routes and Economic Policies of the Rashtrakutas.

RESEARCH METHODOLOGY:

This study is based on secondary sources of data such as articles, books, journals, research papers, websites and other sources.

TRADE ROUTES AND ECONOMIC POLICIES OF THE RASHTRAKUTAS

The Rashtrakuta dynasty, which ruled large parts of the Indian subcontinent between the 8th and 10th centuries CE, established a robust economic system characterized by extensive trade networks and comprehensive economic policies. Their strategic control over key regions facilitated both inland and maritime trade, contributing significantly to the prosperity of their empire. The Rashtrakutas capitalized on their geographical advantage by controlling most of the western seaboard of the Indian subcontinent, which facilitated extensive maritime trade. The port of Bharoch (modern-day Bharuch) in Gujarat was one of the most prominent ports globally during that era, serving as a crucial hub for the export of goods such as cotton yarn, cotton cloth, muslins, hides, mats, indigo, incense, perfumes, betel nuts, coconuts, sandalwood, teak, timber, sesame oil, and ivory. These commodities were in high demand in regions like Persia, Byzantium, Khazaria, Arabia, and Egypt .

Inland trade was equally significant, with cities like Minnagar, Ujjain, Paithan, and Tagara emerging as important centers of the textile industry. Paithan and Warangal were renowned for manufacturing muslin cloth, while Burhanpur and Berar produced white calicos that were exported to various regions. The Rashtrakuta economy was diversified, with agriculture, mining, and manufacturing playing pivotal roles. Cotton was the chief crop in regions like southern Gujarat, Khandesh, and Berar. The Konkan region, under the rule of the feudatory Silharas, produced large quantities of betel leaves, coconut, and rice. The lush forests of Mysore, ruled by the feudatory Gangas, yielded valuable woods such as sandal, timber, teak, and ebony .

Mining was a significant economic activity, with copper mines located in areas like Cudappah, Bellary, Chanda, Buldhana, Narsingpur, Ahmadnagar, Bijapur, and Dharwar. Diamond mining thrived in Cudappah, Bellary, Kurnool, and Golconda, with Manyakheta and Devagiri serving as important diamond and jewellery trading centers. The leather industry and tanning flourished in Gujarat and parts of northern Maharashtra; while Mysore's vast elephant herds supported a thriving ivory industry. Trade policies under the Rashtrakutas were well-structured to promote commerce. The government levied a shipping tax of one golden Gadyanaka on all foreign vessels embarking to other ports and a fee of one

silver Ctharna on vessels traveling locally. This taxation system not only generated revenue but also regulated maritime activities .

The Rashtrakutas maintained friendly relations with Arab merchants, who played a crucial role in foreign trade, especially in the horse trade, which was a profitable business monopolized by Arabs and some local merchants. The empire's openness to international trade and its strategic alliances facilitated the influx of goods such as pearls, gold, dates from Arabia, slaves, Italian wines, tin, lead, topaz, storax, sweet clover, flint glass, antimony, gold and silver coins, and entertainers from other lands .

Guilds, known as "shrenis," were integral to the Rashtrakuta economy. Artists and craftsmen operated as corporations rather than individual businesses. Inscriptions mention guilds of weavers, oilmen, artisans, basket and mat makers, and fruit sellers. Some guilds were considered superior and received royal charters determining their powers and privileges. These guilds had their own militia to protect goods in transit and operated banks that lent money to traders and businesses .

The government's income was derived from various sources, including regular taxes, occasional taxes, fines, income taxes, miscellaneous taxes, and tributes from feudatories. Land taxes varied between 8% to 16% based on the land type, produce, and location. In times of military need, it could be as high as 20%. Taxes were primarily paid in goods and services, with cash rarely accepted. About 15% of tax revenues were returned to villages for local maintenance .

Artisans, such as potters, weavers, and shopkeepers, paid various taxes. Taxes on perishable goods and essentials could be as high as 16%. The state imposed taxes on mineral and salt extraction, encouraging private prospecting and quarrying. Miscellaneous taxes included ferry taxes, house taxes, and inheritance taxes on properties without legal heirs. Brahmins and temples enjoyed lower tax rates. The king adjusted tax levels based on the kingdom's needs, ensuring peasants were not overburdened. For instance, a reassessment of land tax in Banavasi occurred due to an irrigation canal drying up in 941 CE.

Strategic Integration of Inland and Maritime Trade Networks

The Rashtrakutas adeptly integrated inland and maritime trade routes, creating a cohesive economic network that facilitated the movement of goods across vast territories. Inland cities

like Ujjain, Paithan, and Tagara served as pivotal hubs connecting the Deccan's interior to its coastal ports. This integration allowed for efficient transportation of commodities such as textiles, spices, and precious stones from production centers to export points like Bharuch and Sopara. The seamless connectivity between inland and maritime routes not only enhanced trade efficiency but also stimulated economic growth across different regions of the empire.

Establishment of Trade Colonies and Merchant Settlements

To bolster international trade, the Rashtrakutas facilitated the establishment of trade colonies and merchant settlements along their western coast. Arab and Persian merchants, integral to the empire's trade with the Middle East, were encouraged to set up communities in port cities such as Chaul, Cambay, and Broach. These settlements became centers of commercial activity, fostering cultural exchanges and introducing new goods and ideas into the empire. The presence of foreign merchant communities also ensured a steady flow of exotic imports, enriching the local markets and diversifying the empire's economy.

Implementation of a Structured Taxation System on Trade

The Rashtrakuta administration implemented a structured taxation system that regulated trade activities and generated substantial revenue for the state. Foreign vessels were subjected to a shipping tax of one golden Gadyanaka, while local vessels paid a fee of one silver Ctharna. This taxation not only provided financial resources for the empire but also established a regulatory framework that ensured fair trade practices and protected the interests of local merchants. The revenue collected from these taxes was likely reinvested into infrastructure development, such as the maintenance of ports and trade routes, further enhancing the empire's commercial capabilities.

Promotion of Guilds and Artisan Corporations

The Rashtrakuta era witnessed the proliferation of guilds, or "shrenis," which were associations of artisans and merchants operating collectively. These guilds played a crucial role in the economic landscape by standardizing production practices, ensuring quality control, and facilitating the training of apprentices. Guilds also acted as financial institutions, providing loans and credit facilities to their members, thereby promoting entrepreneurship and economic resilience. The government's recognition and support of these guilds

underscored their importance in sustaining the empire's economic vitality and fostering a culture of cooperative enterprise.

CONCLUSION: The Rashtrakutas exemplified a dynamic and strategically managed empire whose economic strength was rooted in the intelligent utilization of trade routes and well-structured economic policies. By integrating inland and maritime trade networks, they transformed their empire into a vibrant commercial hub that connected the Indian subcontinent with distant regions across Asia, the Middle East, and even parts of Africa. Their ports facilitated thriving international trade, while inland centers supported domestic commerce and artisanal industries. The dynasty's taxation system was both sophisticated and pragmatic, balancing state revenue needs with local economic conditions. This flexible approach ensured sustained agricultural productivity and industrial output without imposing excessive burdens on producers or traders. The promotion of guilds and merchant associations fostered entrepreneurship, protected the interests of economic stakeholders, and encouraged innovation and cooperation across sectors. Moreover, the Rashtrakutas maintained a favorable environment for foreign merchants, promoting cultural exchanges and economic diversification. Their policies reflect a clear understanding of the interplay between politics, economy, and trade. The Rashtrakutas laid the foundation for a commercially connected, administratively stable, and culturally enriched empire. Their economic model set important precedents in trade policy and fiscal management, contributing significantly to the broader history of economic development in medieval India.

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