

## **Kautilya's Arthashastra: An over view**

**Dr. Anupama Saxena**  
Dept. of Political Science  
S.P.D.M. Govt. Girls College  
Kotputli – 303108  
(Rajasthan)

### **Introduction**

Kautilya's Arthashastra is singularly the most important text in ancient Indian Political thought. Although nothing can be said so far firmly and with certainty it is mostly believed that Kautilya was born in Taksila. He received his education in the University of Nalanda, a university of worldwide fame. It is a common belief that Kautilya met Chandragupta in this university, who had also come here to receive his education. Kautilya was much impressed by Chandragupta. In fact he found in the latter the qualities of a real king of India. Kautilya's dream of installing Chandragupta on the throne of Magadh was realized when the latter become not only the king of Magadh, but the imperial king of India. And the former acted as renowned minister of Chandragupta, the founder of the imperial Maurya dynasty, in succession to the dynasty of Nandas.<sup>1</sup>

Kautilya is also known as Chanakya. Arthashastra was discovered in 1904 and was translated into German by Jacobi in 1909. Later Jolly translated it into English which was followed by Shamasastni's Translation. T. Ganpati Sastri who discovered yet another text edited and translated it into English with critical notes and thought provoking introduction. Kangle studied all the available manuscripts and brought out a critical edition in his three volume project. All these endeavours by eminent indologists aroused much interest in the history of Indian political thought. The Arthashastra combines knowledge from earlier texts and Kautilya's own insights.

### **Structure of Arthashastra**

Arthashastra contains 32 paragraphical divisions. It has 15 adhikarans (sections) with 180 prakarans (sub sections). Book I to Book XV deal with the discipline, training and duties of the king, principles for the exercise of Danda, qualification for the ministers, spies, bureaucratic set up of the administrative organisation of the state, duties and responsibilities of the officials planning for forts and fortified towns, the revenue system, industrial establishments including

state monopoly centres, the regulation and promotion of trade and commerce, civil laws, administration and justice, criminal law and suppression of anti social elements, action against sedition and treason, measure to combat a financial crisis, essential characteristics of the state, the six fold political expedients in the field of diplomacy in inter-state circles, measures against calamities, natural disasters, dangers and catastrophies, military campaigns and ancillary problems, economic guilds and political corporation measures for their control, methods of intrigue and the employment of secret agencies against aggressive enemies, secret recipes for destruction of enemies and others designed to remedy afflictions caused by enemy action and finally the glossary of thirty two technical and political terms and verbal contractions used in the text.<sup>2</sup>

Kautilya's masterly treatment of political and economic ideologies makes it abundantly clear that the science of statecraft must have developed over a long period, the subject must have been assiduously studied even before Kautilya's times. Also Kautilya does not take the credit of being a pioneer in evolving the science of polity rather, he is frank enough to make an unequivocal admission of having collected and compiled the then prevalent theories of earlier masters presenting at the same time his own views on them from the standpoint of political and social expediencies.

Kautilya wrote a comprehensive account encompassing political administration and defence matters. In the process he came to the conclusion that economics was the most important aspect of public life as it provided the basis of human existence and survival. Kautilya concentrated on things that were relevant to his time viz. agriculture, cattle breeding and trade. However while commenting on other matters of administration, Kautilya made reference to different dimensions that have a strong bearing on economics, thus Kautilya provided a detailed analysis of public finance, taxation, public expenditure and investments, appointments of ministers and other state officials and many other matters concerning governance of the state. This is the reason why Arthashastra translates to "The science of wealth" or "The science of politics and economics."

The Arthashastra is a comprehensive guide to governance providing practical advice on how to build a strong, prosperous and just state.

### **Major components of Arthashastra**

- **Origin of the state:** On the origin of the state Kautilya has not said anything explicitly. But incidentally he makes a remark suggesting that he accepts the social contract theory.

In the course of a dialogue he says that, the state originated when people got weary of the fish (matsyanyaya). They elected Manu to be their king. It was settled that the king should receive 1/6 of the grain and one tenth of the merchandise and gold as his due share. This revenue enabled the king to ensure the security and wellbeing of the subjects.

- **Functions of the state:**

- The most important function of the state, according to Kautilya, is the protection of dharma and the territory of the state. It was to maintain internal social piece and protection against foreign invasion.<sup>3</sup>
- Promoting the welfare of the people – Kautilya believed that the king's and the state's well being were intertwined with the happiness and welfare of the people.
- Kautilya emphasized the importance of agriculture, industry and arts for the prosperity of the state and its people.
- The state should regulate the means of livelihood, particularly for labourers and artisans to ensure fairness and prevent exploitation.
- Education and the pursuit of knowledge are essential for the development of the individual and the state. So state should encourage education and learning.
- The state should foster a sense of unity and solidarity among its citizens.
- The state should reward virtuous individuals and discourage vice.
- The state should ensure good internal communication and trade, facilitating the flow of goods and information.
- The state should engage in diplomacy and maintain alliances with other states to ensure its security and prosperity.

Kautilya thus brought into relief the functions of a welfare state.

- **Saptang theory of the state:**

Kautilya's Saptang theory outlined in the Arthashastra, posits that a state's well being and success depend on seven essential components: the ruler (Swami), ministers (Amatya), territory and the people (Janpada), fortified capital (Durga), treasury (Kosha) army (Danda) and allies (Mitra). These elements when harmoniously balanced and functioning contribute to a stable and prosperous state.

- **Swami** – In Kautilya's analysis, Swami occupies a very exalted position in the entire classification of the state. An ideal swami is a native of the territory and noble by birth he inspires confidence in others and is easily approachable, truthful and pious,

has a sharp intellect and possesses such other qualities as bravery, quickness of decision and strength of mind.<sup>4</sup> Crudely, the ruler can be said to be the sovereign but in a limited sense. The ruler is a person superior to others. Being a personal element of the state, the swami is the most important element. The rise and fall of the prakritis were very much dependent on the king as they were all guided and moulded by him. The swami appointed ministers, departmental heads, different officials, dispelled the cloud of misfortune befalling the prakritis, helped them in calamities and solved their difficulties by taking them to the path of progress. Swami had to run the administration of the state according to the prescribed dandaniti and prevailing customs and traditions. He had to take care of all the prakritis (constituents) of the state by framing rules separately for each one of them.

- **Amatya** – The second of seven prakritis is amatya. Kautilya states that a ruler, however competent or powerful, cannot run the administration all alone. So in order to be successful, a king has to employ ministers and listen to their opinions. The ministers employed by the swami were called the sahayak who shared the burden of the swami in protecting his subjects. One of them was the prime minister known as pradhan amatya who was appointed to look after the people. Kautilya has provided the list of 18 different officials who were incharge of different departments.
- **Janpada** – The third prakriti is janpada which literally means population and land. Kautilya points out that the territory of the state should be devoid of rocky, saline, uneven and thorny tracts and be free from wilderness, tiger and wild beasts and abound in fertile lands, timber and elephants forests.<sup>5</sup> It has been suggested by the ancient Indian political writers that the land should be watered by rivers and there should be suitable places for establishing villages and cities and they should be provided with all means of communication. The people should be industrious and followers of dharma. Kautilya announces that the king has to protect both land and people from external aggressions. He should make all possible efforts to promote economic prosperity of the state.
- **Durga** – Durga is the fourth element of state in Kautilya's list and it means a fortress. In manusmriti this term is called pura, a synonym of durga or capital. Durga represents the military establishment to protect the people from natural calamities. Even more durga was a kind of arsenal, a storage of military artilleries and

ammunition. Kautilya has referred to only four types of Durgas – audaka durga (surrounded by water on all four sides), Parvat Durga (made on the mountains or made of rocks), dhanvana durga (on the plain surrounded by desert) and vana durga (near thick and dense) forest. The first two types of durgas were useful for protecting janpada in case of emergency and following two types of durgas provided shelters to the king and others in the event of any emergency.

- **Kosha** – Kosha is described as the fifth most important element in the Arthashastra as well as in other sources. According to Kautilya all the activities of state depend on finance and therefore, foremost attention should be given to the treasury. He identifies the various causes that can contribute to the growth of the treasury. The treasury should be lawfully acquired by the king's ancestors or by the king himself and it should be filled with gold, silver, precious jewels and gems. In his opinion the treasury should be rich enough to withstand the calamity when the state has no income for a long time.<sup>6</sup> The protection of durgas solely depends on Kosha. The use of armed forces also depends on Kosha. In case of emergency the treasury can be shifted from one place to another.
- **Danda** – Danda is mentioned by Kautilya as the sixth element. It consists of hereditary and hired soldiers comprising the infantry, the cavalry and the chariot riders. The concept of danda represents the concept of force as well as the policy carried out by the swami. According to Kautilya Kshatriyas are excellent material for the army. The soldiers should be skilled, patient and should act according to the king's desire.<sup>7</sup>
- **Mitra** – The last element mentioned by Kautilya is mitra. He says that the ally should be true so that there is no possibility of rupture and he offers help whenever the occasion demands.<sup>8</sup> Besides, he should be hereditary to ensure a continuity of friendship with him. Only a man of virtue can be a mitra.
- **Interstate relations (Mandal theory):**

In this theory Kautilya advises on dealing with neighbouring states using real politic and balance of power strategies. Kautilya's Mandal theory, a core concept in the Arthashastra is a geopolitical strategy that outlines a king's approach to foreign policy and alliances based on a circle of state. It posits that a state's immediate neighbours are likely enemies, while neighbours of those neighbours are potential allies, framing concentric circles of friends and foes around the central, aspiring state.

- **Main aspects of Kautilya's Mandal theory:**

Circle of states: The theory envisions a state at the centre (the 'Vijigishu' or aspiring king) surrounded by concentric circles of states.

- Ari (Enemy) – The immediate neighbours of Vijigishu are considered enemies.
- Mitra – Ally – The states neighbour's neighbours are considered friends.
- Madhyama (indifferent) states between the enemy and ally could be neutral or potentially shift allegiances.
- Udasina (Neutral) states that remain neutral in conflicts, exerting influence based on strategic calculations.
- Six fold policy – Kautilya advocates a six fold policy for enter acting with neighbouring states.
- Sandhi (Peace / Alliance) – Establishing treaties and alliances.
- Vigraha (war) – Engaging in conflict as a last resort.
- Asana (Neutrality) - Maintaining a position of neutrality.
- Yana (March) – Preparing for military action.
- Samsraya (Alliance) – Forming alliances with other states.
- Dwaipistha (Double Policy) – Engaging in both peace and war strategies.

Kautilya suggests various tactics for achieving desired out comes in foreign relations including conciliation, gifts and bribery, dissension, deceit and pretence and open attack or war.

- **Envoy system:**

In Kautilya's Arthashastra, the envoy system or dhoota, was a crucial aspect of diplomacy and foreign relations. Envoys were tasked with various responsibilities including gathering information, maintaining treaties, acquiring allies and even instigating dissension in enemy states. They were also responsible for conveying secret agents and troops and suborning the enemy's Kinsmen. The selection of envoys involved assessing their suitability based on specific attributes, including their ability to speak persuasively, plan strategically, observe terrain and maintain composure. Arthashastra also outlined principles for diplomatic conduct, including the importance of maintaining diplomatic immunities following well accepted inter-state relations and using code languages like Guda Lekha for sensitive communications. Kautilya emphasized the importance of envoys being able to observe the words, gestures, responses and hospitality of those they

interacted with.

- **Judicial system in Arthashastra:**

Kautilya's judicial system as outlined in his Arthashastra emphasized impartiality a hierarchic court system and diverse forms of evidence. The king was the supreme judge but specific courts and offices were established to handle various types of cases. Kautilya also detailed procedures for evidence gathering, witness testimony and punishments.

- **Kautilya on Taxation:**

Kautilya emphasized taxation as a key source of state revenue but advocated fairness and efficiency -

- Moderate and just taxation – He compared over taxation to killing the goose that lays golden eggs. Taxes should be levied in a way that does not burden the populace excessively.
- Land tax (Bhaga) water tax, forest procedure tax and taxes on professions and trade are different types of taxes according to Kautilya.
- Kautilya advised the creation of an efficient and honest bureaucracy to ensure systematic collection and to prevent corruption.
- In Kautilya's view the rich could be taxed more heavily, while the poor were taxed lightly or exempted.

- **Arthashastra on Trade and Commerce:**

Kautilya's Arthashastra also discusses trade and commerce – Trade whether in form of goods or other manufactured items was largely under control of the state during his time.

- Trading operations were supervised and controlled by the Superintendent of trade.
- The prices of traded goods were fixed by the state after undertaking the process of costing, allowing the profit margin of 5% on domestic goods and 10% on foreign goods.
- In his book exports and imports refer not to foreign countries, but to neighbouring Indian states.
- Kautilya laid down procedures for such foreign trade transactions, along with methods for price fixation too.
- Kautilya attached considerable importance to weights and measures used for trade, which were standardised in those days.

- While the medium of exchange was silver and copper coins, barter was practised whenever necessary.
- Kautilya also made suggestions for the development and maintenance of trade routes.
- Kautilya emphasized that interest of traders, consumers and the ruling state must be borne in mind while organising trade and commerce.<sup>9</sup>

- **Dharma:**

Kautilya used the word Dharma (which in general means duty) and righteousness in personal and social conduct. He described the basic ethical (dharmic) values as: “Duties common to all – ahimsa (abstaining from injury to all living creatures); satyam (truthfulness); cleanliness; freedom from malice, compassion and tolerance.”

- **Social Ideas of Kautilya:**

As a brahmana, Kautilya regarded and recognised the institution of varnashram dharma (sanctifying the division of ancient society into four varnas), but he laid down liberal rules that assured the lower classes an equitable place in society. Kautilya was conscious of the fundamental rights of the shudras.

- Kautilya accepted the best form of social insurance in the joint family system and enforced the law that the head of the family was to look after the dependents. He was equally mindful of the health of the citizens and his social insurance scheme covered the physical health of the subjects.

After knowing various views of Kautilya on different topics we can say Arthashastra is a foundational text in political science, economics and military strategy. A deep understanding of Kautilya's Arthashastra would offer important lessons in contemporary times too. Even through circumstances prevailing in Kautilya's time were vastly different, his teachings have a universal appeal. Kautilya's brand of wisdom is ageless and immutable. Kautilya expounds his views with amazing foresight and clarity. The Arthashastra is often considered the world's first manual on Political Science and Economics. It lays the ground work for these disciplines by providing detailed guidelines for governance and state management.

Kautilya's specific commentary on areas like public finance and treasury, investments in productive assets, techniques of agriculture and cattle breeding and trade and commerce would be found to be very useful and relevant to this day. Obviously these strategies need to be suitably adapted, given the prevailing political and social

environment as also the availability of advance technologies. Apart from these specific issues Kautilya's Arthashastra could be treated as quintessence of the art of good governance. Apart from broad principles of governance, Kautilya provided techniques for enforcement of law and justice. The universality of his teachings stems from his focus on techniques required to enforce principles. His sense of pragmatism in matters of governance needs to be imbibed by politicians and practicing managers, apart from research scholars.

As stated earlier Kautilya has also described in detail the system of tax administration in the Mauryan Empire. It is remarkable that the present day tax system is in many ways similar to the system in vogue about 2400 years ago.

Arthashastra is often seen as a precursor to modern political realism. It advocates a practical approach to politics where the end justifies the means. This perspective resonates with contemporary political strategies and international relations. Beyond politics and economics, the text has implications in fields like sociology, ethics and military studies. Its principles are studied in various academic disciplines and applied in contemporary context.

Arthashastra has influenced political thought and practice throughout history and its principles continue to be studied and debated by scholars and policy makers.

Arthashastra also delves into the intricacies of diplomacy and foreign policy, offering strategies for maintaining peace, building alliances and resolving conflicts.

The text emphasises welfare of the people, advocating for the policies that promote public health, education and social justice. This idea of welfare state is very popular in today's world also.

Kautilya was a true statesman who bridged the gap between experience and vision.<sup>11</sup> He is regarded by many as one of the earliest people who envisioned a United India.

**References:**

1. Gupta R.C., Indian Political thought, Educational Publishers, 1998, page – 53.
2. Roy Chittaranjan, Kautilya: Saptanga, Dharma and Mandala in Indian Political thought (ed. M.P. Singh and Himanshu Roy), Jyanda Prakashan, New Delhi, 1998, p. 1.
3. Kautilya, Arthashastra B.K. VIII Ch. 2 30, Mysore Government Branch Press, 1909.
4. Ibid, B.K. IV Ch. 1 p. 3.
5. Ibid, B.K. VI Ch. 1 p. 8.
6. Ibid, B.K. VI Ch. 4.
7. Ibid, B.K. VI Ch. 1 p. 11.
8. Ibid, 1.12.
9. Kautilya's Arthashastra: An overview in Kautilya's Arthashastra, 2010, Jaico Publishing House, p. 5.
10. Haribhakti Shailesh, Introduction in Kautilya's Arthashastra, 2010, Jaico Publishing House, p. XXIV.
11. Sharma Ashwani in Chanakya: His teachings and advice, Jaico Publishing House, 2010.