

Progenitor to Classical Economics “KAUTILYA’S ARTHSHASTRA” Socio, Economic and Development thoughts of Kautilya’s Arthashastra relevant to Business Schools

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Abstract

Most of the MBA Colleges and Business Schools are not imparting Arthashastra, karmalessons apart from the formal courses, case studies and classwork on finance, marketing, accounting and economics’-B-School students in India deserve to learn about Kautilya’s Arthashastra, an ancient treatise on statecraft, economic policy and military strategy.

“The scandals like Sahara, Satyam, Chit fund Scams, Kingfisher Airlines and Nirav Modi, further increasing trend of wilful loan defaulters to banks, huge deposits made by a few business firms/ individuals during demonetisation expose the weak foundations of ethics and values in Indian business scenarios,” therefore Business Schools must come forward to teach beyond Business Ethics i.e., Karma Lessons and Socio Economic Development process as mentioned in Arthashastra. This article highlights Socio, Economic and Development thoughts of Kautilya’s Arthashastra that is relevant to Business Schools.

Kautilya wrote Arthshastrasomewhere between 300 and 321 B.C Chandragupta became king in 321B.C. Chandragupta was made king by him and he had the benefit of guidance and support of this great philosopher and statesman in establishing and ad-ministering the Maurya Empire which was further expanded and glorified by his grandson Ashoka whose period is the fulfillment of Kautilya’s concept of Kharmarajya.

Kautilya based his work on the knowledge derived from Vedas, Puranas, Ramayan, Mahabharat and Kharmsastra. Brhaspati Sutra was one of the primary sources. His philosophy, however, contains many ideas and thoughts which are original, based upon his own perceptions and experiences. He is placed on level with the ancient Rishis in pint of antiquity and high reputation of work. The orders of Rishis as evident from Lankavatar Sutra are: Panini, Katyayan, Yagyvalk, Valmiki, Masuraksha, Mautilya and Ashvalayana.

Arthshastra is divided into fifteen adikaranas and one hundred fifty chapters dealing with wide variety of subjects such as duties and responsibilities of a kind and his ministers, institution of spies, mission of envoys, division of land, collection of revenue, conduct of government servants, economic administration, law and order in society, peace and war diplomacy, management of armed forced and even application of medicines and mantras. The form of work is a combination of sutra and Bhasya.

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The book gives a lucid account of theories developed by earlier thinkers on the one the subject and Kautilya's own views.

The spiritual foundation of life according to Kautilya is Trivarg as profounded in ancient philosophy. Trivarg consists of Dahrm, Arth and Kam. Every individual is required to fulfill his religious and moral duties (Dharm). Material needs (Arth) and instinctive desires (Kam). Moksha is the ultimate goal of life which can be attained by following varna sharam dharm. The four varanas: Brahman, Kshatriya, Vaishya and Shudra are based on functions performed and the four ashrams are the stages of life: Bramcharya, Grihasth, Vanaprasth and Sanyas. Kautilya was against pseudo ascetism which in his opinion destroys Varnashramdharm. The best life is the practice life 'Udyam' in accordance with the virtue. There are four sources of virtue: Train (veda), Anvikshiki(Philosophy), Varta(economics) and Dandniti (Politics). Observance of one's duty leads to svarg (heaven) and infinite bliss. Controll over the senses is considered necessary by Kautilya to attain the goals of life.

King(Swami) occupies a central position in kautilyas scheme of thoughts. Kautilya strongly advocated Yogakshema(Welfare of people) as primary responsibility of a king. The happiness of king lies in the happiness of people. What is good for people is good for him. The king is considered Dharmpravartak.

He must enforce the adherence of people to the observance of duties for the four castes and the four stages of life and root out all unrightcousness. Hewas very particular about the upbringing and education of king. A disciplined life was prescribed for prince. He should be educated in Sankhya(Arthmatic) and lipi(language) and should then study Veda, Anvishiki, Varta and Dandviti. He must adhere to Bramcharyaupto age of sixteen. The books recommended for study include Ramayan, Mahabharat, Puran, yay, Mimansa, Dharmashastra and Arthshastra. He must learn to control his senses: Kam,Krodh, man Harsh and Mad and Lobh(Passion, anger, vanity, overjoy and hangtniness and greed) otherwise he is sure to be destroyed. Being the first citizen of state, the kind is required to obtain a kingdom, increase and preserve it and enjoy it with his citizens. The ruler should be of high moral character, receptive mind, disciplined intellect, firm in his objectives and well trained in arts and science. A virtuous ruler will enjoy the earth and will never be defeated. The duties of a kingtowards his subjects include welfare of entire society, upholding the social order, enforcement of Swadharma, maintenance of public works, protection of state and society, saving from disasters and calamities. Maintaining law and order, promotion of trade and commerce, proper administration of justice and looking after Sanyasis. The king should take oath that he would never be arbitrary. He should do justice and award punishment according to offence without discrimination to his sons and enemy alike. The guilty must be punished by the king otherwise the law of fishes (big swallowing the small) will prevail punishment is the root of discipline and source of welfare of citizens.

Kautilya wanted to build a social order based on Dharm. He belived in Varnashram and made state responsible to promote it. However, he was liberal in many respects that his predecessors. Un-like Manu, he prescribed that citizenship could be bestowed on any man irrespective of his class and birth. Recruitment in army was opened for all four varnas. Shudras were regarded as an integral part

of Aryan Community the immunity to Brahmans from criminal penalty and capital punishment was withdrawn. Joint family was considered best for social security. State was however, made responsible for maintenance of the orphans, the aged, the infirm, the affected and the helpless women and children. Medical care was state responsibility. Medical superintendents were appointed to look after the health of citizens and to control the spread of disease. Punishment was prescribed for a doctor for his negligence and loss of limb due to defective surgical operations. Environment control measures were prescribed to cities clean. Special routes were chalked out for carrying dead bodies and the cremation grounds were provided out of the cities. Cutting of green trees and killing milk animals were considered acts leading to hell. The village boundaries were marked by useful trees like people and shall, mountains, jungles, waterways, embankments and canals.

Slavery was considered as a sign of backwardness by Kautilya. He granted slaves the right to property and abolished hereditary slavery, banned the sale and pledge of children as slaves. Heavy punishment was prescribed for selling or pledging one's own children. If a child is born of a female slave from her master, both mother and child are free from bondage immediately. Deceiving a slave was a punishable offense. The slaves could not be forced to do immoral or low work. The right to freedom from bondage was given by paying half the ransom in case of captives of war and by paying fine or service in lieu of fine, the state was required to protect the honour of the persons forced to embrace slavery. Kautilya was of the firm view that no Aryan could be reduced to slavery since the status of Arya was incompatible with slavery. The conception of Arya was extended to shudras. Selling of a minor shudras by his relatives was punishable. Wages are payable as agreed between employees & employees. If there was no agreement, the payment will be based on time and work, nonpayment of wages in time was punishable with fine. Similarly, not doing the duty prescribed after taking money was also considered as offense punishable with fine.

Grihasthashram was given supreme importance in Kautilya's thoughts. All social transactions begin with marriage. He described eight types of marriages: Brahma (through Kanyadan), Prajapatya (through mutual consent), Arsh (along with godan), Daiva (in presence of Yagyavedi), Gandharva (without consent of parents), Asura (by giving money to parents), Rakshas (by taking away forcibly) and Paisacha (taking away forcibly in sleep). All the eight types of marriages were permissible if parents approve. The presents to bride by her parents and relatives become streedhan which she was entitled to the property and income left by her husband, but if she remarries this right is not sustainable. Her children from the first husband get entitlement. The right to divorce was given to women when the husband becomes a bad character, migrates, indulges into antistate and criminal activities, does not follow dharma or becomes impotent. Adultery was an offense.

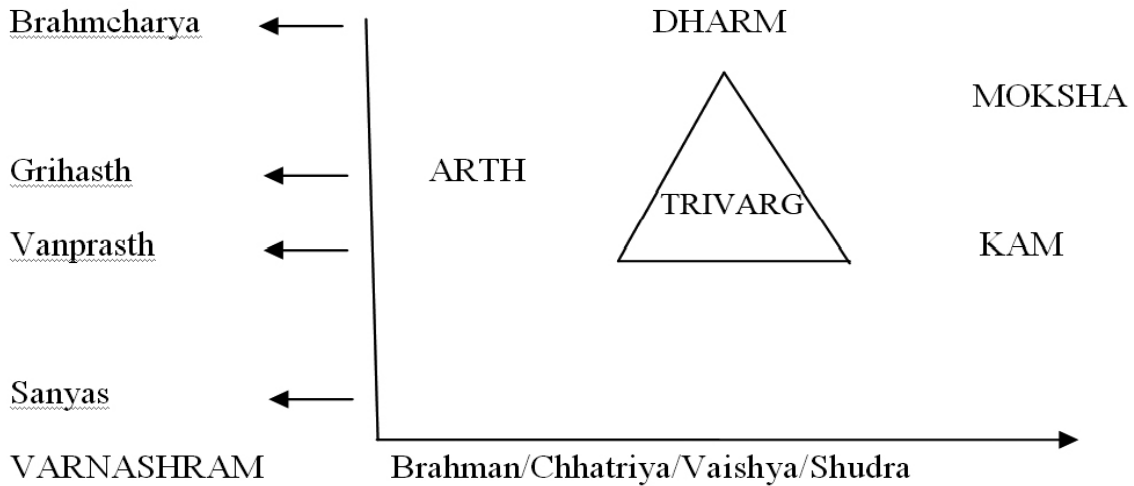
Education was in the scheme of priorities of Kautilya. The acquisition of knowledge was obligatory for three higher castes. The established institutions of education were: Gurukulas, Ashrams, Charakas (Wandering scholars) and Vidvatparishads. A child was initiated to lipi and sankhya first, then he was sent to gurukul. Necessity of education at all the four stages of life was emphasized. Among the courses taught at secondary and higher level were Vadengas, Sankhya,

Yoga, Agriculture, cattlebreeding, polity Military arts and history. Education was founded by the state which also used to honor learned people. Students were subjected to rigorous discipline. Vinay(discipline) comprised: susrushya(desire for learning), sravana(cultivation of truth learnt), grahana (graping which is learnt), dharan (retaining what is grasped) ,Vijnana(Knowledge of ways and means of achieving the truth learnt): Ushra (Inference and deliberations) Kautilya was in favour of the oretical and practical education both. Nilitary training was also a part of education. Ramayan, Mahabharat, Nyaymimansa, Dharmashastra and Arthshastra were among the prescribed texts. The object of all learning was darm and arth.

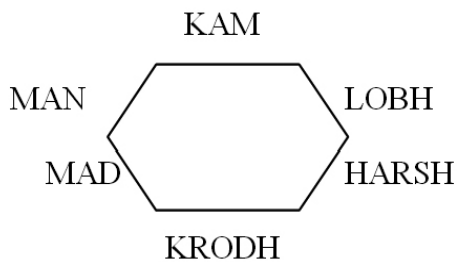
The economicideals of Kautilya were ahead of his age. Some of economic principles about which the economists in the west started in the late 19th and early century, were developed by Kautilya several centuries back. He emphasized on the economy of scale in the operation of mines. He favored large number of cows in one herd and large number of fruits trees in one orchard. The principal of the division of labourwhich hadits origin in Manusmrti in four vernas was recognized in economic welfare. A large part of agriculture in this vast crown land was under its direct control. Irrigation department was responsible for constructing new sources of water supply and distribution of water seeds were developed in odel forms and distributed. Cattle farms and dairly farms were looked after by Gopalaks, Dohaks andmanthaks. Pasture grounds were granted remission and also grain, cattle and cash advances. In villages land was earmarked for agriculture, plantation of fruits, pasture, embankment and social purpose like temples, cremation ground and sacred spots. The state had monopoly in such industries as mining, armaments, shipping etc. Khanyadhaksa looked after state enterprises in pearl, coral diamond and other precious stones. Management of gold and silver was looked after by Sanvarnika. Cotton, oil, sugar and diary industries were also promoted by the state. Besides state enterprises there were number of private enterprises. Stealing precious matals from state mines was and offense. Consumers were protected against hoarding or cornering of goods; market hours were regulated and prices were fixed. Weights and measures were standardised. Wages were prescribed for different type of jobs. Workers were rewarded for good performance. Severe punishments were prescribed for smuggling and adulteration of good speculation and strikes and work stoppages. Panyadhyksa were appointed to regulate the trade. Tax collection was done by shulkadhyaksa. Taxes were charged as a payment for profection by the state and not as a compulsory contribution. All taxes were levied at proper times on the 'principle plug the fruits when ripe'. The taxes were not arbitrary. For instance, water rates were proportionate to irrigation facilities in a particular region provided by the state. The state was warned to be vigilant against its own officials and to punish those found guilty of corruption and embezzlement. Dharm is the basis of Kautilya' philosophy Arth is given importance as means and not as an end. There can be no better summing up to Kautilyas philosophy than quoting him:

"Righteousness is the root of happiness. Wealth is the root of righteousness. The state is the root of wealth and the victory over senses is the root of the state".

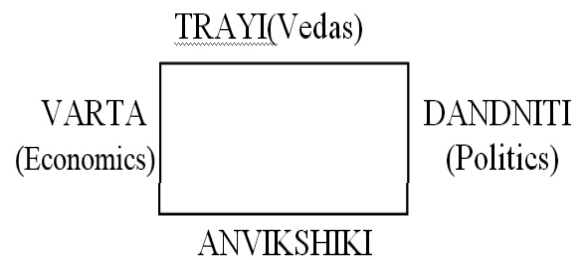
1. SPIRITUAL FOUNDATIONS OF LIFE



2. CONTROL OF SENSES



3. SOURCES OF KNOWLEDGE



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