

The Arthashastra *Insights on Statecraft and Reflections of* *Ancient Indian Society*

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This paper investigates the *Arthashastra* and its implications for ancient Indian society, as well as the rationale behind the principles underlying the text.¹ It is necessary to bear in mind that the *Arthashastra*, “the science of wealth and warfare,”² was just discovered and translated in the past century in Mysore by R. Shamasastri, and that until then, there was no knowledge of any such compilation, despite scant allusions made to an “*Arthashastra*,” and its alternative names “*Nitisastra*” and “*Dandaniti*,” in the *Mahabharata*.³ Thomas Trautmann dates the text to c.150 A.D. and, through rigorous statistical analysis, he concludes that the *Arthashastra* had several authors spanning a wide range of dates,⁴ which adds to the puzzle of how historically obscure the text has been for over the past two millennia. Nevertheless, its secretive nature adds credence to its function as a handbook on efficient statecraft for kings and high-level ministers. This

¹ This paper is based on political economist L.N. Rangarajan’s translation of the *Arthashastra*: L.N. Rangarajan, *Kautilya: The Arthashastra* (New Delhi: Penguin Books India, 1992). All of the quotations taken directly from the *Arthashastra* text in this paper will include the page number in Rangarajan’s work, followed by the relevant verse number in R. P. Kangle, *The Kautiliya Arthashastra, Part II* (Bombay University Press, 1963) in order to facilitate the reader. For example, (1.1.1) would indicate Book 1, Chapter 1, verse number 1 in Kangle’s translation. Furthermore, in regard to Rangarajan’s work, square brackets [] will be enclosed around his additions and comments within the *Arthashastra* text.

² Rangarajan, *Kautilya: The Arthashastra*, 100; (15.1.2).

³ R. P. Kangle, *The Kautiliya Arthashastra, Part III: A Study*, (Bombay University Press, 1965), 3.

⁴ Thomas R. Trautmann, *Kautilya and the Arthashastra: A Statistical Investigation of the Authorship and Evolution of the Text*, (Leiden, Netherlands: E.J. Brill, 1971), 174, 183. The *Arthashastra* on the other hand, claims to have been authored by a single person named Kautilya, who is traditionally identified with Chanakya – the Brahmin minister who, according to legend, engineered Chandragupta’s rise to power and the unprecedented success of the Mauryan empire (321-185 BC). Whether such individuals and stories are actually real is difficult to say, but what is significant is that they illustrate the role that secular Brahmin ministers played in immensely shaping the state and economy. Nevertheless, Trautmann’s analysis indicates that the text is the compiled result of several different authors throughout history.

paper will focus on the following three themes in the text: (1) the utilitarian function of the state, (2) the intellectual and strategic leadership of Brahmin high government officials, and (3) the preservation of the status quo and political legitimacy; all of which will reveal that the *Arthashastra* was the eventual product of the large-scale centralization and tremendous growth experienced by Indian polities during the pre-Gupta period.

Artha has always been regarded as one of the four *purusharthas*,⁵ yet its teachings have been relegated to animal fables and folklore. No such *shastras* seem to have been compiled for public knowledge, as was the case of the *Dharmashastras* and *Kamashastras*. In stark contrast to the latter, the manuscript discovered in 1902 by Shamasastri was compiled as a guidebook for kings and high-level officials, rather than the average individual. The result is a perspective advocating a top-down style of governance with little or no representation held by the general populace, and the continual maintenance of such a state with energetic leadership and extensive secret service.⁶ Though the king and upper echelons of society involuntarily accepted such authority because of religious ideals just as much as the general populace did, the *Arthashastra* suggests the existence of a small elite with a secular and realist outlook that actively worked to uphold this power scheme and determine the overall course of the kingdom.⁷

⁵ In Hinduism, the *purusharthas* are the four great aims of human life, in order of decreasing importance: *moksha* (eternal salvation), *dharma* (religion/morality), *artha* (wealth), and *kama* (love/sex/aesthetics). Proper adherence to the latter three in life is supposed to help one in ultimately attaining *moksha*. However, as will be discussed very shortly, the *Arthashastra* redefines the priorities of the latter three pursuits. – Rangarajan, *Kautilya: The Arthashastra*, 13.

⁶ Romila Thapar, *Early India: From the Origins to A.D. 1300* (University of California Press, 2002), 206.

⁷ This power scheme is the caste system, as structured by the four *varnas*: *Brahman* (priest), *Kshatriya* (warrior aristocrat), *Vaishya* (cultivator and trader), and *Shudra* (those who labor for others). An additional fifth group is the untouchable, who is outside of the *varna* system and therefore constitutes the lowest rung of society.

It is for this reason that the *Arthashastra* advocates reordering the priorities of the *purusharthas*, by valuing materialism over religion and morality.⁸ Similarly, R.P. Kangle notes that “these ideals are meant for individuals” and that the conduct of public life was not to be guided by these rules for individual morality.⁹ Management of the state necessitated realism, not idealism. It required the prudence and precise calculation of measures undertaken alongside their short and long-term consequences, which formulated the theoretical beginnings of economics:

“Wealth will slip away from that childish man who constantly consults the stars: the only [guiding] star of wealth is itself; what can the stars of the sky do? Man, without wealth, does not get it even after a hundred attempts. Just as elephants are needed to catch elephants, so does wealth capture more wealth.”¹⁰

Public welfare was contingent upon the strength of the state. The latter was achieved by internal development or territorial expansion, both of which were realized through power.¹¹

The *Arthashastra* regards both economics and foreign policy as zero-sum games: the state would need to prosper economically lest it be overtaken by wealthier imperialist neighbors or suffer from internal rebellion by discontented government officials and military leaders. Furthermore, internal development would naturally lead to population growth and would eventually necessitate expansion, which is why L.N. Rangarajan notes that “the aim of creating a well-run state is to provide the base for expansion. Continuing with this logic, Kautilya deals in Book 7 with all the theoretical possibilities of

⁸ “Kautilya, however, says: *artha* (sound economics) is the most important; for *dharma* and *kama* are both dependant on it.” – Rangarajan, *Kautilya: The Arthashastra*, 145; (1.7.6-7).

⁹ Kangle, *The Kautiliya Arthashastra, Part III: A Study*, 281.

¹⁰ Rangarajan, *Kautilya: The Arthashastra*, 637; (9.4.26-27).

¹¹ “Strength is power; happiness is the objective [of using power]. [Power and success are interrelated.] Power is of three kinds; so is the success resulting from its use... a prosperous treasury and a strong army provide physical power...” – Ibid., 559; (6.2.30-34).

conducting an expansionist foreign policy.”¹² Hence, the prime motive of the state was the never-ending pursuit of *artha*. It is only after dedicating its energies to this end can the state or king¹³ then move on to fulfilling *dharma* and *kama*.

As such, the *Arthashastra* provides extensive coverage on the overall economy, which includes: infrastructure (roadwork, irrigation, forestry, and fortification), weights and measurements, labor and employment, commerce and trade, commodities and agriculture, land use and property laws, money and coinage, interest rates and loan markets, tariffs and taxes, and government expenditures and the treasury. The high level of detail dedicated to these areas demonstrates the remarkable organization and centralization of the state idealized in the *Arthashastra*, and it also supports the view that the information contained in the text is a compilation of works that have endured over long periods of trial and error. The *Arthashastra* is surprisingly calculated on every minute detail and economic function – the exact number of *panas*¹⁴ is provided for every salaried position, legal ramification, commodity, and livestock. Economics was regulated through such central planning and the highly detailed attempts at identifying the optimal amount for every economic function stresses this constant strive towards efficiently improving the overall utility and welfare of society.

Along with prudence and careful calculation, the state is advised to be extremely active or energetic in managing the economy, as the *Arthashastra* states that,

¹² Rangarajan, *Kautilya: The Arthashastra*, 117.

¹³ Rangarajan mentions that “in the *Arthashastra*, “King” is often used to signify the state, since he embodies all the constituents. In [his] translation, the two are used interchangeably, depending on the context.” – Ibid., 141.

¹⁴ The coin most often mentioned in the *Arthashastra* is the *pana*. Rangarajan states that “the value of a *pana* in relation to the cost of living is in (5.3.34); an annual salary of 60 *panas* could be substituted by an *adhaka* of grain per day, enough for four meals for one Arya male (2.15.43)... given the fact of a cash wage of 5 *panas* a month for the lowest paid, the *pana* was, indeed, a valuable coin...” – Ibid., 109-110.

“The root of material well-being is activity, of material disaster its reverse. In the absence of activity, there is certain destruction of what is obtained and of what is not yet received. By activity reward is obtained, and one also secures abundance of riches.”¹⁵

Similarly, a different verse in the same chapter advocates the direction of such activity towards improving public welfare.¹⁶ Though seemingly liberal and humanitarian, this too had a very important economic basis. A.L. Basham notes that a substantial portion of the population in ancient India resided in the countryside.¹⁷ Hence, dedicating resources to the lower rungs of society also strengthened the peripheries of the state, which in turn actuated territorial expansion. Furthermore, providing amenities for the poor masses indirectly stimulated population growth, and thus, the overall growth of the state and economy in the long run. Hence, there is a lot of truth in the verses in which the *Arthashastra* states that “it is the people who constitute a kingdom; like a barren cow, a kingdom without people yields nothing.”¹⁸ The emphasis on population growth for indirectly achieving economic prosperity is also hinted elsewhere in the text, in which the *Arthashastra* strongly prohibits premarital sex and adultery and instead encourages fertility via rewards and punishments framed within the legal system.¹⁹

Central planning was directed towards maintaining stability, order, and efficiency in the economy. Extremely volatile market fluctuations were stabilized by the Chief Controller of State Trading to keep commodity prices at a certain threshold level.²⁰ Rangarajan also mentions that traders and merchants were mistrusted by the state:

¹⁵ Rangarajan, *Kautilya: The Arthashastra*, 74; (1.19.35-36). This heavy emphasis on activity is also reflected in the suggested daily regimen of a king, as seen in *Ibid.*, 147-148; (1.19.6, 9-24).

¹⁶ “In the happiness of the subjects lies the king’s happiness; in their welfare his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects.” – *Ibid.*, x; (1.19.34).

¹⁷ A.L. Basham, *The Wonder that was India*, (London: Sidgwick & Jackson, 1954), 191-195.

¹⁸ Rangarajan, *Kautilya: The Arthashastra*, 116; (7.11.24-25).

¹⁹ “A woman attains majority when twelve years of age and a man, sixteen. [Their obligation to carry out marital duties begins at these ages.] Failure to carry out marital duties is punishable.” – *Ibid.*, 396; (3.3.1,2).

²⁰ *Ibid.*, 336-337.

“...they shall be prevented from oppressing the people. Their propensity to fix prices by forming cartels (4.2.19; 8.4.36), make excessive profits (4.2.28-29) or deal in stolen property (4.6.3-6) was guarded against by making those offences punishable by heavy fines.”²¹

Similarly, government officials and secret service actively regulated society to crack down on underground black markets, counterfeiting, and other violations of economic standards set by the state. The treasury received income from industries under state control (prostitution, alcohol, and gambling), taxes and tolls, service charges, fines, special levies, and voluntary contributions and sale of royal honors.²² In regard to taxation, the *Arthashastra* advises prudence, balance, and proper timing²³ – a recurring lesson that seems to be espoused by the text on all state functions.

However, despite the many readily offered solutions and suggestions in the *Arthashastra*, the application of such principles was far from being an easy task, which is why the king depended heavily on his councilors. It was the latter who comprised the strategic and intellectual leadership of the state. Several of the guidelines in the text seemingly contradict each other at times, and this is further reflected by the disagreements between Kautilya and previous authors on various issues within the text, which is why the *Arthashastra* stresses intelligence over physical or material strength.²⁴ Effective intelligence would allow a state to carefully weigh the odds of foreign and domestic policy measures, and skillfully apply the principles underlying the text:

“The power of good counsel, [good analysis and good judgment] is superior [to sheer military strength]. Intelligence and [knowledge of] the science of politics are the two eyes [of a king]. Using these, a king can, with a little effort, arrive at the best judgment on the means, [the four methods of conciliation, sowing dissension, etc.] as well as the various

²¹ Rangarajan, *Kautilya: The Arthashastra*, 86.

²² *Ibid.*, 256-272.

²³ “Just as one plucks fruits from a garden as they ripen, so shall a King have the revenue collected as it becomes due. Just as one does not collect unripe fruits, he shall avoid taking wealth that is not due because that will make the people angry and spoil the very sources of revenue.” – *Ibid.*, 253; (5.2.70).

²⁴ “An archer letting off an arrow may or may not kill a single man, but a wise man using his intellect can kill even reaching unto the very womb.” – *Ibid.*, 675; (10.6.51).

tricks, stratagems, clandestine practices and occult means to overwhelm even kings who are mighty and energetic.”²⁵

Intelligence was the prerequisite for applying strategy, internally through secret service or externally through espionage and psychological warfare. The *Arthashastra* cherishes strategic means for achieving political and economic ends because of its inherent efficiency – strategy meant leverage.²⁶ The presumably large scale of the state economy idealized in the *Arthashastra* necessitated abundant use of covert operations in order to defend against external threats and quell internal dissension.

The rapid growth and centralization of states seemed to have greatly reduced the margin for error in government policies and measures undertaken. The *Arthashastra* warns of several instances in which seemingly minor mistakes may precipitate the entire collapse of the state, and conversely, the text also advocates methods to engineer similar stratagems on enemy states through covert operations.²⁷ As an example, in several cases the *Arthashastra* recommends the use of “young women of great beauty,” or courtesans, to seduce and become intimate with rival military leaders and political officials so as to set the stage for provoking quarrels amongst them or inducing assassination.²⁸ Similarly, deceptive means are undertaken to ensure loyalty and immediately quell any dissension within the state. The text even advocates the continual testing of the king’s own councilors in order to determine their proficiency in *dharma*, *artha*, and *kama*,²⁹ as well

²⁵ Rangarajan, *Kautilya: The Arthashastra*, 628; (9.1.10-15).

²⁶ “A single assassin can achieve, with weapons, fire or poison, more than a fully mobilized army.” – Ibid., 498; (9.6.54,55).

²⁷ Ibid., 253

²⁸ Ibid., 522-524; (11.1.34-52).

²⁹ Rangarajan, *Kautilya: The Arthashastra*, 508; (1.10.2-12).

as having secret agents test the loyalties of queens and princes by trying to tempt them to overthrow the king.³⁰

To defend against these stratagems from rival states, ironically, the *Arthashastra* advocates steadfast adherence to religion:

“...in times past kings had perished because they fell prey to one or other of the six vices (lust, anger, greed, conceit, arrogance and foolhardiness) and that the aggressor was in danger of following these kings who had no self-control. It was better to pay heed to spiritual and material well-being (*dharma* and *artha*). Those who advised him to behave rashly, in violation of the principles of *dharma* and *artha*, were friends only in name but were really his enemies.”³¹

These “weaknesses” or deviations from religious principles were also tested amongst the general populace by secret agents. The text identifies individuals departing from the practice of *dharma* as the most likely sources of opposition to the state. The rationale behind this religious self-control and moderation urged by the *Arthashastra* may be likened to how skilled poker players are trained to control their emotions and think strategically amidst high-pressure situations. Hence, religion was taken as an effective buffer against external and internal strategic threats and the strong adherence to it was essential for ultimately outmaneuvering enemy states.

It is also necessary to add that the *Arthashastra* begins by giving “salutations to Brihaspati and Sukra [the gurus of the gods and antigods and the originators of the Science of Politics].”³² Kangle notes that the *Mahabharata* also identifies them as the teachers of the *Arthashastra*,³³ and in religious texts they are presented as the strategic gurus that help the gods or demons obtain victories in war. They both embody the

³⁰ Ibid., 154-156.

³¹ Ibid., 669-670; (12.2.2-7).

³² Ibid., 100; (1.1.0).

³³ Kangle, *The Kautiliya Arthashastra, Part III: A Study*, 6-8.

purohita,³⁴ and from this it can be surmised that the *Arthashastra* was the discipline of the *purohita* and similar high-level Brahmin ministers. Brahmins enjoyed a particularly privileged role in society, as they were exempt from many of the legal ramifications in the *Arthashastra* that were applied to the other *varnas*, and their influence in society is reflected by their disproportionate representation in the government. Furthermore, the *srotriya* (Brahmins learned in the Vedas) enjoyed even greater respect and privileges than the typical Brahmin. Even the king was prohibited from doing any harm to *srotriyas* and they enjoyed exemption from taxes and service charges of any kind.³⁵ Overall, Brahmins were specialized into being the intellectual and strategic elites of society,³⁶ as they were masters of both the *Dharmashastras* and *Arthashastra*. They seem to have wielded religion and statecraft/economics interchangeably, and often simultaneously, to direct the course of the economy.³⁷

These elite Brahmin ministers were the source of political legitimacy in society and were responsible for maintaining the status quo by wielding their influence via *dharma*. The function of *dharma* as an indirect means for strategic defense has already been observed, however it was also valued as the essential social fabric binding all of society:

³⁴ “The king shall appoint as the *purohita* (the Royal Chaplain) once from the very highest family, of the most exemplary character, learned in all the Vedas and their branches, expert in reading omens, well-versed in the science of politics and capable of performing the correct expiatory rites against acts of God and human calamities. The King shall follow him as a pupil does his teacher, a son his father and a servant his master.” – Rangarajan, *Kautilya: The Arthashastra*, 212; (1.9.9,10).

³⁵ *Ibid.*, 45-47.

³⁶ Further evidence of this intellectual specialization is revealed by the *Arthashastra*’s discouragement of Brahmins becoming soldiers because supposedly “an enemy may win over Brahmin troops by prostrating himself before them.” – *Ibid.*, 685; (9.2.21-24).

³⁷ Kangle notes that the Brahmin class had a “monopoly of imparting education... all learning and knowledge was thus concentrated in his hands. He had also a monopoly of priestcraft. The religious life of the community was under his control. With the intellectual leadership of the community and the control of its religious life in its hands, the priestly class exercised a powerful influence on social life... such a hold on the spirit and the mind of vast communities by a small hereditary class is probably unique.” – Kangle, *The Kautiliya Arthashastra, Part III: A Study*, 145.

“Wealth is like a tree; its roots are *dharma* and the fruit is pleasure. Achieving that kind of wealth which further promotes *dharma*, produces more wealth and gives more pleasure is the achievement of all gains (*sarvarthasiddhi*).”³⁸

Dharma was also infused into the legal system through the *Manu Smriti*.³⁹ It was an ideology that dictated both life under the state and life in the hereafter, codified under a single word, which became the source of inspiration, national unity, and patriotism for every citizen. *Dharma* preserved the status quo by maintaining the economic specialization of the *varnas* and discouraging opposing religious and political ideologies. Regarding such, the *Arthashastra* states that “the maintenance of law and order by the use of punishment is the science of government,”⁴⁰ and the boundaries of what seemed to be valued by state ideology or *dharma* are indirectly revealed in the *Arthashastra* by the magnitude of punitive fines attributed to unlawful deviations from the status quo. Thus, *dharma* was the prime source of political legitimacy of the state and it was one that was liberally tweaked by the Brahmin elites in furthering their ends and practicing efficient statecraft. Regarding the instrumental use of religion for political legitimacy, Basham notes that “the author of the *Arthashastra* had no illusions about the king’s human nature... but he recognized that legends about the origin of kingship had propaganda value.”⁴¹

Overall, the *Arthashastra* needs to be examined as the by-product of expansive growth and increased centralization as Indian polities made the transition from state to empire, as pioneered by the Mauryan dynasty. As such, the cynical realism and calculated

³⁸ Rangarajan, *Kautilya: The Arthashastra*, 639; (9.7.81).

³⁹ Also known as the *Laws of Manu*, the *Manu Smriti* is one of the nineteen *Dharmashastras* and one of the most important compositions of *Smritis* (meaning “that which needs to be remembered”) literature. Unlike the *Vedas*, which are held to be of divine origin, the *Smritis* are believed to be the teachings of the earliest humans, particularly a legendary sage named Manu, in order to regulate individuals in society.

⁴⁰ *Ibid.*, 108; (1.4.3).

⁴¹ Basham, *The Wonder that was India*, 84.

efficiency defining the text are reflective of the leadership that needed to be cultivated in order to manage a state of such a large scale. It is a seismic change that was also shared in other parts of the world during antiquity that underwent a similar political and economic transformation. Aside from the mystery behind its historical obscurity, what is also unique about the *Arthashastra* is its lack of transparency within the text. There is hardly any mention of past events or specific individuals to illustrate its guidelines, and even more surprising, there is no mention whatsoever of Jainism or Buddhism, two religions which were practiced by the most renowned emperors in all of Indian history, Chandragupta and Ashoka. Rather, it staunchly fits into the mold of the heroes that it seems to idolize: Brihaspati, Sukra, and Chanakya – secular Brahmin ministers that deviously masterminded society at all levels and impacted the growth of the state, as well as its legacy in history.