

Relevance of Kautilya's Arthashastra in Today's Organizational Governance

Purvi Gosar¹ and Dr. Harish Purohit²

Research Scholar, Shri J.J.T. University, Jhunjhunu, Rajasthan, India¹

Research Guide, Shri J.J.T. University, Jhunjhunu, Rajasthan, India²

gosarpurvi7@gmail.com¹ and purohitharish46@gmail.com²

Abstract: *The Arthashastra, an ancient Indian treatise written in Sanskrit that demonstrates statecraft, economic approach, and military techniques and principles, also outlines Kautilya's political thoughts. This research paper highlights information on specific topics that are relevant to kings who run an autocratic Government. This paper also includes recommendations on taxation, foundation, exchange, organizations, and discretion. This paper investigates Kautilya's Arthashastra, an ancient Indian writing, and its current perspectives on today's hierarchical governance.*

Keywords: Kautilya, Arthashastra, Taxation, Irrigation, War, Infrastructure, Recommendations, Law

I. INTRODUCTION

The Arthashastra is a book on how to govern a kingdom or country. It was written by Kautilya, also known as Chanakya (350–275 BCE), an Indian philosopher, administrator, intellectual, and prime minister to Chandragupta, the emperor of the Mauryan Empire. The Sanskrit phrase "The Science of Material Gain" is used to refer to the Arthashastra. It is also referred to as the "Study of Political Economy" or "Study of Politics". Kautilya, also identified as Vishnugupta and Chanakya, is believed to be the author of the text. Kautilya was a scholar at Takshashila, the teacher and guardian of Emperor Chandragupta Maurya. Arthashastra is said to be composed between the 2nd century BC and the 3rd century BC. The Arthashastra was influential till the 12th century, after which it disappeared. It was rediscovered in 1905 by R. Shamasastri, who published it in the year 1909. The first English translation was published in the year 1915. Kautilya practised several economic, investment, financial, political, and administrative strategies during the 3rd–4th century BC. Surprisingly, many of his ideas and practices are still followed today. The census, segmentation analysis (both general and demographic), and other statistical tools that we follow today were started by Chanakya. And these practices are detailed in the Arthashastra. This research project sheds light on the historical origins of the Arthashastra while specifically and concisely concentrating on the management done in the Mauryan Empire of ancient India and its practical applicability in organizational governance in today's time.

1.1 Objectives of the Study

The above research aims

1. To study and analyze the Organizational governance aspect in Arthashastra.
2. To connect ancient Organizational governance strategies to the present times.
3. To study and understand the contribution and relevance of Chanakya's concept of Organizational management to the modern age.

II. RESEARCH METHODOLOGY

The proposed study is based on primary and secondary data collected through various books and journals. Review and analysis of various books available on Arthashastra and Kautilya's teachings had been done in order to relate it with the current Organizational governance scenario and thereby arrive at ways to show sound Organizational management can be done by modern organizations.

2.1 Data Collection

1. **Primary Data:** The primary data had been collected through personal visits to people who have expertise in the field of Kautilya and Arthashastra. Interviews had been taken with various Organizational managers in the Mumbai region.
2. **Secondary Data:** Secondary data had been collected through various books, journals, and articles on Arthashastra.

2.2 Hypothesis

To understand the concept of Organizational management which was explored thousands of years ago in the 'Arthashastra' and whether the same is applicable in the contemporary era.

2.3 Welfare State

The methodical foundation for establishing India as the first welfare state is laid forth in Arthashastra. In all circles, he is a welfare campaigner. He spoke about the well-being of other living things as well, not just humans. He claims, "The monarch finds satisfaction in the happiness of his subjects, and his welfare is found in their welfare. He will treat as useful to him whatever satisfies his followers rather than only considering what pleases him."

He promotes the security of a job, a more vulnerable location, buyer safety, and even the welfare of the Welfare State's incarcerated citizens. The methodical foundation for establishing India as the first welfare state is laid forth in Arthashastra. In all circles, he is a welfare campaigner. He spoke about the well-being of other living things as well, not just humans. He preached that "In the joy of his subjects lies the king's satisfaction, in their welfare lays his welfare. He will not consider tantamount to just that which satisfies him, however, treat as advantageous to him whatever satisfies his subjects." He promotes the security of a job, more vulnerable areas, buyer security, and even the well-being of prisoners. The King's dharma is to protect his relatives in a straightforward, rational, and generous manner. His behaviour toward his followers should resemble a father's attitude toward his children. The ideal monarch, according to Kautilya, is "always active in improving the prosperity of the individual and who charms himself by enriching people generally and accomplishing great things to them."

The King's dharma is to secure his kin in a straightforward, rational, and generous manner. His behaviour toward his followers should resemble a father's attitude toward his children. The ideal monarch, according to Kautilya, is "always active in improving the prosperity of the individual and who charms himself by enriching people generally and accomplishing great things to them."

2.4 Sound Governance

Generally speaking, administration includes every aspect of how a country is run, including its financial arrangements and administrative structure. Kautilya possessed obscure knowledge of various aspects of administration, such as tax assessment, tact, exchange, business, organisation, and so forth. He supposedly possessed cognitive learning in both medicine and astrology. He has since been compared to Aristotle and Plato as well as Machiavelli and The Ruler because it is a book on political economy similar to The Ruler by Machiavelli. Kautilya examines the organisation of a state's economy, the selection of priests, the conduct of war, and the coordination and distribution of tax collecting. The importance of a network of clandestine agents and sources that serves as the Lord's reconnaissance corps, focusing on external threats and internal dissidence, is highlighted.

He employs a comprehensive approach to management and identifies a few areas crucial to the overall operation of a country. The main divisions oversee the administration of justice, taxation, labour management, national security and foreign policy, strategies for economic growth, and financial and labour management. According to him, achieving efficient administration demands that the state's objectives be met and understood. This is possible thanks to properly planned and organized organization. He suggests that good management should steer clear of good decisions and actions. Decisions should be made based on the circumstances. highlighting the four-pronged approach to dealing with open Accounts and state planning, which was primarily concerned with money, markets, and significantly, In addition, the experts agreed that comprehending "Dharma, Artha, Kama, and Moksha" The Arthashastra, considered to be the most established and largely accepted comprehensive work that proposed an organization and management system for

states worldwide speculations about the state's economy and currency, as well as a code of ethics and criminal legislation still, has relevance now.

Political and financial administration are compared in the Arthashastra. Political administration is the means, while monetary administration is the aim. In any event, political administration becomes a means to an end and financial management is the means because financial goals are not grasped in the absence of political ones. The Kautilyan doctrine should start with the axiom that "the aim justifies the means." The tools and elements of the deals are political clout and material wealth. Additionally, good governance—whether political or financial—depends on safeguarding resources in light of the socio, financial, and political environments.

According to Kautilya, good governance requires a properly governed open organisation, where the ruler should renounce his inclinations in light of real concern for his citizens, and the workforce administering the Government should be responsive and responsible. Kautilya also emphasised the need for consistent authoritative practices, competent pastors and authorities with qualities such as leadership, responsibility, mind, vigour, tremendous good leadership, as well as physical wellness and the ability to make quick decisions. The concept of administration, according to Kaufmann and Kraay, is not new. Kautilya demonstrated crucial tenets of the art of administration emphasising justice, morality, and opposition to totalitarian tendencies. He goes on to detail the lord's duty to protect such wealth, together with the premiums of the subjects, in order to safeguard the state's abundance and that of its people. The earth will be conquered by a king who supervises equity according to the four criteria of exemplary nature, proof, case history, and common law.

2.5 Foreign Trade

Any economy has always needed to have a strong foreign trade sector. Kautilya recognised that foreign exchange businesses and products are a significant means of boosting national wealth. He claimed that in order for foreign brokers to profit, foreign trade should be encouraged by providing a few incentives, such as exemption from assessments. He accorded imports a specific amount of weight. He added that using foreign exchange can increase the supply of goods that may not otherwise be available locally. A state can obtain goods from foreign sources even more affordably through imports. He described a rather flexible viewpoint on foreign trade in this way. He claimed that it benefits the many kingdoms when imported goods are less expensive than those that can be purchased locally. He believed that a trade based on the principle of a reasonably favourable position would be beneficial for both countries sending and receiving goods. For the Treasury, the exchange is an important source of revenue. The use of taxes, including import duties and fare taxes, is supported by Kautilya. Promoters of Kautilya were luring in foreigners with excellent specialised knowledge.

He is in favour of the imposition of import and transportation taxes. He suggested imposing a heavy tax burden on far-off goods that are considered extravagances while imposing low duties on goods that are used on a regular basis. Anything that is extremely beneficial to the country should be exempt from import restrictions. He was the first person to check the identification, which is necessary to get beyond the restrictions.

2.6 Collection of Taxes

Chanakya "gave preeminent significance to the maintenance of a large treasury, which positively influenced whole exercises of the organisation," Jha and Jha (1997) noted. Excellent financial management and methods to develop each sector of the economy were two things he put a lot of thought into. According to him, open income exists not for the king's amusement but rather as a resource to boost national wealth. He acknowledged that the primary source of income is the tax assessment. Although the state is endlessly burdened, excessive tax assessments are not appropriate.

He maintained that the duty base, not the assessment rate, should be increased. He chastised the excessive burden of charge placed on individuals. The saying "King must accumulate assessments like the bumblebee, enough to continue but not too much to demolish" was coined by Kautilya. A straight annual assessment is something that Kautilya does advise. The reasonableness, soundness of cost structure, fiscal federalism, avoidance of excessive tax assessment, assurance of duty consistency, and endowments to revitalise capital arrangement are highlighted by him. He advocated limiting the state's tax collecting rates, maintaining a steady increase in tax assessments, and, most importantly, creating a tax framework that ensured consistency. Many of the ideas in Kautilya's theory of political economy are still relevant



to the times we live in today. In an ideal world, the government would collect duties like a bumblebee would only sip the right amount of nectar from a flower so that both could survive. The components of citizen penance, direct benefits to citizens, pay redistribution, and duty impetuses for wanted speculators were all incorporated in Kautilya's tax collection strategy. He suggested using expenditure occasion as a motivator, which would mean that everyone who develops additional land should be exempt from agricultural assessment for at least two years. He argued for a mixed economy and an especially active role in government. His discussion on tax collecting included the following three standards: tax collection power should be limited, tax collection shouldn't be excessive and overwhelming, and duty increases should be reasonable. In order to build the economy's long-term income-generating limit, he offers a system of expenditure collection and open consumption of the money. Not the tariff rate, he claimed, but the assessment basis should be raised. I have conveyed as far as Laffer Bend about the positive relationship that Kautilya discussed in Arthashastra between the rate of personal assessment and the amount of duty income.

He promoted covert costs such as extract and custom obligations, direct charges for annual assessments of people, assessments for wealth, and telephone fees. Additionally, he supported land income, water assessment and toll, fines, and penalties. According to him, charge receipts can be divided into three categories: wages earned through taxes on goods imported and exported within a country, wages received through taxes on goods made in the capital, and wages obtained through taxes on fares and imports. He argues that wealthy people should pay their fair share of increased taxes within their means. In a similar vein, he considers the capacity-to-pay approach. One expense every year should be required.

2.7 Public Expenditures promoting the development

Kautilya maintained that the greater portion of tax revenue should be used for productive endeavours and public benefit. He discussed a variety of topics where satiation should result in consumption, such as national barriers, the open organisation and pay rates of priests, government divisions, support for national storage facilities and silos, maintenance of armed forces, and the securing of significant pearls, stones, and trimmings. Anything that was left over should be kept in the treasury.

2.8 Framework

Kautilya views a solid foundation as important for the development of the state and as being very helpful for expanding trade and business activities. He suggests that the state should fund highways, particularly to enhance foreign trade and commercial activity as well as the state's revenue. The construction of roads would be beneficial in creating new markets for both domestic and foreign goods.

2.9 Relevance of Arthashastra in Modern Times

One of the most well-known Indian political philosophers was Kautilya, sometimes known as Chanakya or Vishnugupta. Although he lived a long time ago, some of the ideas in his thought still hold true in the context of today. The book, which was published in Sanskrit, explores theories and tenets of statecraft. The need of connecting progress, polity, politics, and government to people's welfare was clearly demonstrated by Kautilya. After going over some of Kautilya's economic theories, it can be concluded that while the vocabulary used in Arthashastra may have changed, the nature and function of the state in the economy appear to be constant across all contexts. It is a book of law and a treatise on managing a country that is still applicable today, covering a variety of subjects on governance, politics, and the economy. In India, his ideas are still available today.

He contributed a significant foundation for economic science. It includes practical economic suggestions on international commerce, taxes, public spending, agriculture, and industry. Stability and effective government are intrinsically related. There is stability if the rulers are receptive, responsible, detachable, and recallable. Instability exists if not. In the current democratic system, this is even more important. Avoiding high taxes is a good idea. If tax rates are high, the general populace will be unwilling to pay the tax and learn how to evade it. A low tax rate will bring in more money for the state. He was fully aware that the conditions of commerce were influenced by a number of factors in addition to economics.

In the absence of particular safeguards and policy measures, there is no autonomous system that will guarantee that a country will gain from trade. The central theme of Kautilya's economic theories is social welfare. The State had a responsibility to assist the weak and defenceless and take an active role in promoting the welfare of its people. Since growth is impossible without the accumulation of human capital, Kautilya placed a strong focus on the development of human capital. In addition to these concepts, Arthashastra contains a variety of other important themes, like the preservation of natural resources. Many of the fundamental concepts of Arthashastra's work on economics are still valid today.

III. CONCLUSION

The Arthashastra of Kautilya offers a useful framework for economics. It offers practical economic insights. It may be used to explain a number of contemporary economic concepts and is relevant to our day. He provided a variety of economic policy options to encourage the economy's growth.

REFERENCES

- [1]. Kautilya. (2nd century BCE and 3rd century CE). Arthashastra. India
- [2]. Pillai R. (2015). Corporate Chanakya. India Jaico Publishing House.
- [3]. Jha, K. N. and Jha, L. K. (1997) Chanakya: The Pioneer Economist, APH Publishing Corporation, New Delhi.
- [4]. Kautilya, Vishnugupta. [4th century BCE] 1992. The Arthashastra. Edited, rearranged, translated, and introduced by L. N. Rangarajan New Delhi: Penguin Books.
- [5]. Rao, M.V.K. (1958) Studies in Kautilya, 2nd edition, Munshi Ram Manohar Lal, Delhi.
- [6]. Sarkar, S. (1999-2000) "Kautilyan Economics: An Analysis and Interpretation", Indian Economic Journal 47(4), 62-67.
- [7]. Shamastry, R. (1961) Translator. Kautilya's Arthashastra, Mysore Printing and Publishing House, Mysore
- [8]. Arthashastra: Indian Journal of Economics & Research
- [9]. Kautilya's Arthashastra and Economic Development: An Analytical study on state's Role in Modern Perspective
- [10]. <https://www.slideshare.net>
- [11]. <https://www.speakingtree.in>
- [12]. <https://www.sbi.co.in>
- [13]. <https://www.newindianexpress.com>
- [14]. <https://www.economicstimes.indiatimes.com>