9.0 A Review of Arthashastra in the Context of Indian Knowledge System

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ABSTRACT

The traditional knowledge prevalent since ancient time and practiced till today isconsidered as Indian knowledge in general. Particularly all practices to increase the knowledge and to retain it through discussion or recitation on philosophy, spirituality, other traditions and rituals, etc either continued in same way or adopted in a different form could be considered as the Indian Knowledge in continuation. Apart from Vedas, Puranas, Manusmriti, Upanishad, etc one of the most talked ancient texts is about Arthashastra. It was written by Kautilya or Chanakya or Vishnugupta considered as one and the same person by many authors in India. Though the contemporary texts written by Magasthenes during the same period does not exclusively mentions and corroborate the same identification of the author. Perhaps the author which is said to have compiled Arthashastra from various sources or from other co-authors are not as important as the existence of the written text in Sanskrit. The researcher in this paper considers Arthashastra translated by R. Samashastry, R .P. Kangle and finally by L. N. Rangaran in English for this article. To be precise Artha Shastra by L.N. Rangarajan is the main source of reference. His quotation of the previous authors mentioned is considered indirectly. This is due to the old English used by Samashastry and Kangle which becomes difficult for deciphering the meaning of various verses and text.

An in-depth study on Arthashastra will provide insight to get the solutions of many day-to-day economic problems and it will pave the way to formulate policies and programmes for making India self reaient.

Keywords: *Arthashastra, Indian Knowledge System*

Introduction:

The Arthashastra has around 6000 versesor slokas dedicated to mainly four/five important aspects, especially political, treasury, defence, foreign policy, socio-economic conditions, and law and order, from 640 B.C till 325 B.C.

The political aspects highlight rules and regulations binding on the King. A transparent and just selection procedure of ministers and bureaucrats are incorporated too. The treasury which is closely linked with the economic aspects of life details the need to expand agricultural activities into various allied activities to increase income of the people in the kingdom. It further emphasizes on the expansion of textile industries, the metallurgy departments, etc. The tax system and the tax rates are in detailed elaborated by Kautilya right from imposition, collection, storage as well as punishments to any officer in-charge of collection and safety and to the tax evaders also. The amount of salary to be paid to the people who were working for the king and the kingdom depended on the post and positions similar to the present day.

The maintenance of defence force and the foreign policy is given due importance by Kautilya which was much advance considering the era. The warfare techniques are still used by major countries till now by regularly supporting spies and diplomacy for information and negotiation.

The socio-economic conditions exclusively highlight the minimum welfare of the needy people. It is summarized in the most acceptable colloquial language which if translated means “The duty of the King is to improve the welfare of its subjects” If the subjects in the kingdom dies due to starvation, what is the use of the food grains kept in the treasury. This brings out the best in Kautilya towards humanity and gives us guidelines about the welfare economics which also adds to the philosophy in relation to the Vedas.

Considering the legal aspects governing mainly the commercial side covers various treaties. Mainly treaties with obligations and treaties without conditions.

The objectives of the research:

1. To review Arthashastra in the context of Indian Knowledge system.
2. To understand the relevance of Arthashastra in today's economic life.
3. To suggest changes required to suit the ancient knowledge in present context.

Methodology:

The study of Indian Knowledge system is based on the ancient text; therefore, a secondary method is adopted. Text related to Arthashashtra is read from various secondary sources such as Reference books, Translated version of the Arthashastra, etc. The data is used for comparative analysis between two periods, ancient and present.

The Arthashastra and the Indian Knowledge in relation to Economics:

The following points highlights the economic decisions practiced by the Mauryan empire under kautilya giving rise to the basis on which many economies of the world practices till date:

1. The maintenance of granary in the stock was measured to the approximate requirement during emergency both in terms of drought and war. The alleviation of poverty and nutritious food to underprivileged children and women calls for Food Security and so the buffer stock maintained by various countries even today is a testimony of the the futuristic approach that Kautilya imbibed many centuries ago.

2. The various sources of revenue to the government were:

A. Revenue from agricultural land owned by the Crown. This could be considered as the revenue of the central government from direct taxes in the present economic scenario. The land being a state subject according to the constitution, the revenue is not collected by the central government as of now. Almost 48 percent of the population are dependent on agriculture and with deteriorating land holding, the state government collects minimum land revenue as of now.

B. Revenue from mining and metallurgy. The metals such as Gold, Silver, Copper, Tin, Iron, Brass, and other alloys were used for defence, minting of coins and for making ofequipment, etc.

C. Revenue from Irrigation works was collected from the beneficiaries.

D. Revenue from forests, animal husbandry, fisheries, and other allied agricultural activities were a major source of income for the government. The same is true in many cases even today.

E. Revenue from manufacturing Industries, such as Textiles mainly from Spinning and weaving activities are a major foreign exchange earnings for the country even today. Approximately US $ 40 billion p.a is the exports earnings.

F. Manufacturing of Salt, Alcohols etc, with the exception of salt, alcohol is one of the major revenue sources for many states in the country.

G. Revenue from entertainment industry such asGambling and Betting, today betting is disallowed were as few gambling calls for capital gain tax.

H. Octroi was levied at the village or city level indicating a prevalence of decentralized tax system. To elaborate the Trade and Transport mainly the Ferry-wallas were eligible to charge for the service they provide and contribute towards the treasury. The Grazing charges was also levied for collectingrevenue from the villagefor the treasury.

I. Transaction Taxes imposed during the Mauryan era could be considered as GST in elementary form as compared to the present technologically enabled GST system.

J. Tax on butchers was also imposed indicating the eating habits of the people.

3. The Taxeswere paid in cash and kind. The government preferred food grains as taxes because it fills the treasury and as well helps in maintaining army. The tax in kind was a buffer towards inflation.

4. A Monopoly tax was also collected as a licence fee; need not to say a main source of income and deterrence from the government point of view before the implementation of the new Industrial Policy of 1991.

The Income of the Government was calculated and maintained in a systematic manner:
TheActual Income was collected and recorded as under:

A) Current Income - Receipts and Payment during the year.

B) Transferred Income- Income from outstanding debts and it also included income transferred from one department to another department.

C) Miscellaneous Income- Fine paid by government servants or bureaucrats in the service of the king, Recovery of debts which were almost written off, etc.

The maintenance of records

The accounts were maintained in detail showing Income, Expenditure and Balance or Inventory with minute and specific details such as date, place, and payment made to, person in-charge, number of items or container handed over to, cash or kind received or paid. Responsibility of Account officers, Auditors andthe punishments in terms of fine are recorded, but thereasoning and the philosophy therein is absent.

The present-day economy does not take notice of suchaction taken and it is neither highlighted nor revealed to the public.

If punishments were imposed for derelictionof duty, awards are also bestowed to those who bring benefits to thetreasury.

The Socioeconomic conditions of the people:

1. Hygiene cleanliness and punishment emphasizes on the surrounding and the environment in which people lived around 3000 years ago.
2. Town planning guidelines for construction of houses was strictly adhered by people because it affects other peoples' dwellings, thus heavy fine was imposed if the rules were violated. The need to use bulldozer would be minimized.
3. The casual labour and the contractual work were supposed to be completed as per agreed terms and conditions. The law was enforcing upon the parties to fulfill the obligations.

Duties and rights of employees, employers were followed by each party, and if one party fails to do so the law were adequate enough to punish the defaulter.

4. The Rich and the Poor in the economy measured in terms of government salary were 48000 pannas a year which was the highest and the lowest was 60 pannas a year. This reveals high level of inequality prevalent then and now also.
5. The women were given a separate employment opportunity in textile industries specifically spinning the spindles.
6. The city life and the rural life then were also different as we experience the same even today in different aspects of livings.

The above summary of Arthashastra helps us to infer the following:

The Kautilyan economy as described in the Arthashastra focuses on agriculture, livestock of cattle, and trade. The five main resources in the economy were food grains, cattle, gold, forest products and labour force.

The economic development and the treasury was next to the king in importance as well as in storage for safety. Equivalent to treasury was the defence system. The entire defence system that prevailed then was considered dependenton the resources in the kingdom.

The detail entries of taxes in various standard accounting ledger reveals the importance of record keeping which is one of the main aspects of modern business and economics. The emphasis on the expansion of agriculture and the allied activities along with cottage industries were indigenous and prosperous. The government today considers the same policy to increase the income of the farmers if not to double the income of the farmers each five years.

Suggestions:

The Indian Knowledge System developed along with the expansion of the Mauryan kingdom. As the kingdom expanded so the problems and power. The necessary tools and policies were devised to solve the problems as and when it surfaced. The practical approaches to solve and overcome problems are the main contents found in Arthashastra. A philosophy or theories underlying the problems are missing in Arthashastra. The original Sanskrit text of Arthashashtra written by Kautilya was itself discovered in the early Twentieth century, to be precise 1905 A.D. Thus, any further improvement in the field was limited to the ruler in possession of the text. The practice of intellectual discussions to enhance the knowledge was limited and thus it remained a hidden secret of knowledge which could have taken Indians one step ahead in the field of Political Economy. If economic analysis developed by Adam Smith in his Wealth of the Nations rendered him the epithet of Father of Economics, then Kautilya should be considered as the “Originator” of not only Economics but perhaps of all social science. To develop Arthashastra as a discipline and to promote the contribution made by Kautilya in the present era each and every university should begin with a chair on Kautilyas Policy. All Arts and Commerce College where Economics are taught should also start research on Arthashastra.

Conclusion:

The Arthashashtra a written text as a source of Indian knowledge is far superior and a original discipline in the field of economics and political science available to the world. The Indian philosophy in Vedas has been imbibed by Arthashastra when it comes to improve the welfare of mankind. In the modern era when every one of us try to prosper either by increasing our wealth or by consuming more and more, a text written 3000 years before tells us to be considerate and just for the poor too. In-depth research on Arthashastra will not only solve many problems in the economy as a whole but will also provide policies and intellectual direction to lead the people in the 21st century.

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