

## **Ancient Indian Economic Thoughts with reference to Chanakya's Arthashastra.**

Name of Author: Dr. Ritesh Kumar Singhal,  
Designation: Professor & Head, Department of Economics,  
Ismail Yusuf College of Arts, Science & Commerce, Mumbai.  
Email: singhalriteshkumar@yahoo.com

### **Abstract**

India is one of those countries whose ancient civilisations have survived the test of time. Many civilisations were lost and replaced by new ones. But the Indian civilisation continues to thrive and functions within the ambit of Dharma i.e. righteousness. The study of ancient Vedas has brought great spiritual wealth for the country. Chanakya (375–283 BCE), the legendary counsellor of King Chandragupta Maurya was instrumental in establishing a strong kingdom in India which gave strong resistance to foreign attackers. The Sanskrit title, Arthashastra, is a treatise on political science or economic science or simply statecraft as the word artha word has a broad scope. This paper has tried to study this great written work by Chanakya and has tried to understand that how even today the book is relevant and has stood the test of time and is referred to as the masterpiece of work. This book can be called as the one of the first orderly work neatly written for the duty of a king for the welfare of his kingdom. This paper analyses those aspects and its relevance today.

**Keywords:** Arthashastra, Dharma, Duty, Tax.

### **Introduction:**

India is one of those countries whose ancient civilisations have survived the test of time. Many civilisations were lost and replaced by new ones. But the India civilisation continues to thrive and functions within the ambit of Dharma i.e. righteousness.

The study of ancient Vedas has brought great spiritual wealth for the country. Dharma, Artha, Kama and Moksha are four folds of human existence in the Vedic tradition. Dharma denotes morality or right behavior and social order - is considered more significant than Artha or wealth. Artha is a notion of material prosperity and not to be understood solely as material assets. Artha occupies the second position amongst the four-fold values of life, Kama is physical or emotional pleasure and moksha refers liberation.

### **Chanakya's Arthashastra**

Chanakya (375–283 BCE), the legendary counsellor of King Chandragupta Maurya was instrumental in establishing a strong kingdom in India which gave strong resistance to foreign attackers. The Sanskrit title, Arthashastra, is a treatise on political science and economic science. It includes works on the nature of government, law, civil and criminal court systems, ethics, economics, markets and trade, the methods for screening ministers, diplomacy, theories on war, nature of peace, and the duties and obligations of a king. The text incorporates Hindu philosophy, includes ancient economic and cultural details on agriculture, mineralogy, mining and metals, animal husbandry, medicine, forests and wildlife.

This paper has tried to analyze the ancient Indian economic thoughts with reference to Chanakya's Arthashastra and how it brought about economic prosperity and well-being for the Indian Society.

### **Objectives of study**

1. To understand the ancient Indian economic thought process
2. To understand Chanakay's Arthashastra.
3. To understand how Chanakay's Arthashastra brought a role model for future establishments in India.
4. To give suitable suggestions and conclusions.

### **Statement of the problem**

The ancient Indian economic thought process has been influenced by Chanakay's Arthashastra. The work has stood the test of time and even in today's modern times, the reference to this brilliant work is made. The study will try to analyze its impact on ancient and modern Indian living.

### **Sources of data**

The study is based on secondary data sources only. The sources are ancient textbooks or material available online or offline.

### **Research Methodology**

Only secondary data sources are considered and suggestions and conclusions will be drawn on the basis of these available data.

### **About Chanakya**

Chanakya also known as Kautilya, was an ancient Indian educator, philosopher, economist, and royal advisor. He was the Prime Minister in the court of Chandragupta Maurya. Chanakya is considered to be the pioneer in the field of Economics and Political Science in India, and his work is held as an important precursor to classical economics. Arthashastra (the science of wealth), written by Chanakya, is a composition on administration, economic policy, military strategy, and international relations.

The book is a complete guide on how a state must to be governed and administrated by a king. It is written in Sanskrit and is separated into fifteen book titles. It is a complete guide on how to govern a nation in a sound manner economically and militarily as well.

### **India's Ancient Economic Thought Process**

The study of ancient Indian thought process gives an account that the country was governed by the principle of Dharma i.e. righteousness. The information available from epics like Ramayana and Mahabharata confirm to this.

### **Chanakya's Arthashastra**

**Economic views:** Chanakya observed that 'Artha' (Wealth) is the basis of all disciplines. He noted that the whole structure and organization of the state entirely depends on the economic power and strength of the country. Wealth included money, commodities like gold, silver, copper, domestic animals like cow, horses etc. Wealth is accumulated slowly and steadily.

**Population:** An enormous population is viewed as a sign of prosperity of nation. Population can be utilized for the exploitation of human resources.

**Land and Agriculture:** According to Chanakya, agriculture is a prominent source of livelihood of a nation. It provides food for both humans and animals. The owner of the land is the king. The king must employ

agriculturist or the development of agro system of the country. The king should also provide the basic infrastructure for the agriculture.

**Labour and Wage:** According to Kautilya, the wage of the labour should be determined according to efficiency. He recommended penalty for negligence of work by, way of nonpayment of wage. He laid down a code of conduct for labour and accepted dignity of labour.

**Social Security:** According to Chanakya, it was the basic responsibility of the king to provide, employment, charitable institutions, houses, etc. to the poor.

**Price and Price control:** When market price is greater than justified price, the difference should go to the government. Chanakya supported the price control.

**Trade:** Trade was considered as an important profession during the time of Chanakya. It was the duty of the state to provide basic facilities to the sellers, such as houses, store houses, markets etc

**Public Finance and Taxation:** Chanakya provided an elaborate explanation of public finance and taxation. Every tax involves burden. Tax should be collected on the basis of the paying ability of the tax payers. The tax revenue should be spent in the public welfare activities which increase income and efficiency of tax payers. Tax must not hamper the productive efficiency of the economy.

### **Chanakya's Long term Vision**

According to Chanakya, infrastructure plays a very vital role in the growth of the state and for advancement of commercial activities. So, the state must invest in building of roads and other transport networks so as to increase its trade revenue. Chanakya also mentions about national security, maintenance of law and order, protection of private property rights, and provision of public facilities as basis for economic progress.

Chanakya had a grand vision for building an empire that was well-off, protected, steady, and reasonable. Chanakya's vision and his recognition for various public works and facilities to be created for trade and commerce including rights of labour force, shows that his ideas are compatible and appropriate even today and the ideals of democratic values can be attributed to him.

### **Suggestions**

The study about Chanakya's Arthashastra can be carried further and it can be further extended to present is at international level as well. This requires arrangement and understanding its relevance from those times to present times.

### **Conclusion**

The work of Chanakya's Arthashastra is a brilliant one. The work is a legacy and it has stood the test of time. The importance of it is gauged from the fact that it is a recommended book in many colleges and universities of India.

### **References**

1. <https://en.wikipedia.org/wiki/Arthashastra>
2. <https://www.ijlmh.com/wp-content/uploads/Arthashastra-The-Kingship-Theory.pdf>