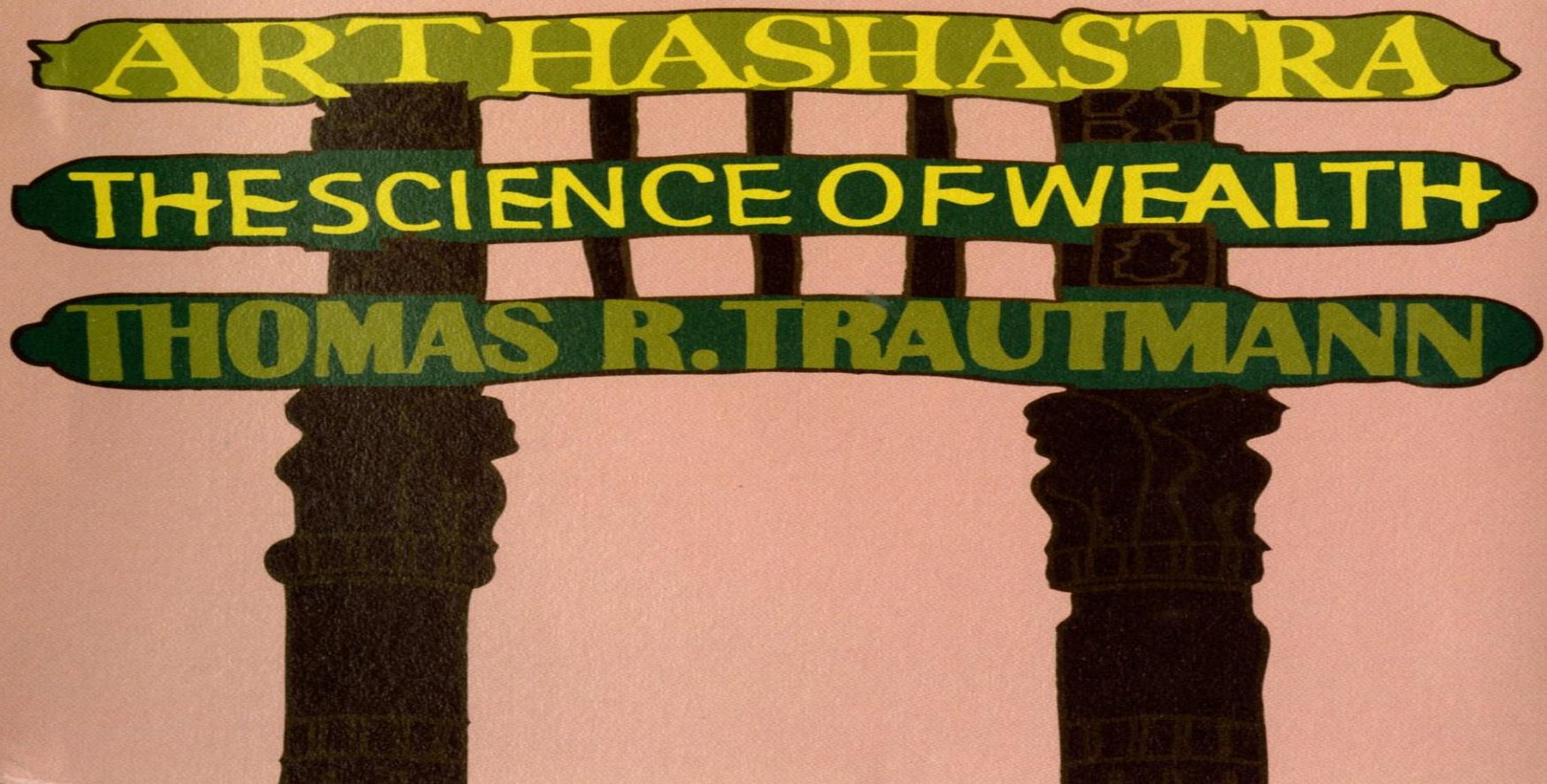


THE STORY OF INDIAN BUSINESS  
Series Editor: Gurcharan Das



# ABOUT THE AUTHOR

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# OVERVIEW

- ▶ **Chanakya or Kautilya?**
- ▶ **Kautilya's Arthashastra- World's first manual in political economy**
- ▶ **'Book killer'**
- ▶ **Study of Politico-Economic structure**



# Major Themes

- ▶ **Status of Private Property**
- ▶ **Principles of leadership**
- ▶ **Role of Dharma**

# Private Property

- ▶ **“Oriental Despotism”**
- ▶ **King was a co-sharer(*shad-bhagin*)**
- ▶ **Farmers had property rights over land-could buy and sell**
- ▶ **Unarable land was not taken from those who tried to make it arable**

# KINGSHIP

- ▶ **Ideal King- “*Rajarshi*”**
- ▶ **Secular Asceticism**
- ▶ **Benevolence**
  - **King’s Granary**
  - **Primacy to women in textile workshops**
  - **New Farmers provided with money, grains, seeds etc.**
  - **‘Fair/Just’ Price, ‘Fair’ Profit**

# Continued....

## ► **Strategic**

- **Kshatriya class not desirable as farmers-fear of landlordism**
- **Farmers secluded from warrior class**
- **Co-opting forest people-Security, Unique Knowledge**
- **Creating Establishment of Spies**
- **Test of trustworthiness for Higher Officials**
- **Checks and Balances-Punishments for misdeed**

# Continued.....

## ▶ **Systematic and disciplined**

- **Detailed Records**
- **Dispute Settlement-Civil and Criminal Courts**
- **Division of Labour- Overseers/*Adhyaksha***
- **Graded Inventory**



# KINGDOM vs REPUBLIC

## ▶ Republic(*sangha*)

- Only alternative to kingdom
- Shared decision making, 'mechanical solidarity'
- Political Power spread across warrior class
- No inherent tendency to expand

## ▶ Kingdom(*Rajya*)

- centralised power, less social unity
- Easier to defeat–Vulnerable monarch
- greater division of labour
- Focus on expansion, absorption and high taxation

*“While Kingdoms conquered many republics, the opposite did not happen”*

# EVALUATION

- ▶ King-centric, holistic picture of society not given
- ▶ Very little decentralisation of power
- ▶ Racial overtones–slavery of Aryans banned, but not of non-Aryans
- ▶ Prosperous trade with Central Asia and Rome (red coral)–luxury goods
- ▶ Trade looked at with suspicion, not as avenue for growth

# Continued...

- ▶ **Rational decision making, systematic planning**
- ▶ **Focus on specialisation and division of labour**
- ▶ **Morality as the basis for economic decisions**
- ▶ **Historical facts given**
  - ❖ **Chess was invented**
  - ❖ **Animal reserves**
  - ❖ **Gold coinage was not prevalent**
  - ❖ **Pearls from South India-gave trade surplus**

# CONCLUSION

- ▶ **Dharma, Artha, Kaam-true for every civilization**
- ▶ **Timeless wisdom-universally and temporally applicable**
- ▶ **Welfare state**
- ▶ **Qualities of an ideal statesman**



ARTHASHASTRA

**Thank you**

THE SCIENCE OF WEALTH

THOMAS D. TRAUTMAN