



# FUNCTIONS OF THE STATE IN KAUTILYA'S ARTHASHASTRA

**Prakash Ranjan Prasad**

Research Scholar,

Centre for Economic Studies and Planning (CESP),

School of Social Science (SSS),

Jawaharlal Nehru University, New Delhi, India-110067

## ABSTRACT

*This article presents Kautilya's idea of the state's functions as it is examined within the context of theoretical political discourse, which gave rise to several theories of the state's functions, the most prominent of which is the Liberal and Marxist theories. They are further divided by their views on the state's current fate, which are Neoliberal and Neo-Marxist. How did Kautilya see the state's or the king's position concerning the control, ownership, and management of the economy and the function of the various societal groups?*

*To put it another way, did Kautilya envision itself playing a comprehensive domineering role in a state where he was the sole owner of the means of production and distribution, or was he only interested in playing a promotional and regulatory role where it merely assisted other people and organisations to play production roles while adhering to the rules and regulations? A detailed examination of the Arthashastra leads one to believe that the Kautilyan idea of the functions of the state broadly encompasses the following and is similar to the liberal view of the state functions.*

**Keywords:** *Arthashastra, Kautilya, Economic History, Neoliberal, State.*

## INTRODUCTION

In order to help the reader understand and analyse the political legacy Kautilya inherited in terms of political concepts and institutions, as well as his original contribution to the theory and practice of politics, this paper investigates the extent of links between pre-Kautilyan political science and the development of political theory and thought revealed in the Arthashastra of Kautilya, the most eminent political thinker of ancient India. It is frequently said that the pre-Kautilyan political literature impacted Kautilya's political vision and helped him organise his political theory and philosophy systematically and logically.

It is possible to immediately establish that Kautilya's most essential and distinctive contribution was creating a unified and comprehensive understanding of the state. "The Arthashastra provides a political philosophy to connect formerly limited political units, weld disparate communities into a greater coherent identity, and merge diverse language groupings," according to Naresha Duraiswamy. A diverse and diversified population was expected to be consolidated by focusing on the common good, social harmony was the ultimate goal (**Dr. Duraiswamy Naresha, 2014**).

The Arthashastra gives a chance to learn about the fundamental political ideas that expose them to a Hindu political theory comparable to the one that Plato put forth in his Republic in the case of ancient Greece. In his works on the science of politics and economics, Kautilya was the first ancient political thinker to use a scientific method.

## METHODOLOGY

The study pursued a literature review of Kautilya's theories on the state, economy, management, social policy and governance with particular reference to Arthashastra. This analysis was carried out using analytical techniques. To accomplish the objectives of this research, the necessary data was mostly gathered from primary and secondary sources.

## BASIC FUNCTIONS OF THE KAUTILYAN STATE

They can be broadly interpreted as police or law enforcement duties or as the protective duties mentioned in the *vedasa*, *epics*, and *Arthashastra*. Even in modern times, it is still a fundamental responsibility of the state to ensure that every citizen and the various social groups that makeup society are free from fear of death or damage. Kautilya believes that no kingdom will endure without a stable, peaceful, and prosperous society and the absence of the anarchical conditions known as *Matsyanyāyā*, as do the descriptions of the king's duties in the *vedasa*, *epics*, and *smṛtīsa*. The ability of the state to provide its people with an environment where they can fully appreciate their properties and lead fulfilling family lives is the cornerstone of sovereignty. The primary responsibility of the state and the government is to control how individuals behave towards one another, following the requirements of the law and norms.

Another crucial state function that receives a thorough discussion in the Arthashastra is the upkeep of the *varṇās* and *dharma* (Book 1.3, 5.17). According to Kautilya, each *varṇās* must carry out its assigned duties because failing to do so will result in its extinction due to the mixing of its *varṇās*. Following the laws will lead to *nirvāṇa* and an unending state of joy. As a result, the monarch is obligated to ensure compliance on the part of each member of each varna to carry out their respective roles in the system. Because those who uphold the moral standards of the *Aryas*, maintain the stability of the varnas and states of life and are protected by the three *vedasa* succeed and do not perish (Majumdar, 1977a). With the aid of *ḍaṃḍā*, the king was tasked with ensuring that people stayed on the path of *dharma* since it was essential for the security of the entire populace and the preservation and advancement of philosophy, the three *vedasa*, *agriculture*, *trade* and *business* (Letiche, 1960).

The science of politics is *ḍaṃḍā* administration, and the well-being of life depends on it. The duties of *rakṣaṇa* and *pālanā* are crucial to the state's obligation to its citizens. The state is the guardian of the moral order because it has an active duty to allow each person to follow their *dharma* (Sarkar, 1914). We find Adam Smith's list of the three tasks of the sovereign or the functions of the state to be comparable. According to him, the first duty is to protect the society from the violence and the invasion of other independent societies; the second duty is to

protect, as far as possible, every member of the society from the injustice and oppression of every other member of the society or the duty of establishing an exact administration of justice; and, third, the duty of erecting and maintaining specific public works and certain public institutions, which can never be for the interest of any individual or small number of individuals because the profit could never repay the expense to any individual or small number of individuals. However, it may do much more than repay it to a great society. Thus, the provision of basic infrastructure fell into the category of essential functions of the state (Marder, 2018).

## FINANCIAL ROLE OF THE KAUTILYAN STATE

Kautilya envisioned the state playing a direct role in controlling and administering finances. He believed that the management of the revenue sources and their proper utilisation were tied to the strength of the treasury, which in turn was based on the state's sovereignty, security, and legitimacy. The state had to levy and collect taxes to fulfil its obligations to the people regarding their welfare and well-being and maintain social order and a sizable standing army. The government's financial role was essential to managing the affairs of the state. The government fulfilled both direct and indirect financial roles. The state handled financial tasks directly, such as owning and operating minefields. It was a fiscal regulator and arbitrator for functions and conflicts involving private actors in business, trade, and commerce.

It is essential to highlight that Kautilya was more in line with the neoliberal notion of the state, which holds the government accountable for defending individual liberty and pursuing social welfare by fostering the coexistence of the public and private sectors. A crucial functional responsibility of the state was to encourage active trade and commerce alongside the growth of agriculture. Neoliberalism has been conceptualised not as a laissez-faire state but as a government that actively shapes the economy and society while protecting private ventures and preventing the private sector from flouting the law and government restrictions. However, this theory is concerned with the welfare of the subjects as a whole as well as the impoverished and defenceless, such as the elderly, the sick, widows, prostitutes, etc.

Kautilya approached the function of the state from a liberal welfare perspective. In managing state affairs, he promoted the concept of *yogakṣema*. Consequently, it can be deduced from the Arthashastra that the state played a significant role not only as the owner of some means of production and distribution but also with its position as a regulator, facilitator, promoter, and adherent to welfare ideals of governance.

As a participant in economic administration, the state was concerned with conducting a land census at regular periods to gauge the agricultural households' ability to pay taxes. In addition, the traders were subject to taxation; in addition to the passport tax, a fee was charged for the use of the highways and rivers. The service sector, prostitutes, dancers, pilgrims, and citizens (*praṇaya kriyā*) all paid taxes for deeds of kindness, contributing to the state's revenue.

Kautilya proposed that the key to boosting the nation's resources was a fair and efficient administration of tax and revenue problems (Rao, 2016). In a nutshell, the state's financial capabilities comprised the ability to:

- Regular taxes and gather funds;
- Keep a treasury stocked with gold, jewels, gems, etc., and make sure it never runs out;
- Review the receipt and expense accounts;
- Designate the officers in charge of handling financial administration;
- Control trade, business, and industry;
- Control the commodities' market prices;
- Improve the tax system, business, and agriculture;
- A certain percentage of earnings, for instance, in foreign trade it was not to exceed 10%;
- Manage private businesses;
- Effectively manage state-owned businesses, such as those that deal with natural resources and hidden riches;
- Have access to wastelands and crown land; and
- Control all transportation and cotton-related businesses that fall under government jurisdiction.

## **POLITICAL FUNCTIONS IN KAUTILYAN STATE: EXECUTIVE, LEGISLATIVE AND JUDICIAL ROLE**

Following the principle of separation of powers, we typically see that in the modern state, law-making, law implementation, and law adjudication are vested in three different organs of the government, namely the legislature, executive, and judiciary. However, ancient Indian records reveal that these three responsibilities came directly under the direct supervision of the king and the state officials chosen and appointed by him after the collapse and extinction of the samitis and assemblies. Law, executive power, and justice came from the king.

So far, it is true that the king must consider the value of traditions, dharma, and the secular nature of the connection between the citizen and the state when exercising his legislative, executive, or judicial authority. Furthermore, even if they and the king shared the executive functions, any legal authority enjoyed by the officials was in the form of a delegated authority and not one separate from the ruler as established by the constitution.

The Arthashastra did not explain what the executive wing of the government was. However, based on its debate, it was evident that the monarch was in charge of it together with the *amātyāsa*, *mantriṇaḥ*, and *purohitaḥ*. The *senāpati* and the *yuvarāja* were essential members of the executive.

It may, however, be noted that the role and place of the purohit in the Arthashastra appears to be quite significant with the king as Kautilya in his Book 1.9.9-10 asks the king to select a person as the purohit who not only possesses good character but is also well versed in the Vedas and its auxiliary science, divine signs and *daṇḍanīti* and capable of counteracting divine and human calamities and that he should follow him as a pupil to his teacher and as a son to his father.

He notes that the mantra (advice from the *mantriṇaḥ*) provided to the monarch strengthens the *Kṣatriya* power and makes it affluent (Book 1.9.11). Is Kautilya's understanding of sovereignty pre-modern, as it was in Europe before the Westphalia Treaty, based on how the book is organised? The *purohita* was not superior to the monarch; hence the answer is no. The *purohit* was regarded as a government servant and held a position equal to that of the prince, dowager queen, *senāpati*, and *mantriṇaḥ*. It does not appear comparable to the one mentioned in the *Baudhāyana* (1.18.7.8) and *Vasistha*, the *Ratnina* of the *Śatapatha Brāhmaṇa*, or the one described in the Rig Veda (XIX.3.6). His standing seems to be declining in some way (**Majumdar, 1977a**).

Kautilya divides the entire administration into 32 departments, each of which is in charge of a predetermined set of duties and is overseen by an *amātya* (*superintendent/adhyakṣa*). A. K. Majumdar claims that Kautilya's system for allocating departments and responsibilities might be regarded as his lasting contribution to ancient Indian administration (**Majumdar, 1977b**). The administrative narrative provided in the treatise also suggests that the inter- and intra-departmental relationships must be sufficiently addressed; it is unclear whether the heads of departments were tied in any hierarchical structure or were all directly responsible to the ruler. For instance, it needs to be clarified if the *mahāmātya* oversaw the *amātyāsa* or whether he or she was in charge of the *mantriṇaḥ* or the *maṃtripariṣada*. Was the *maṃtripariṣada* only an advisory body to the king when summoned into session, or was it also a deliberative body on specific national issues? The Arthashastra again leaves open the question of whether the *mantriṇaḥ* were assigned the responsibility of leading and directing the department or group of departments or whether they merely formed a core advisory council to the king.

However, a closer reading of the text reveals that the monarch served as the executive's principal coordinator, supervisor, controller, and commander. Kautilya advises in the Arthashastra that a person designated by an order to a specific department should inform the monarch of the true nature of that activity and the income and spending (both) in detail and overall (**Kangle, 1960**).

In his book "Treatise of Taxes and Contributions," Sir William Petty asserts that the military and defence functions, providing religious and other education, administration of justice, care for the underprivileged, the disabled, and the unemployed, and construction and maintenance of roads, bridges, navigable rivers, ports, etc., which are conducive to the general welfare of the community as a whole, are all included in the state's executive powers (**Ullmer, 2004**).

The state was concerned with creating laws and keeping the common law represented in national usages and customs. The main goal of the king's laws and commands was to give him and his officials the ability to carry out their political and administrative duties. It is evident in Kautilya's legal theory that the king may legislate and exercise authority to direct and regulate the life and conduct of guilds, companies, and other groups, claims M. V. Krishna Rao in a passage about the legislative powers of the king in Kautilya's Arthashastra. Says Kautilya:

*When history and sacred law disagree, or evidence and sacred law disagree, the matter should be resolved following the sacred law. However, when rational law (Dharmānyāyā) and sacred law (Sastra) disagree, the reason should be the more binding standard because there is no access to the original text upon which the sacred law is based. (Rao, 2016)*

So, the practises, prevalent norms, and concepts, including those of various guilds, agriculture, crafts, and trades are explained clearly, unambiguously, and authoritatively by the king's edicts. The Arthashastra asserts that the king was the source of justice for judicial functions. The king's primary responsibility was to uphold the law because, as the *Dharmapravartakā*, it was his responsibility to do so in a way that would bring him to paradise, *Svadharmā Svargayā Prajādhāmanā Rakṣitaḥ* (Rao, 2016).

According to A. S. Altekar, the king served as the country's chief judge starting in the post-Vedic era. However, popular local courts received a significant amount of power. In most cases, kings and government officials turned down initial lawsuits (Altekar, 2002). The king was responsible for appointing three judges who met the requirements of an *amatya* to sit in each court. Village councils and town corporations allegedly "enjoyed total freedom in their local affairs; the courts, whether royal or popular, usually administered the traditional law as represented in the *Jātidharma* (local caste traditions), *Śreṇīdharmā* (guild laws), and *Janapada Dharma* (local customs)" (Altekar, 2002).

#### ADMINISTRATIVE FUNCTIONS IN KAUTILYAN STATE

Kautilya gives the administration and its representatives her undivided attention. Kautilya discusses every aspect of the state's administrative machinery, from the structure and guiding principles of public administration to the challenges of personnel management, that could affect an organization's quality, character, or performance, which could have repercussions for the welfare and service of its citizens as well as the defence and security of the kingdom.

For this reason, Kautilya strongly emphasized the candidates who would be chosen for various state offices in terms of organizational loyalty, commitment, honesty, capacity, and capability. According to Kautilya, ministers should be selected for regular positions after consulting with the councillors and the chaplain. They should undergo secret examinations to determine their honesty, piety, uprightness, lack of greed or lust, loyalty, and other qualities (Book 1.10.6.1). He identifies the requirements for the candidate(s), considering the nature of the task to be done. For instance, only those with exemplary moral character and loyalty should be chosen to serve in the palatial administration; those who demonstrated loyalty by passing a religious test should be appointed to positions in the judiciary and for the pursuit of criminal justice; those who demonstrated uprightness by passing a materialistic test should be appointed to positions of administrator and director of stores; and those who demonstrated purity by passing a lust test should be appointed to guardianship (Book 1.10.2-16) (Kangle, 1986).

It is beyond comprehension why Kautilya says that those found dishonest by every test should be employed in mines, forests for material produce, elephant forests, and factories (Book 1.10.15). Another point to be noted is that the methods of tests prescribed by Kautilya are like a utopia, beyond the possibility of practicability. Take

the test against lust. 'A wandering nun, who has won the confidence (of the different ministers) and is treated with honour in the palace, should secretly suggest to each minister individually': 'the chief queen is in love with you and has made arrangements for a meeting with you; besides, you will obtain much wealth'. If he repulses the proposal, he is pure (Book 1.10.7). True—only a minister not in his senses would ever fall prey to such a proposal. The virtues requisite of an employee under the state mentioned in the Arthashastra are found even in modern-day India and elsewhere and form part of the written and oral recruitment tests, or what can be termed technical and psychological personality tests.

The most important duties of the king were, and still are, the pursuit of corruption and the punishment of corrupt individuals. Kautilya understood that people are flawed and that those who dealt with money were more susceptible to corruption. He, therefore, supported the surveillance and espionage regime over the royal authorities. Additionally, he believed it was challenging for people to resist corruption when there was an opportunity and equally challenging to identify corruption. First, he claims that, in the same way it is impossible to avoid tasting honey or other foods placed on the tongue's surface, it is also impossible to avoid tasting any amount of the king's money. In the same tone, he asserts, 'just as fish moving inside water cannot be known when drinking water, even so, an officer appointed for carrying out works cannot be known when appropriating money' or 'it is possible to know even the path of the birds flying in the sky, but not the ways of officers moving with their intentions concealed' (Kangle, 1986). The Arthashastra lists 40 different theft methods. Consequently, the underlying message is that the king (the anti-corruption agencies and the institutions in the modern administrative system) should have to be extra cautious and extra vigilant over employee behaviour everywhere, but more so in the case of those associated with the management of treasury, and the collection and expenditure of state revenues.

The king's administrative duties included the critical task of helping employees grow by teaching them. The subject of training is specifically covered in Book II of the Arthashastra.

## FUNCTIONS RELATING TO THE CONDUCT OF FOREIGN AFFAIRS AND NATIONAL SECURITY IN KAUTILYAN STATE

The entire Arthashastra of Kautilya can be read to see that Kautilya gave foreign diplomacy and international politics more of his attention than any other topic. Even the issue of the subjects of the king's protection is understood as encompassing not only the defence of the person, family, and property against internal disruptive forces but, more significantly, the defence against exterior assault. He devotes a complete Book VI to discussing how to manage foreign affairs and cope with the issues of war and peace as they are expressed via his mandala theory.

Four *Upanyāsa* and *Śāḍguṇya*. Determining the state's policy on the security and safety of the state has occupied the monarch and his council of ministers' efforts and energies the most. The theory of international relations, which is regarded as Kautilya's most significant contribution to political theory and thought, has attracted more attention from scholars studying government and politics in ancient times than anything else in the Arthashastra.

## CONCLUSION

According to the prior discussion of the state's functions, the Kautilyan viewpoint anticipated the present liberal welfare conception of the state. The Kautilyan state was not a communist or even a police state. Because he thought there was a direct connection between politics and economics, Kautilya imagined a state actively involved in the economic and political sectors. Protecting private property and encouraging trade, business, and industry under private ownership were both duties of the king simultaneously.

## REFERENCES

- Altekar, A. S. (2002). *State and Government in Ancient India*. Motilal Banarsidass Publ.
- Dr. Duraiswamy Naresha. (2014). <https://indiafacts.org> | Mendeley. <https://www.mendeley.com/search/?page=1&query=https%3A%2F%2Findiafacts.org&sortBy=relevance>.
- Kangle, R. P. (1960). *The Kautilya Arthashastra* (ed.). *University of Bombay*.
- Kangle, R. P. (1986). *Kautiliya Arthashastra (Vol. 2)* (Issues 1–3). Motilal Banarsidass Publ.
- Letiche, J. M. (1960). Adam Smith and David Ricardo on Economic Growth. *The Punjab University Economist*, 1(2), pp. 7–35.
- Majumdar, A. K. (1977a). *Concise History of Ancient India: Political Theory, Administration and Economic Life* (Vol. 2). Munshiram Manoharlal Publishers.
- Majumdar, A. K. (1977b). *Concise History of Ancient India*.
- Marder, L. (2018). Adam Smith: So What if the Sovereign Shares in Ignorance? *Journal of International Political Theory*, 14(1), 20–40.
- Munshi, K. (2019). Caste and the Indian Economy. *Journal of Economic Literature*, 57(4), pp. 781–834. <https://doi.org/10.1257/jel.20171307>
- Rangarajan, L. N. (1992). *The Arthashastra*. Penguin Books India.
- Ranade, A. (2011). *Arthashastra: An Insight in Kautilyan Views on Law and Justice*.
- Rao, K. (2016). *Studies in Kautilya*. Kautilya Mandali Publication.
- Sarkar, B. K. (1914). *The Positive Background of Hindu Sociology*. Ams Press Inc.
- Sen, R. K., & Basu, R. L. (2006). *Economics in Arthasāstra*. Deep and Deep Publications.
- Sihag, B. S. (2005). Kautilya on Public Goods and Taxation. *History of Political Economy*, 37(4), pp. 723–753.
- Sihag, B. S. (2009). Kautilya on Principles of Taxation. *Humanomics*.
- Sihag, B. S. (2013). Kautilya's Arthashastra: The Origin of Statistical Economics during-4CE. *Journal of Rajasthan Statistical Association*, 2, pp. 1–14.
- Sihag, B. S. (2016). Kautilya's Arthashastra: A Recognizable Source of the Wealth of Nations. *Theoretical Economics Letters*, 6(1), pp. 59–67
- Ullmer, J. H. (2004). The Macroeconomic Thought of Sir William Petty. *Journal of the History of Economic Thought*, 26(3), 401–413.