

Principles of Management as Seen in the *Arthaśāstra* of Kauṭilya

Dr. Madhavi R. Narsalay

University of Mumbai, Mumbai (M.S.) India

The *Arthaśāstra* of Kauṭilya is a monumental and the first concise work on statecraft, which aims at achieving the material well-being of the inhabitants of the state. It is a treatise prescribing the ruler to develop, formulate and implement policies for the successful and stable governance of the state. It focuses on maintenance of law and order, administrative machinery, finance, defence and foreign policy. These extensive responsibilities of the state require an efficient ruler to manage them successfully. It enables the practitioners of statecraft to think, make decisions and take actions. As a result, the *Arthaśāstra* builds a pattern of judgments, measures and tests and uses criteria which reveal the true motives behind the goals set by the ruler and his administrative machinery. It emphasizes on nurturing appropriate psychological and social relations and lays down ways and means for a favourable economic atmosphere.

Key Words: Management, Kautilya, Arthaśāstra

The *Arthaśāstra* of Kauṭilya is a monumental and the first concise work on statecraft, which aims at achieving the material well-being of the inhabitants of the state. It is a treatise prescribing the ruler to develop, formulate and implement policies for the successful and stable governance of the state. It focuses on maintenance of law and order, administrative machinery, finance, defence and foreign policy. These extensive responsibilities of the state require an efficient ruler to manage them successfully.

It enables the practitioners of statecraft to think, make decisions and take actions. As a result, the *Arthaśāstra* builds a pattern of judgments, measures and tests and uses criteria which reveal the true motives behind the goals set by the ruler and his administrative machinery. It emphasizes on nurturing appropriate psychological and social relations and lays down ways and means for a favourable economic atmosphere.

Management, as a branch of learning developed in a couple of centuries, has into its purview, the activities of planning, organizing, actuating and controlling. It aims at determining and accomplishing stated objectives with the use of human and other resources¹.

Given that *Arthaśāstra* is written approximately 2000 years ago, this paper makes an effort to hermeneutically understand the principles of management employed in the *Arthaśāstra* of Kauṭilya.

Before discussing the principles of management laid down in the *Arthaśāstra*, one must keep in mind the aim of *Arthaśāstra* was not to build up a profit-making industry or organization, but a state strictly adhering to the material well-being of its people in order to accomplish

¹ Based on the George Terry and Stephen Franklin, *Principles of Management*, All India Traveller Bookseller, (8th Edition), 1984 (1953), p. 5.

'*dharma*', which in its widest sense stands for the spiritual, moral and ethical good of the society in general and individual in particular (KA I. 7. 6-7).

Utilizing *Arthaśāstra* as a Reflector

Etymologically, the word 'reflection' is derived from the Latin word *reflectere*, which means 'to bend'. Reflection is an action, on the part of surfaces, of throwing back light or heat (rays, beams etc) falling upon them, the fact or phenomenon of light and heat being thrown back in this way. It is thus, the action of a mirror or other polished surface in exhibiting or reproducing the image of an object, the fact or phenomenon of an image being produced in this way². Thus the term 'reflection' is understood as:

- a) The production of an image by or as if by a mirror;
- b) Something produced by reflecting: an image given back by a reflecting surface: an effect produced by an influence.

This paper utilizes *Arthaśāstra* as a surface to reflect upon some of the thoughts developed in management theory in early 19th/20th century – an era when management theories started taking a concise structural shape for the first time. Modern books on management regards contributions made during this century as pioneering contributions in the field of management thinking.

In order to make the paper focused, the author has therefore decided to find the reflections of early thinking in management theory in Kautilya's *Arthaśāstra*, i.e. to use a reflector and a reflectee in their first concise forms.

² *The Oxford English Dictionary*, 'Reflection' op. cit., pp 470-472.

Classical School of Management

Henri Fayol (1841-1925), a French management theorist, whose theories of management and organization of labour were influential in the beginning of the 20th century formulated the famous 14 principles of management. Fayol involves five elements in management³:

- a) Forecasting and planning
- b) Organizing
- c) Commanding
- d) Coordinating
- e) Controlling

The 14 principles of management discussed in this classical school are:

1. Division of work and specialization should be encouraged since it leads to greater productivity.
2. The authority to issue commands should be accompanied by responsibility commensurate with its proper exercise.
3. Good leadership must be provided to maintain discipline and order.
4. There should be unity of command: each man should have only one boss.
5. There should be unity of direction: a single plan should be laid down for all employees engaged in the same work activity.
6. Interests and goals of the individual members of the organization should be subservient to the overall organizational goals.
7. The system of reward should be related where possible to

³ T. Proctor, *Management theory and Principles*, p. 19 (other details unknown).

individual's wants and needs. There is no one perfect system to remuneration.

8. The degree of centralization or decentralization should vary according to the individual circumstances of different organization.
9. It is essential to have both vertical and lateral communication in an organization, but it is important in the latter case superiors chain are aware of the communication.
10. To minimize lost time and unnecessary handling of material order and social order in an organization: not applicable.
11. In order to achieve equity a combination of kindness and justice is required.
12. Successful businesses require stability of tenure
13. All employees should be given the opportunity to take an initiative.
14. High moral in a corporation is essential to achieve the set target.

These elements belonging to the Classical School of Management are reflected in the *Arthaśāstra*. A ruler's duties in the internal administration of the country are three-fold a) *rakṣā* or protection of the state from external aggression, b) *pālana* or maintenance of law and order within the state and

c) *yogakṣema* or safeguarding the welfare of the people.

According to Rangarajan, the state described by Kautilya is hypothetical. It is that piece of land which is geographically diverse in nature having mountains, valleys, deserts, plains, jungles, lakes, sea-

coasts and rivers. Frontiers of the state needed proper protection in the form of forts (*KA*. II. 3. 1). The ruler needs to be vigilant enough to forecast foreign aggressions and plan his strategy so as to secure his people from them.

Organisation of the state:

Clarity of objective:

Making a kingdom habitable for people is the prime target of *Arthaśāstra* for it says: It is the people who constitute the kingdom; like a barren cow, a kingdom without people yields nothing⁴. A state requires financial resources to function. *Arthaśāstra* establishes the relationship of wealth in clear terms. Just as elephants are needed to capture elephants, so does one need wealth to capture more wealth⁵. From wealth comes the power of the government (*daṇḍa*). With the treasury and the army together i.e. *koṣa* and *daṇḍa*, the king can easily expand the boundaries of the kingdom. Understanding the importance of treasury and army, *Arthaśāstra* recommends that the king should always keep the army and treasury together under his control. Financial discipline is advised for the financial health of the state can be affected by misappropriation by officials, remission of taxes, scattered collection, false accounting and looting by enemies and tribes before it reaches the treasury. Here the element of control is quite evident. Interestingly, as a provision against calamities, a substantial Treasury shall be built on a border of the country using

⁴ *KA*. VII. 11.24-25: पुरुषवद्धि राज्यम्।

अपुरुषा गौर्वन्ध्येव किं दुहीत।

⁵ *KA*, IX. 4.27: नाधनाः प्राप्नुवन्त्यअर्थान्नरा

यत्नशतैरपि। अर्थैरर्थाः प्रबध्यन्ते गजाः

प्रतिगजैरिव॥

persons condemned to death who shall be executed after the work is done.

Planning of natural resources: According to the *Arthasāstra*, water is prime resource for the state. Availability of water is important. It is better to acquire smaller tract of land with flowing water than a larger drier one⁶. Protection of the environment is given priority. Four and a quarter panas are given as reward for bringing in a pair of tusks of an elephant dying naturally⁷.

Co-ordinating :

Arthasāstra focuses on creation of proper infrastructure for new settlements. The king should divide and subdivide the area into smaller units for better administration. A king shall establish a *sangrahaṇa* (the headquarters of a sub-district) for each group of ten villages, a *karvaṭika* (a district headquarters in the middle of two hundred villages, a *dronamukha* (a divisional headquarters) in the middle of four hundred and a *sthaniya* (provincial headquarters) for every eight hundred villages.⁸ This vertical hierarchy leads to the decentralization of power and administration and enables persons of the smallest unit to participate in the governance of the kingdom.

⁶ KA. VII. 11.3: तत्रापि स्थलमौदकं वेति महतः
स्थलकालादल्पमौदकं श्रेयः,

सातत्यादवास्थिततत्त्वाच्च फलानाम्।

⁷ KA. II. 2. 9 दन्तयुगं स्वयंमृतस्याहरतः
सपादचतुष्पणो लाभः।

⁸ KA. II. 1. 4-5 अष्टशतग्राम्या मध्ये स्थानीयं,
चतुःशतग्राम्या द्रोणमुखं, द्विशतग्राम्या कार्वटिकं,
दशग्रामीसंग्रहेण संग्रहणं स्थापयेत्।

अन्तेष्वन्तपालदुर्गाणि

जनपदद्वाराण्यन्तपालाधिष्ठितानि स्थापयेत्।

According to the pattern of *Arthasāstra*, what exists needs to be protected?

The strengths of the kingdom are to be taken into account.

Firstly, availability of natural resources and maintaining them, as the natural resources would be exhausted over a period of time. The *Arthasāstra* focuses on judicious use of natural resources e.g. there are three kinds of useful forests, different from the untamed. These were i) forests for recreational use like hunting⁹; ii) economically useful ones for collecting forest produce like timber¹⁰ and iii) nearer the frontier, elephant forests where wild elephants could be captured (KA. II. 2. 6-16) An ideal *janapada*/state was one which was easily defended and which had a lot of productive land with cultivable fields, mines, timber forests, elephant forests and pastures.

Hierarchical system : Both lateral and vertical:

The *Arthasāstra* believed in the varna system which had the Brahmana at the top and then Kshatriya, Vaishya and Shudra. As per the principles of management of Fayol, it indicates a vertical scalar chain. (KA. I. 3. 5-8)

Max Weber, who has influenced the behavior school of management, has regarded hierarchy, authority and

⁹ KA. II. 2. 3- 4 तावन्मात्रमेकद्वारं खातगुप्तं

स्वादुफलगुल्मगुच्छमकण्टकिद्रुममुत्तानतोयाशयं
दान्तमृगचतुष्पदं भग्ननखदंष्ट्रव्यालं

मार्गयुकहस्तिहस्तिनीकलभं मृगवनं विहारार्थं राजः
कारयेत्। सर्वातिथिमृगं प्रत्यन्ते चान्यन्मृगवनं
भूमिवशेन वा निवेशयेत्।

¹⁰ KA. II. 2. 5 कुप्यप्रदिष्टानां च

द्रव्याणामेकैकशो वनानि निवेशयेत्,

द्रव्यवनकर्मान्तानटवीशचद्रव्यवनापाश्रयाः।

bureaucracy, including clear rules, definition of tasks, and discipline to form the basis of social organisations¹¹. All the aspects of human life and behaviour are governed by this system. It is possible to locate in the *Arthasāstra*, the behavioral school of management. Apart for pursuing the traditional set hierarchy, *Arthasāstra* has a planned strategy behind accepting the varna system. For instance, the purpose behind appointing Brahmanas as ambassadors is that they are more immune than other ambassadors from the wrath of the kind in whose court they were sent¹². Students could have a share in the property of a guru dying without leaving a legitimate Brahmana son is an ideal example of Education-management.¹³

Forecasting trouble and planning to minimise loss: Foreseeing the threats to the stability of the state and making provisions for it get prime importance in the *Arthasāstra*.

Disaster management: Natural disasters and manmade disasters

The *Arthasāstra* expresses fears and directs strict precautions against fire hazards. (*KA*. II. 36. 15-25). Craftsmen like smiths who worked with fire were concentrated in a separate quarter of the city. Villagers shall do their cooking during the summer months outside their houses.¹⁴ A drought is worse than too

much rain, because drought destroys livelihood. In case of emergency, villagers living near the banks of rivers should keep a collection of wooden planks, bamboo and boats. *Arthasāstra* states number of methods to counteract famine. It regards famine more severe than floods for famine destroys livelihood apart from harvest¹⁵. However, floods are more dangerous than fires because a fire may destroy on village, but floods destroy hundreds of villages. In the interests of the prosperity of the country, a king should be diligent in foreseeing the possibility of calamities, try to avert them before they arise, overcome those which happen, remove all the obstructions to economic activity and prevent loss of revenue to the entire state.

Decentralization of power: The village headman was responsible for maintenance of the village boundaries, controlling grazing, giving asylum to the destitute etc.

Tapping different sources of revenue:

Foreigners visiting the land were a source of revenue to the state. The regulations for the city include one which requires that Outsiders (*bahirikas*) blacklisted as harmful to the city were not permitted to enter; if at all they were they had to pay tax¹⁶. The tax called *dvārabahirika* (outsider toll) was important enough to merit a special mention in the revenue for the city. Foreign artists who had to pay a special tax of 5 *panas* per show are also

¹¹ T. Proctor, *op. cit.*, p. 22

¹² *KA*. I. 16. 14-15 तस्मादुद्यतेष्वपि शस्त्रेषु यथोक्तं वक्तारो दूताः।

तेषामन्तावसायिनोऽप्यवध्याः किमङ्ग पुनर्ब्राह्मणाः।

¹³ *KA*. III. 7.23 शूद्र एव वैश्यस्य।

¹⁴ *KA*. IV. 3. 3-4 ग्रीष्मे बहिरधिश्रयणं ग्रामाः कुर्युः, दशमूलीसंग्रहेणाधिष्ठिता वा।

नागरिकप्रणिधावग्निप्रतिषेधो व्याख्यातः

निशान्तप्रणिधौ राजपरिग्रहे च।

¹⁵ *KA*. VIII. 2.25 प्रयासवधात् सस्यवधो मुष्टिवधात्पापीयान्, निराजीवत्वाद् अवृष्टिरतिवृष्टितः।

¹⁶ *KA*. II. 4. 32 न च बाहिरिकान्कुर्यात् पुरे राष्ट्रोपघातकान्। क्षिपेज्जनपदे चैतान् सर्वान्वा दापयेत्करान्।

called visiting artists.¹⁷ Foreign merchants could enter the country only if they were frequent visitors or were vouched for by local merchants. Foreign sea-going vessels had to pay duty or port dues if they entered the territorial waters.¹⁸ This indicates that the movements of foreigners for cultural exchange and trade had the control and supervisions of the state. These policies of *Arthasāstra* do have contemporary relevance in cases of issues regarding foreign artists or inter-state and international trade relations.

The state got its revenue from a tax of 5% levied on all winning as well as the fines collected by the Chief Controller of Gambling and Betting.¹⁹ As befits a treatise on the economy of a state, the emphasis in the *Arthasāstra* is on collection of revenue. The king is advised to be 'ever active in the management of the economy activity; inactivity brings material distress'. Without an active policy, both current prosperity and future gains are destroyed.²⁰ Efficient management was encouraged, for any official who did not generate adequate profits in a Crown undertaking was punished for swallowing the labour of

workers.²¹ Mining and metallurgy are important revenue sources. The power of the state comes out of these resources. Increased wealth is used to acquire more territory. Prosperity of the kingdom and the imperialist tendencies of kings are interrelated.

Mixed economy: Land, the most important natural resource was primarily a state undertaking. Most of the productive economic activity took place in the countryside. 'Power comes from the countryside, which is the source of all activities'²². Agricultural sector enjoyed prime importance regarding planning, control and organization. (KA.VII.11.10-12) The king had to ensure that agriculture was protected from harassment by not levying onerous taxes or fines and by not making undue demands for free labour.²³

Measures during slowdown: Even in times of great financial stringency, the king was advised to promote new settlements by grants of grain, cattle and money.²⁴ The settlement ought to be populated mainly by the three lower varnas because of the variety of benefit these provide. Farmers are dependable and productive; cowherds make agriculture and other activities possible by opening up pasture lands; and rich traders are a source of good money'.²⁵ Farmers could not sell

¹⁷ KA. II. 27. 26 तेषां तूर्यमागन्तुकं पञ्चपण प्रेक्षावेतनं दद्यात्।

¹⁸ KA. II. 28.11 संयातीर्नावः क्षेत्रानुगताः शुल्कं याचेत।

¹⁹ KA. III. 20.10 जितद्रव्यादध्यक्षः पञ्चकं शतमाददीत,

काकण्यक्षारालाशलाकावक्रयमुदकभूमिकर्मक्रयं च।

²⁰ KA. I. 19.35-36 तस्मान्नित्योत्थितो राजा कुर्यादर्थानुशासनम्। अर्थस्य मूलमुत्थानमनर्थस्य विपर्ययः॥

अनुत्थाने ध्रुवो नाशः प्राप्तस्यानागतस्य च।

प्राप्यते फलमुत्थानाल्लभते चार्थसंपदम्॥

²¹ KA. II. 9.17 यः समुदयं

व्ययमुपनयत्यल्पापराधे स पुरुषकर्माणि भक्षयति।

²² KA. VII. 14.19 जनपदः सर्वकर्मणां योनिः

ततः प्रभावः।

²³ KA. II. 1.37 दण्डविष्टिकराबाधै रक्षेदुपहतां

कृषिम्। स्तेनव्यालविषग्राहैर्व्याधिभिश्च पशुव्रजान्॥

²⁴ KA. V. 2. 4 धान्यपशुहिरण्यादि निविशमानाय दद्यात्।

²⁵ KA. VII. 11. 2 तयोर्यः प्रत्युपस्थितार्थै

यथोक्तगुणां भूमिं निवेशयति सोऽतिसंधते।

crops, fruits, vegetables or flowers at the fields, gardens or orchards but had to bring them to the market. In times of financial stringency, the punishments for a farmer hiding his own produce and for anyone stealing were more drastic.²⁶ The village chief is advised to use secret agents disguised as ascetics to find out about dishonest farmers and cowherds.²⁷ During financial stringency, all livestock owners were required to pay a special levy in times of financial stringency.²⁸

Quality control: The quality of cultivable land, starting from the most useful, is given as irrigated land growing cereals, a large irrigated tract not suitable for cereals but suitable for a variety of other crops and for building forts, and rain-fed land in which both early and late crops could be grown easily with less rain (*KA*. VII. 11. 3-8). The importance of a united people is further stressed: 'It is the people who constitute a kingdom. Like a barren cow, a kingdom without people yields nothing.'²⁹

Decentralization and centralization : Because the work of the government is diversified and is carried on simultaneously in many different places, the king cannot do it all himself, he therefore has to appoint ministers who will implement it at the right time and place. (*KA*. I. 9. 4-8)

According to the *Arthasāstra*, there were eighteen categories of *mahāmātras*. A

²⁷ *KA*. II. 35. 13 एवं

समाहर्तृप्रदिष्टास्तापसव्यञ्जनाः

कर्षकगोरक्षवैदेहकानामध्यक्षाणां च शौचाशौचं विद्युः।

²⁸ *KA*. V. 2. 27 कुक्कुटसूकरमर्धं दद्यात्, क्षुद्रपशवः

षडभागम्, गोमहिषाश्वतरखरोष्ट्राश्च दशभागम्।

²⁹ *KA*. VII. 11. 24-25 दुर्गापाश्रया पुरुषापाश्रया वा

भूमिरिति पुरुषापाश्रया श्रेयसी। पुरुष वद्धि राज्यम्।

अपुरुषा गौर्वन्ध्येव किं दुहीत।

close observation of the officials indicates that there was a scalar chain in terms of management having vertical and lateral communications. According to Kangle, 'the kind of state control over the economy, which the *Arthasāstra* presupposes is not possible without an efficient administration'. Book II with 36 chapters discuss the various portfolios of different heads of the Departments ranging from Army to Leisure.

Some instances:

The spinning yarn was decentralized, carried out by women, particularly those to whom this was the only means of livelihood. Weaving was both decentralized by contracting work out to weavers on piece-rate basis and carried out under state supervision. The manufacture of alcoholic liquor was predominantly a state monopoly. Specific exemptions were, however, provided for: physicians making different kinds of *aristhas* i.e. alcohol based medicines, types of liquor like fermented fruit juices not made by the state, home-made alcohol based medicines, white liquor for own consumption and a special exemption, during fairs and festivals, to make liquor for a maximum of four days. Salt was a state monopoly and unauthorized manufacture or sale was severely punished. In order to protect local industry, imported salt had to pay a countervailing duty to compensate the state for breaching the royal monopoly (*KA* IV. 5/VII. 4).

Participation of the people : Self-employed craftsmen formed guilds, *śreni*, which guaranteed the conduct of its members; the guild was responsible for the

return of any material entrusted to a member.³⁰

Leadership qualities: The king as the administrative head is regarded to have many qualities of a manager. His qualities of leadership will attract his followers and subjects. The qualities of an ideal manager agree with those of the king viz;

- A) Inborn traits or basic equipment
- Intelligence,
 - integrity,
 - durability which stands for good physical fitness,
 - Sensitivity,
- B) Acquired skill are :
- Motivation,
 - Communication,
 - Planning and organizing,
 - Ability to bring out the best in an employee,
 - Conviction
- C) Inborn and acquired traits:
- Decisiveness
 - Flexibility
 - Taking people along with him
 - Drive to excel
 - Selecting right people for the right post.

Leadership, according to management is concerned with getting people to carry out tasks. Leadership is the aspect of managing people that they will perform their assigned tasks willingly and in an efficient and effective manner. Fiedler recognised two styles of leadership:

- task-oriented approach
- a people oriented approach

The *Arthaśāstra* believes that the welfare and contentment of the people of the state is the prime duty of the king. Therefore, the king as leader of the state has a people oriented approach. The style of the king is

³⁰ KA. IV. 1. 2-3 अर्थ्यप्रतीकाराः कारुशासितारः संनिक्षेप्तारः स्ववित्तकारवः श्रेणीप्रमाणा निक्षेपं गृह्णिष्युः। विपत्तौ श्रेणी निक्षेपं भजेत।

benevolent- authoritative rather than exploitative-authoritative and consultative.

Action-Research:

Spies play a key-role in the functioning of a state. The *Arthaśāstra* thereby creates its own pattern of Action Research. The spies in different disguises help the king to find out discontent amongst his subject, his officers, his family members as well as secret information from different states. The *Arthaśāstra* lays down different categories of people and their relationship with the king viz: a) those dependent on the King for grains, cattle or money b) those who help the king in prosperity and adversity c) those who help to restrain an angry relative or region d) those who repel enemies and forest chiefs.³¹ Any category among these, if discontented can make the state unstable. Therefore, it is necessary for the king to take a note of their intentions and objectives. Spies help the king to evaluate his rule and to know the exact state of affairs in his state. The possibility of revolt or internal mutiny arises when the subjects are impoverished. *Arthaśāstra* regards poverty as the root cause of instability in the kingdom. It mentions a chain reaction accruing from impoverishment: When people are impoverished, they become greedy; when they are greedy, they become disaffected; when disaffected, they either go over to the enemy or kill their ruler themselves.³²

Special favours: Certificate of appreciation:

According to Fayol: The

³¹ KA. I. 13. 15 ये चास्य धान्यपशुहिरण्यजीवन्ति, तैरुपकुर्वन्ति व्यसनेऽभ्युदये वा, कुपितं बन्धुराष्ट्रं वा व्यावर्तयन्ति, अमित्रमातविकं वा प्रतिषेधयन्ति, तेषां मुण्डजटिलव्यञ्जनास्तुष्टातुष्टत्वं विदयुः।

³² KA. VII. 5. 27 क्षीणाः प्रकृतयो लोभं लुब्धा यान्ति विरागताम्।
विरक्ता यान्त्यमित्रं वा भर्तारं घ्नान्ति वा स्वयम्॥

system of reward should be related where possible to individual's wants and needs. There is no one perfect system to remuneration.

The king shall show special favours to those in the countryside who do things which benefit the people, such as building embankments or road bridges, beautifying the villages or helping to protect them.³³ Incentives were given to those who would build new land under cultivation. For better work women who spin were given oil and myrobalan cakes as a special favour. They were induced to work on festive days and holidays by giving them gifts.³⁴ Weavers, specializing in weaving fabrics of flax, *dukūla*, silk yarn, deer wool and cotton were given gifts of perfumes, flowers and similar presents as incentives.³⁵ Those officials who do not eat up the king's wealth but increase in just ways and are loyally devoted to him shall be made permanent in service.³⁶

Principle of Equity: The total salary of the state shall be determined in accordance with the capacity to pay of the city and the countryside and shall be about one quarter of the revenue of the state. The salary scales shall be such as to enable the accomplishment of the state activities by attracting the right type of people, shall be adequate for meeting the bodily needs of

the state servants and shall not be in contradiction to the principles of dharma and artha.³⁷

A large part of those working for a regular wage or salary were employed by the state, particularly in the civil service, the secret service and the army. The salaries and wages of all state employed are sealed at one –quarter of the revenue of the state. While government servants were always under suspicion of wanting to skim off government revenue into their own pockets, they were also rewarded for good work. (*KA*. II. 9. 32-34). Those officials who do not eat up the king's wealth but increase it in a just manner and are loyally devoted to the king shall be made permanent in service.³⁸ These are performance-based incentive awards.

If a Government servant dies while on duty, his sons and wives shall be entitled to his salary and food allowance. Minor children and old or sick relatives shall be suitably assisted. The king should give financial assistance in cash or kind on occasions of funerals, births, illness etc to the families of the deceased.³⁹

Appointment of proper persons:

In appointing councilors there are no specific criteria. The text however, advises for a thorough investigation of the ministers before considering them for

³³ *KA*. III. 10. 26 स्वामिनश्चानिवेद्य चारयतो

द्वादशपणो दण्डः, प्रमुञ्चतश्चतुर्विंशतिपणः।

³⁴ *KA*. II. 23. 4-5 सूत्रप्रमाणं ज्ञात्वा

तैलामलकोद्वर्तनैरेता अनुगृहणीयात्। तिथिषु
प्रतिमानदानैश्च कर्म कारयितव्याः।

³⁵ *KA*. II. 23.8`

क्षौमदुकूलक्रिमितानराड्कवकार्पाससूत्रवानकर्मान्तांश्च
प्रयुञ्जानो गन्धमाल्यदानैरन्यैश्चोपग्राहिकैराराधयेत्।

³⁶ *KA*. II. 9. 36 न भक्षयन्ति ये त्वर्थान् न्यायतो
वर्धयन्ति च।

नित्याधिकाराः कर्यास्ते राज्ञः प्रियहिते रताः॥

³⁷ *KA*. V. 3. 1-2 दुर्गजनपदशक्त्या भृत्यकर्म

समुदयपादेन स्थापयेत्, कार्यसाधनसहेन वा
भृत्यलाभेन। शरीरमवेक्षेत, न धर्मार्थौ पीडयेत्।

³⁸ *KA*. II. 9. 36 न भक्षयन्ति ये त्वर्थान् न्यायतो
वर्धयन्ति च।

नित्याधिकाराः कर्यास्ते राज्ञः प्रियहिते रताः॥

³⁹ *KA*. V. 3. 28-30 कर्मसु मृतानां पुत्रदारा

भक्तवेतनं लभेरन्।

बालवृद्धव्याधिताश्चैषामनुग्राह्याः।

प्रेतव्याधितसूतिकाकृत्येषु चैषामर्थमानकर्म कुर्यात्।

appointment. Of these qualities, nationality, family background and amenability to discipline are to be verified from reliable people, who know the candidate well. This method is followed nowadays, where the candidate is required to produce a character certificate and recommendation from some authority for being considered for the job. Intelligence, perseverance and dexterity shall be evaluated by examining his past performance, while eloquence, boldness and presence of mind shall be ascertained by interviewing him personally. (KA. I. 9. 3). However, the *Arthaśāstra* urges the king to deliberate before taking any decision. The five aspects of deliberating on any problem are:

- i) the objectives to be achieved
- ii) the means of carrying out the task;
- iii) the availability of men and materials ;
- iv) deciding on the time and place (of action) ; and
- v) contingency plans against failure⁴⁰

Deliberations shall not be unduly delayed once an opportunity for action arises.⁴¹ Service under a king has been compared to living in a fire. The employee shall watch carefully the king's gestures and expressions; a wise man will know the mind of another who is trying to reach a decision by looking out for the following: liking and hatred, joy and distress, resoluteness and hear.⁴² The body-language of the king is to be observed carefully by the ministers. This is very

⁴⁰ KA. I.15.42 कर्मणामारम्भोपायः पुरुषद्रव्यसंपदु देशकालविभागो विनिपातप्रतीकारः कार्यसिद्धि पञ्चाङ्को मन्त्रः।

⁴¹ KA. I. 15. 45 अवाप्तार्थः कालं नातिक्रामयेत्।

⁴² KA. V. 5. 5-6 इङ्गिताकारौ चास्य लक्षयेत्। कामद्वेषहर्षदैन्यव्यवसायभयद्वन्द्वविपर्यासमिङ्गिताकाराभ्यां हि मन्त्रसंवरणार्थमाचरति प्राज्ञः।

much relevant to the behavioural school of management which gives stress on observing the body language of an individual to predict the outcome from an undertaking.

Welfare of the people

An essential aspect of the welfare of the population was the protection of the interests of the consumer. As an example: Washermen and tailors shall not wear, sell, hire out, mortgage, lose or change a customer's garment. They shall return the garments within the time prescribed (KA.IV.1.16-25) Disputes about dyeing shall be adjudicated by experts.⁴³ The *Arthaśāstra* believes in welfare state. The scope of management does not restrict in maintaining law and order and having an economy of surplus, but is extended towards civic responsibility and municipal facilities. Rights of the people are accompanied with responsibilities. A detailed list of the responsibilities proves the relevance of *Arthaśāstra* in the present times:

No one shall cause injury to other by the collapse of a rickety dwelling or pillar or beams, unsheathed weapon, uncovered or concealed pit or well or allowing horned or tusked animal to hurt someone, particularly by failing to come to the rescue when entreated to do so. (KA. IV. 13. 13-14, 18)

Rules related to traffic: A cart shall not be allowed to move without a driver. Only an adult can be in charge of the cart; a minor driver shall be accompanied by an adult.

Rules regarding housing complexes: No one shall interfere in the affairs of a neighbour, without due cause. However,

⁴³ KA. IV. 1. 21 श्रद्धेया रागविवादेशु वेतनं कुशलाः कल्पयेयुः।

everyone has the duty to run to the help of a neighbour in distress No one shall behave in a manner likely to cause distress to the neighbours. No construction shall be made by causing obstruction to the neighbours and every house shall have proper drainage system of rain water.

Hygiene: No one shall litter the streets or let mud or water collect there. No one shall pass urine or faeces in or near holy place, a water reservoir a temple or a royal property.

Foreign policy: In the words of Rangarajan, Kauṭilya is deservedly known as the great theorist of inter-state relations. The theory of Kauṭilya is a brilliant, comprehensive, cohesive and logical analysis of all aspects of relations between states. The common understanding is that Kauṭilya propounded the theory that i) an immediate neighbour is an enemy and ii) a neighbour's neighbour separated from oneself by the intervening enemy is a friend. His theory not only deals with three states but twelve states. The conqueror with his allies and vassals, the enemy with a similar circle of kings, other interested parties like the Middle and Neutral kings-these are the actors in the drama of diplomacy and war. The tools they use are the six methods of foreign policy (KA. VII. 1. 6-19) *sandhi* i.e. making peace is entering into an agreement with specific condition like a treaty. It enables a king to enjoy the fruits of his own acquisition and

promote the welfare of the people. *Vigraha* stands for hostility. It is classified as open war, a battle in the normal sense; a secret war and undeclared war. *Āsana* is staying quiet and *yāna* is preparing for war are two methods used in connection with peace and war. *Samśraya* is seeking the protection when threatened and *Dvaidhībhāva* is the policy of making peace with a neighbouring king in order to pursue, the policy of hostility towards another. *Arthaśāstra*'s foreign policy and the six methods are a matter of some independent work.

Some observations: Based on the comparative study of Kauṭilya's *Arthaśāstra* and the principles of management, one can observe that *Arthaśāstra* was far ahead in the conception of effective management of the state for the welfare of its people. It has concise the principles of management in merely three terms viz; *rakṣaṇa*, *pālana* and *yogakṣema*. In an endeavour to effectively manage a state of high performance, the *Arthaśāstra* has proved that *dharma* and *kāma* can be accomplished only when *artha* is taken proper care. *Arthaśāstra* has in its view the wellbeing of the state; an abstract entity and concrete forms being the king at one end and the common man at the other. By instructing the king and the common man regarding effective governance of the state, Kauṭilya's *Arthaśāstra* serves as a bridge between the king and the common man.

Bibliography

1. Kangle, R.P., *The Kauṭilya Arthaśāstra Part I-II A Critical Edition With A Glossary*, University of Bombay, Mumbai, 1969 (1960)
2. Proctor, T., *Management: Theory and Principles*, Macdonald and Evans Publishers, UK, 1982
3. Rangarajan, L. N., *Kautilya: The Arthaśāstra*, Penguin Books, India, 1992
4. *The Oxford English Dictionary*, Ed. Burchfield, R. W., Oxford Press, 1972