

Why Business Schools Must Teach “Arthashastra Related Karma” Lessons? A Study on Awareness regarding *Kautilya's Arthashastra* amongst B –School Students

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Abstract:

Most of the MBA Colleges and Business Schools are not imparting Arthashastra, karma lessons apart from the formal courses, case studies and classwork on finance, marketing, accounting and economics'- B-School students in India deserve to learn about Kautilya's Arthashastra, an ancient treatise on statecraft, economic policy and military strategy.

“The scandals like Sahara, Satyam, Chit fund Scams, Kingfisher Airlines and Nirav Modi, further increasing trend of wilful loan defaulters to banks, huge deposits made by a few business firms/individuals during demonetisation expose the weak foundations of ethics and values in Indian business scenarios,” therefore Business Schools must come forward to teach beyond Business Ethics i.e., Karma Lessons and Socio Economic Development process as mentioned in Arthashastra. This article highlights Socio, Economic and Development thoughts of Kautilya's Arthashastra that is relevant to Business Schools.

Keywords: Kautilya, Arthashastra, Karmshastra, Adikaranas, Gurukulas, Ashrams, Charakas

Introduction:

Kautilya wrote Arthshastra somewhere between 300 and 321 B.C Chandragupta became king in 321B.C. Chandragupta was made king by him and he had the benefit of guidance and support of this great philosopher and statesman in establishing and ad-ministering the Maurya Empire which was further expanded and glorified by his grandson Ashoka whose period is the fulfillment of Kautilya's concept of Karmarajya.

Kautilya based his work on the knowledge derived from Vedas, Puranas, Ramayan, Mahabharat and Karmsastra. Brhaspati Sutra was

one of the primary sources. His philosophy, however, contains many ideas and thoughts which are original, based upon his own perceptions and experiences. He is placed on level with the ancient Rishis in pint of antiquity and high reputation of work. The orders of Rishis as evident from Lankavatar Sutra are: Panini, Katyayan, Yagyvalk, Valmiki, Masuraksha, Mautilya and Ashvalayana. Arthshastra is divided into fifteen *Adikaranas* and one hundred fifty chapters dealing with wide variety of subjects such as duties and responsibilities of a kind and his ministers, institution of spies, mission of envoys, division of land, collection of revenue, conduct of government servants, economic administration,

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law and order in society, peace and war diplomacy, management of armed forces and even application of medicines and mantras. The form of work is a combination of sutra and Bhasya. The book gives a lucid account of theories developed by earlier thinkers on the one the subject and Kautilya's own views.

The Spiritual Foundation of Life:

The spiritual foundation of life according to Kautilya is Trivarg as propounded in ancient philosophy. Trivarg consists of *Dharm, Arth and Kam*. Every individual is required to fulfill his religious and moral duties (*Dharm*). Material needs (*Arth*) and instinctive desires (*Kam*). Moksha is the ultimate goal of life which can be attained by following *Varnasharam dharm*. The four *Varnas*: Brahman, Kshatriya, Vaishya and Shudra are based on functions performed and the four ashrams are the stages of life: Brahmcharya, Grihasth, Vanaprasth and Sanyas. Kautilya was against pseudo ascetism which in his opinion destroys Varnashram dharm. The best life is the practical life 'Udyam' in accordance with the virtue. There are four sources of virtue: Train (Veda), Anvikshiki (Philosophy), Varta (economics) and Dandniti (Politics). Observance of one's duty leads to *Svarg* (heaven) and infinite bliss. Control over the senses is considered necessary by Kautilya to attain the goals of life.

Social order based on Dharma:

King (Swami) occupies a central position in Kautilya's scheme of thoughts. Kautilya strongly advocated *Yogakshema* (Welfare of people) as primary responsibility of a king. The happiness of king lies in the happiness of people. What is good for people is good for him. The king is considered *Dharmpravartak*.

King must enforce the adherence of people to the observance of duties for the four castes and the

four stages of life and root out all unrighteousness. He was very particular about the upbringing and education of king. A disciplined life was prescribed for prince. He should be educated in Sankhya (Arithmetic) and Lipi (language) and should then study Veda, Anvishiki, Varta and Dandniti. He must adhere to Brahmcharya up to age of sixteen. The books recommended for study include Ramayan, Mahabharat, Puran, Yay, Mimansa, Dharmashastra and Arthshastra. He must learn to control his senses: Kam, Krodh, Maan, Harsh and Mad and Lobh (Passion, anger, vanity, over joy and haughtiness and greed) otherwise he is sure to be destroyed. Being the first citizen of state, the king is required to obtain a kingdom, increase and preserve it and enjoy it with his citizens. The ruler should be of high moral character, receptive mind, disciplined intellect, firm in his objectives and well trained in arts and science. A virtuous ruler will enjoy the earth and will never be defeated. The duties of a king towards his subjects include welfare of entire society, upholding the social order, enforcement of Swadharma, maintenance of public works, protection of state and society, saving from disasters and calamities. Maintaining law and order, promotion of trade and commerce, proper administration of justice and looking after Sanyasis. The king should take oath that he would never be arbitrary. He should do justice and award punishment according to offence without discrimination to his sons and enemy alike. The guilty must be punished by the king otherwise the law of fishes (big swallowing the small) will prevail punishment is the root of discipline and source of welfare of citizens.

Kautilya wanted to build a social order based on Dharma. He believed in Varnashram and made state responsible to promote it. However, he was liberal in many respects that his predecessors. Unlike Manu, he prescribed that citizenship could be bestowed on any man irrespective of his class and birth. Recruitment in army was opened for all four

Varnas. Shudras were regarded as an integral part of Aryan Community the immunity to Brahmans from criminal penalty and capital punishment was withdrawn. Joint family was considered best for social security. State was however, made responsible for maintenance of the orphans, the aged, the infirm, the affected and the helpless women and children. Medical care was state responsibility. Medical superintendents were appointed to look after the health of citizens and to control the spread of disease. Punishment was prescribed for a doctor for his negligence and loss of limb due to defective surgical operations. Environment control measures were prescribed to clean cities. Special routes were chalked out for carrying dead bodies and the cremation grounds were provided out of the cities. Cutting of green trees and killing milk animals were considered acts leading to hell. The village boundaries were marked by useful trees like *Peepal* and *Saal*, mountains, jungles, waterways, embankments and canals.

Anti-Slavery:

Slavery was considered as a sign of backwardness by Kautilya. He granted slaves the right to property and abolished hereditary slavery, banned the sale and pledge of children as slaves. Heavy punishment was prescribed for selling or pledging one's own children. If a child is born of a female slave from her master, both mother and child are free from bondage immediately. Deceiving a slave was a punishable offense. The slaves could not be forced to do immoral or low work. The right to freedom from bondage was given by paying half the ransom in case of captives of war and by paying fine or service in lieu of fine, the state was required to protect the honour of the persons forced to embrace slavery. Kautilya was of the firm view that no Aryan could be reduced to slavery since the status of Arya was incompatible with slavery. The conception of Arya was extended to Shudras. Selling of a minor

Shudras by his relatives was punishable. Wages are payable as agreed between employees & employees. If there was no agreement, the payment will be based on time and work, nonpayment of wages in time was punishable with fine. Similarly, not doing the duty prescribed after taking money was also considered as offense punishable with fine.

Grihasthashram:

Grihasthashram was given supreme importance in Kautilya's thoughts. All social transactions begin with marriage. He described eight type of marriages: Brahma (through Kanyadan), Prajapatya (through mutual consent), Arsh (along with godan), Daiva (in presence of Yagyavedi) Gandharva (without consent of parents), Asura (by giving money to parents), Rakshas (by taking away forcibly) and paisacha (taking away forcibly in sleep). All the eight type of marriages were permissible if parents approve. The presents to bride by her parents and relatives become *Streedhan* which she was entitled to the property and income left by her husband, but if she remarries this right is not sustainable. Her children from the first husband get entitlement. The right to divorce was given to women when the husband becomes a bad character, migrates, indulges into anti-state and criminal activities, does not follow dharma or becomes impotent. Adultery was an offense.

Scheme of Priorities of Kautilya:

Education was in the scheme of priorities of Kautilya. The acquisition of knowledge was obligatory for three higher castes. The established institutions of education were: Gurukulas, Ashrams, *Charakas* (Wandering scholars) and *Vidwatparishads*. A child was initiated to *Lipi* and *Sankhya* first, then he was sent to Gurukul. Necessity of education at all the four stages of life was emphasized. Among the courses taught at

secondary and higher level were Vedangas, Sankhya, Yoga, Agriculture, cattle breeding, polity, Military arts and history. Education was founded by the state which also used to honor learned people. Students were subjected to rigorous discipline. Vinay (discipline) comprised: susrushya (desire for learning), sravana (cultivation of truth learnt), grahana (grasping which is learnt), dharan (retaining what is grasped), Vijnana (Knowledge of ways and means of achieving the truth learnt): Ushra (Inference and deliberations) Kautilya was in favour of theoretical and practical education both. Military training was also a part of education. Ramayan, Mahabharat, Nyaymimansa, Dharmashastra and Arthashastra were among the prescribed texts. The object of all learning was dharm and arth.

The Economic Ideals:

The economic ideals of Kautilya were ahead of his age. Some of economic principles about which the economists in the west started in the late 19th and early century, were developed by Kautilya several centuries back. He emphasized on the economy of scale in the operation of mines. He favored large number of cows in one herd and large number of fruits trees in one orchard. The principal of the division of labour which had its origin in Manusmriti in four varnas was recognized in economic welfare. A large part of agriculture in this vast crown land was under its direct control. Irrigation department was responsible for constructing new sources of water supply and distribution of water seeds were developed in odel forms and distributed. Cattle farms and dairy farms were looked after by Gopalaks, Dohaks and

manthaks. Pasture grounds were granted remission and also grain, cattle and cash advances. In villages land was earmarked for agriculture, plantation of fruits, pasture, embankment and social purpose like temples, cremation ground and sacred spots. The state had monopoly in such industries as mining, armaments, shipping etc. Khanyadhaksa looked after state enterprises in pearl, coral diamond and other precious stones. Management of gold and silver was looked after by Sanvarnika. Cotton, oil, sugar and diary industries were also promoted by the state. Besides state enterprises, there were number of private enterprises. Stealing precious metals from state mines was an offense. Consumers were protected against hoarding or cornering of goods; market hours were regulated and prices were fixed. Weights and measures were standardised. Wages were prescribed for different type of jobs. Workers were rewarded for good performance. Severe punishments were prescribed for smuggling and adulteration of good speculation and strikes and work stoppages. Panyadhyksa were appointed to regulate the trade. Tax collection was done by shulkadhyaksa. Taxes were charged as a payment for protection by the state and not as a compulsory contribution. All taxes were levied at proper times on the 'principle plug the fruits when ripe'. The taxes were not arbitrary. For instance, water rates were proportionate to irrigation facilities in a particular region provided by the state. The state was warned to be vigilant against its own officials and to punish those found guilty of corruption and embezzlement. Dharm is the basis of Kautilya' philosophy Arth is given importance as means and not as an end.

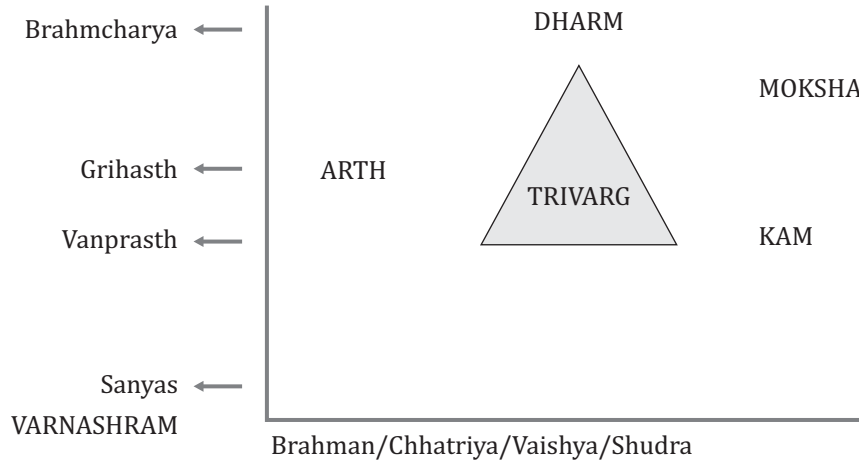


Exhibit: 1 SPIRITUAL FOUNDATIONS OF LIFE

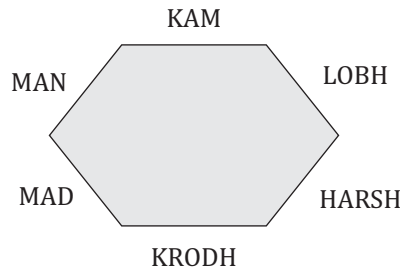


Exhibit: 2 CONTROL OF SENSES

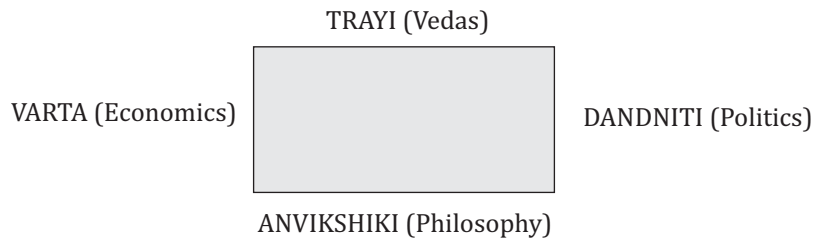


Exhibit: 3 SOURCES OF KNOWLEDGE

Survey on awareness regarding *Kautilya's Arthashastra* amongst B-School Students :

We have interviewed 19,396 B- School students (See Exhibit 4 Telephonic Interview Matrix) over telephone by asking them a single question

Whether they are aware of Ideal Financial Karma as prescribed in Kautilya's Arthashastra? In order to find out how many students have missed out or have forgotten the valuable insight given in great "Kautilya's Arthashastra"

	Program Type	Respondents	Gender		Median Age At Graduation	Kautilya's Arthashastra Awareness Since Graduation	Non-U.S.
			Male	Female			
Program Categories	Overall	19,396	74%	26%	30	6	26%
	Full-time MBA	5,897	77%	23%	29	8	29%
	Professional MBA	2,318	71%	29%	32	6	12%
	Executive MBA	1,102	82%	18%	37	6	25%
	Quantitative Master's	429	62%	38%	25	4	21%
	Non-Quantitative Master's	911	54%	46%	26	3	51%
Specific Program Types	Full-time two-yearprogram (FT2MBA)	4,195	78%	22%	29	9	9%
	Full-time one-year MBA (FT1MBA)	1,664	75%	25%	30	5	78%
	Part-time lockstep MBA (PT Cohort)	1,016	74%	26%	32	5	20%
	Part-time self-paced MBA (PT Self-Paced)	967	70%	30%	32	7	5%
	Master of Accounting (MAcc)	223	53%	47%	24	6	0%
	Master in Finance (MFin)	153	71%	29%	26	3	56%
	Master in Management/ Global Management (MiM)	521	56%	44%	25	3	60%

Exhibit:4 Telephonic Interview Matrix

Survey Relevance and Conclusion:

Findings, Proving and relating how it is relevant to today's B-schools?!!

Out of 19,396 B- School students (my team has interviewed) over telephone by asking them one single close-ended question “Whether they are aware of Ideal Financial Karma as prescribed in Kautilya's Arthashastra?” only 65 students with a 'Mean Age Group' of 30 Years (Both Male and Female) have responded with “YES “that they are aware of Kautilya's Arthashastra and Ideal Financial Karma as prescribed in Kautilya's Arthashastra. This shows that only '0.003351' do know about Kautilya's Arthashastra.

The respondent answers prove that a negligible percentage i.e., much less than 1% are aware of Kautilya's prescribed Financial Karma and Repercussions of 'Bad Financial Karma'.

Therefore, time has come to take up course work on Kautilya's Arthashastra and build case studies based on Kautilya's Arthashastra and adopt quick measures in academic industry especially in all Business Schools to teach Business Ethics with a few chapters on Kautilya's Arthashastra and its importance of learning and practicing ethical Financial Karma's (Unlike Nirav Modi, Chit fund Scams, Willful loan defaults or Vijay -Mallya of Kingfisher Group, as our country(India) and the rest of the world 'do not want' to produce such unethical business Leaders and Managers)so that Business School youth would adopt Kautilya's Arthashastra as a “Bible of Good and Ethical Governance”. When Business School youth become Managers and Business Leaders they may adopt and follow “Good Financial Karma as prescribed in Kautilya's Arthashastra” Such practice(s) will develop one- self, society, Country (India) and the world at large.

There can be no better summing up to Kautilya's philosophy than quoting him:

"Righteousness is the root of happiness. Wealth is the root of righteousness. The state is the root of wealth and the victory over senses is the root of the state".

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