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# Agricultural and economic administration in Kautilya's arthashastra and its relevance in the modern context

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#### Abstract:

Agriculture is one of the main revenue sources to the Treasury and it is the nerve-Centre of the every kingdom. This paper contains Kautilya's views on agriculture. His book Arthashastra was utilized to a great extent to solve economic problem. This book is a treasure house of scientific information on a variety of subject which are relevant even to the present time. For production of crops, supplies of food seed and after purchased inputs are arranged. The various issues pertaining to government like administration, law and order, taxation etc, constitute the core of Arthashastra. How Kautilya gave importance to the wealth generation, method of imposing tax, foreign trade policy and how to establish welfare state. The text of Arthashastra, there is many interesting points that are worth taking note of and the validity of quite a few can be tested in order to benefit the farmers and the world at large today. While taking of sustainable farming the Kautilya make the relevant suggestions. Agriculture is the most important economic activity. The cultivable land is better than mines because mines fill only the treasury while agricultural production fills the both treasury and store houses. I have tried to present some important agricultural views and economic ideas of his total work. I have tried to test the ideas and the relevance of ideas in today's context.

Keyword: Agriculture, economic system, artha, labour employment, planning, foreign trade, price policy

#### Introduction

Chanakya is traditionally identified with Kautilya and Vishnugupta as indicated by the review of relevant literature, served as the minister in the kingdom of Chandragupta. His Arthashastra is master piece work. It is a written work on the art of government. It was used to a greater extent to solve the economic and political problems. The various issues related to government activities like administration, law and order, taxation revenue and expenditure, foreign policy, uses of resources to generate income etc. constitute the core of Arthashastra. This Mater piece contains 15 Adhikaranas. The first five deals with the internal administration. The next eight deals with relations with neighboring states. The last two deals with miscellaneous aspects.

#### Kautilya's views on Agriculture

According to Kautilya agriculture is the oldest key in the development of civilization. The Kautilya's Agriculture Arthashastra seems to be a treasure house of scientific information on a variety of subject which are relevant even to the present time. For production of crops, supplies of food seed and after purchased inputs are arranged. Assistance is provided in making available other resources such as labour, machinery, implements and bullocks or tractors power. Possessed with knowledge of the agriculture, water management and managing crops and trees or assisted by those who are trained in such sciences, the superintendent of agriculture shall in time collect the seeds of all kinds of grains, flowers, fruits, vegetables, bullous roots, fruits of creepers, fifer producing plants such as hibiscus and cotton.

Kautilya advised that those who perform sacrifices, spiritual masters, priests and other people well vested in the Vedas should be granted lands, yielding sufficient produce. They should also be exempted from taxation and fines. Lands may be seized from those who do not cultivate the land. Lands prepared for cultivation may be given to the taxpayers. Those cultivators would be supplied with the necessary inputs, which pay their taxes regularly. The king has to do all favour and remission to the cultivators as will increase the wealth in the treasury. The king should be avoid anything which depletes the treasury.

Corresponding Author: Dr. Prasanna Kumar Aithal Lecturer, Department of Sanskrit, SDM College, Ujire Belthangady, Dakshina Kannada, Karnataka, India He should also carry on manufacturing and exploiting timber and elephant forces, carrying on commerce, construction, road building cattle breeding animal husbandry and so on. He must supply necessary infrastructure. He should appoint agriculture scientists for the development of agriculture, slaves, labourers and prisoners may be employed to sow the seeds on the lands of the king.

In Kautilya's Arthashastra agriculture finds a prominent position. He gave more importance to irrigation facilities. Irrigation is provided where very the water source exists. Arrangements are made to protect crops and to harvest market, and safely store the produce. Agriculture was given an important place because it provides products necessary for life both human beings and animals. According to him Indian economy is basically agricultural in nature based on the system of present farming. All these policies of Kautilya Arthashastra are much related to these days.

#### **Economic system**

Kautilya regarded Artha as the root of all disciplines and hence Arthashastra or economics is the basic discipline. Artha or material prosperity is the means for the achievement of salvation for the country as a whole. The structure and organization of the country Kautilya has defined economics as a collection of the entire treatise promulgated by the early savants on the subject of acquiring and preserving or mainlining the earth.

Kautilya has taken into account agriculture, trade, small industries, services, public works irrigation, capital formation and human capital. He has included the process of human resources and gender development. He has explained the role of consumerism economic system. He emphasized the economy of scale in the operation of mines. We find the hints of the utility, cost of production and supply and demand theory of price determination in competitive market mechanism. He has taken into account the role of administered prices in the economy system. Today rural infrastructure is playing an important role. On the other hand capital formations, physical and human are accumulating importance. Economies of scare are important in the present day industrialization. Administered price in the economic system is also important. So Kautilya's ideas in this regard are relevant at present.

#### **Planning**

He has taken in to account conservation of resources, allocation of resources and utilization of resources. His idea in this regards is "Planning for the creation of wealth". According to him successful planning is linked with four different directors. They are Directors of Stores, Directors of Trade, Directors of Textiles and Directors of Farming. These stores are interlinked with each other with all the aspects of agriculture. A present planning is linked with maximum welfare on social justice. The ideas of Kautilya in the field of planning are memorable. He thought that defence is better than opulence. His ideas reveal buffer stock operations and rationing. The idea of resource allocation for maximum welfare is appreciable. I feel that the present day planning is linked with the ideas of Kautilya.

#### **Labour and Employment**

Kautilya has divided the labourers on the basis of freedom. 1) Slaves 2) Bonded Labour 3) unpaid Labour 4) Casual Labour 5) Piece Rate workers 6) Regular Workers 7) Self Employed.

It reveals that there were two categories that are unfree labourers and free labourers. Kautilya put several restrictions on the master's right over slaves. Denial of any wages was treated as punishable offence. Kautilya provided obligations and right to both employees and employers. He encouraged the labourers and given liberty to form the union. Below 8 years child was not allowed to work. Violence rapes etc were strictly prohibited. On these basis Modern government also thinking and making policy regarding minimum wages, labour legislation, trade unions, industrial disputes and welfare of the labour force. Kautilya approach towards weaker sections is significant even today. The ideas like formation of unions, wage fixation through collective agreement, his judicious wisdom in prescribing the obligations and right of employees and employers. All these are based on the idea of Kautilya's Arthashastra. Role of state in various economic activities etc are still relevant today.

#### Welfare state

According to Kautilya state has to perform some functions towards welfare of the people.

- Maintaining reservoirs, forests, animals etc.
- Promoting the growth of major resource of earning
- Maintaining transport system.
- Favourable labour policy
- Distribution policy
- Standard of living
- Suitable credit policy
- Honest administration

At present the main objective of the state is eradicate poverty and to improve standard of living of the people. In this direction the ideas of Kautilya are relevant today. His ideas like production, consumption, distribution and efficient administration are relevant today. Even today main aim of the good government is to maintain people's minimum standard of living and to achieve welfare of the people and the state too.

#### Market forces

According to Kautilya there should be centralized control over the supply. According to him such control needed is maintain price stability. He has mentioned about the consumers protection. According to him profit making is good while profiteering is detrimental to the interest of the consumers. State should be take action against merchant and manufacturers who are indulging in fraudulent practices. According to him Government is in involving in buffer stock operations. His idea of support price policy is very important at present. These policies are very relevant in the present situation. Today also state control is necessary to safe guard the interest of the poor people.

#### **Price Policy**

According to Kautilya the price policy should protect the interests of consumers. Price policy should be increase the demand. It is necessary to curb the evil of inflated prices. He has advised anti monopolistic regulations. According to him there should be healthy competition on the other hand, it is necessary to penalize the monopolies. Today we are talking about favourable price policy and healthy competition. His ideas are relevant to safeguard the interests of small scale and medium scale producers. We had MRT act to control the monopoly and unhealthy traders.

#### Tax structure

According to Kautilya taxes should be equitable and just. Taxed should not be felt heavy and excessive. According to him taxes beyond a certain limit will hamper economic activities. He has suggested the tax upto 50% towards harmful products and harmful service. He has mentioned favourable tax policy to eradicate black money and to avoid tax evasion. He has used the term sulka that is tax. He has mentioned the minister for taxation that is Samharta and Samindhata. He is in favour of surplus budget. He has taken into account balance of income and expenditure. At present taxing authorities are in favour of equity in taxation. They want to decrease the fiscal deficit. They want to eradicate black money. This is the another relevant idea, the responsibility and efficiency of imposing taxes and collecting taxes.

#### **Foreign Trade**

According to Kautilya foreign trade is Important to develop the economy. But it is necessary to maintain the balance between exports and imports. He envisaged greater consumption possibility and economic gains through encouraging the foreign trade. He has mentioned about import restrictions and export promotion. In this global Kautilya's idea revels the comparative advantage in foreign trade. His idea of custom duties is significant. His thinking helps to minimize the balance of payments difficulties. So his ideas about foreign trade are relevant in this situation also.

#### Conclusion

Kautilya's Arthashastra can be regarded as the first book on the Indian political Economy. It reflects the contemporary economic structure of society. The book reveals the areas of state directions and control. Kautilya has described the socioeconomic conditions of India vividly along with attending the complexities. He propounded certain general economic diplomacy and gave many new insights into the working of the state, which is still more relevant. Kautilya is intensely conscious that King's affluence and peoples' wealth depend totally on growth and development of the citizenry in general. Prosperity leads to peace and pleasure and poverty leads to dissatisfaction and revolt against the king. Therefore Arthashastra deals with the idea of enhancing Treasury's wealth by developing growth measures in agriculture, manufacturing and commerce among other things. Thus Kautilya's Arthashastra is a treasure house of methodical information with brilliant foresights on a variety of subjects especially economy which are relevant even to the present times.

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