

# Kautilya's Arthashastra as Diplomatic Literature:

## Positioning India in a Globalised World Order

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### Abstract

From laying stress on customs continuance to defining a king's duties, the *Arthashastra* is a brilliant political and socio-economic treatise that includes polity, statecraft, economics, society, national security and international relations (IR). Although several works have been authored by thinkers all over the world, an important question lurks in discussions of the *Arthashastra*: *How does the Arthashastra, as a diplomatic literary text, position India in a globalised world order?* The introduction outlines the interpenetration of *Arthashastra* as diplomatic literature in Indian foreign policy-making, emphasising the various ways in which globalisation and nation-building go hand-in-hand. This research is significant since it introduces readers to diplomatic and global economic strategies enshrined in *Arthashastra* which are most pertinent to India as an emerging economic leader [1] in the current globalising geopolitics. While situating contributions within *Arthashastra*, it also draws out a series of findings for the field and investigates its foundational principles for India and concludes by drawing parallels between India's approach towards geopolitics after the economic reforms introduced after 1991 and Kautilya's politico-economic ideas towards nation-building that are aimed at general welfare.

### Keywords

- Arthashastra
- Global politics
- Diplomacy
- Politico-economic structures
- International relations

### Introduction

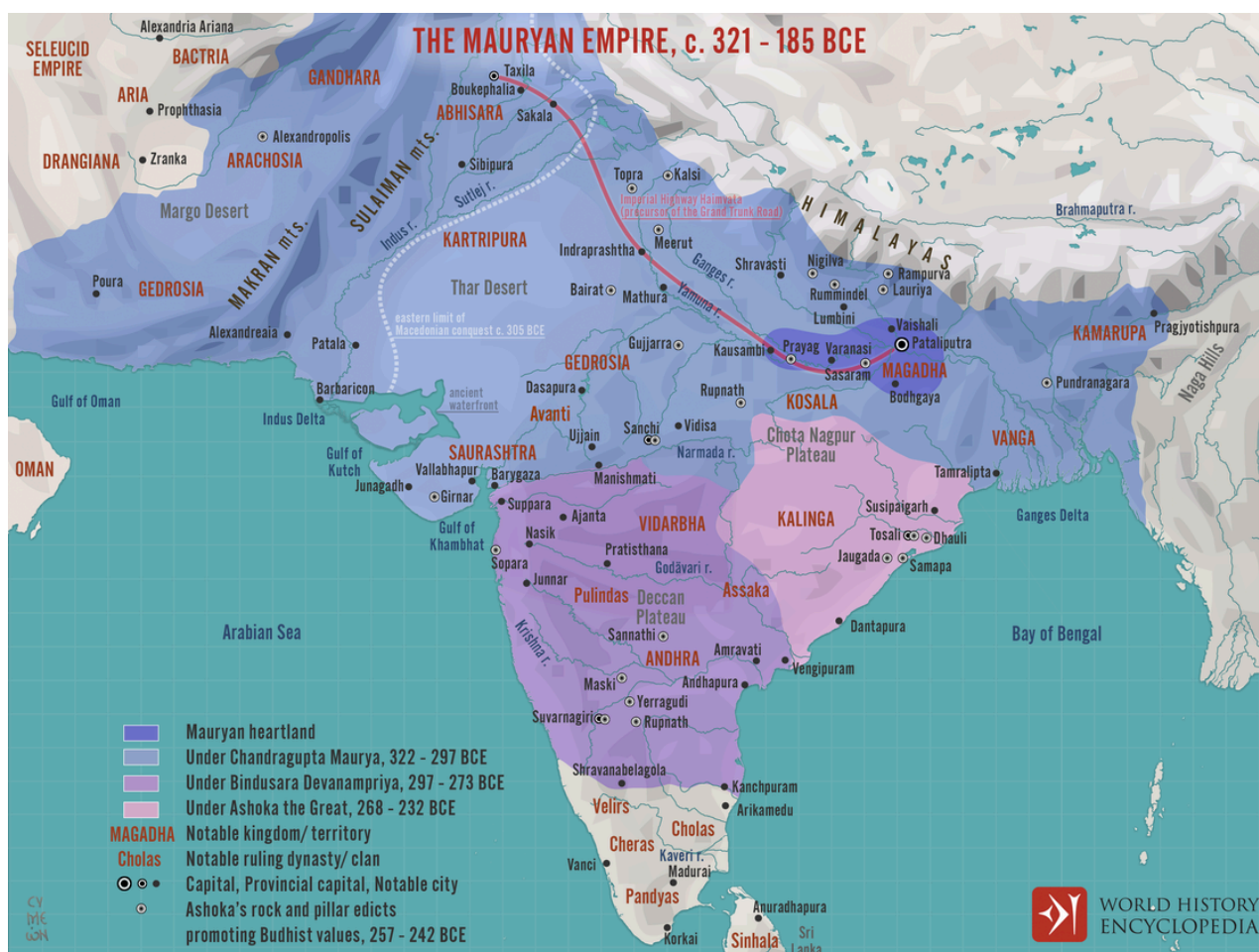
**A**fter 1991 (the era of globalisation), nations have realised the need to further their national interests by aligning them with economic ones which makes political strategists, scholars, thinkers and researchers prepare new concepts and frameworks

to adapt to the dynamic world (Mohan). Globalisation has dramatically altered diplomatic and economic relationships amongst nations (Jun & Wright) with nations prioritising economic aspects over others. Surprisingly, Mr. Jotia says that globalisation is an “economic monster” (Agreement Lathi Jotia) which causes a nation's political and socio-economic sovereignty, which are regarded as “toothless partners” of a nation because they do not have the power to regulate globalisation according to democratic principles, to wipe away. Contrarily, many argue that globalisation has facilitated political, socio-economic and technological progress by involving the nations in liberalisation and market expansion. Additionally, scholars also argue that globalisation has contributed largely to the well-being of the people in nations and embraces human values like “affective judgment and moral righteousness” (Kamali 43-45) (or Dharma as known in ancient India). It challenges a nation’s traditional outlook of national boundaries and urges governments to develop global strategies to deal with new complex political and economic challenges (Jun and Wright). This leads to continuous research in academia to explore various ways and methodologies to analyse current trends in international politics. A world defined by globalisation faces new security challenges which need to be handled by power, a key notion of the realist school of IR. Therefore, it can be said that realism (better known as “the study of power”) is an integral element of globalisation which is evident in its roles in channelising international security relationships that can be conceptualised in the modern-day by reading Arthashastra as an excellent example of diplomatic literature.

An Indian way to study changing geopolitics, in general, and Indian foreign policy, in particular, surprises the West since the nation has a plethora of ancient political texts that are useful to study recent concepts like globalisation. One such example is the *Arthashastra* written by Kautilya in 300 B.C.E. (Boesche, 9–37) where he presented a sophisticated framework of geopolitics through his *Saptanga* (seven-organ theory) and economic ideas centred on welfarism. Primarily dominated by Western epistemologies of Aristotle, Machiavelli and E.H. Carr, the roots of the realist school of IR lay in Indian concepts (especially in Kautilya's works) like *matsya nyaya* (bigger fish eating small fish- an Indian allegory to explain the law of “survival of the fittest”) in quite straightforward a manner (Shahi 68-74). *Arthashastra* conceptualised *Danda* or penal action to grade offences and preferred fines over other forms of punishment for a nation to function and develop harmoniously (Chousalkar 55-76). Such thoughts remained unknown to the Western world until 4th century BCE when Aristotle envisioned Greek “*polis*” or city-states, similar to modern nation-state (Downey 21-25), and Machiavelli viewed Italy as a strong republic (Gardens). It is for this reason that renowned American diplomat Henry Kissinger considers the *Arthashastra* as the oldest political text of realism and its principles “a combination of Machiavelli and Clausewitz” (Pillalamari).

Although confined to academic research, the *Arthashastra* has generated interest amongst politicians in 21st century to analyse India’s rise as an emerging economic power and its global implications to portray its traditional notion of power of nation, that is, *Shakti* (Mishra, 77-109). This research shows the remarkable literary composition of the oldest king-maker Kautilya, which opens doors to a new approach of diplomacy from the perspective of globalisation. A close reading of *Arthashastra* reveals the foundations of ancient Indian diplomacy that bears resemblance in the modern era. The interdependence of polity and

economics gives Kautilya's *Arthashastra* an unusual degree of credibility: Sihag says that the text emphasises "proper measurement of economic performance", and "the role of ethics, considering ethical values as the glue which binds society and promotes economic development" (Sihag 125–148). Thus, the *Arthashastra* continues to teach geopolitics to rulers and academicians in the complex interdependent world undergoing continuous fluxes of globalisation, based on the realistic view of international politics. Many researches have explored *Arthashastra*'s domestic policies, however, its enshrined diplomatic strategies (especially during war and emergencies) remain underrated, although Kautilya's teachings are far-reaching. India, as an emerging economy (Sikarwar), needs the highest quality of statecraft and strong foreign policy for which the *Arthashastra* is an excellent reference. The paper has been divided into two sections: the first deals with *Arthashastra*'s role as a diplomatic text (containing economic strategies in international trade) to guide the modern nation amidst globalisation and the second deals with positioning India in 21st century geopolitics, based on *Arthashastra*'s principles. It concludes by analysing India's successes in the globalised world order by following such principles.



Source: The Mauryan Empire, c. 321-185 B.C.E. ("The Mauryan Empire, C. 321-185 B.C.E.")

## *Arthashastra*: Guiding Nations Diplomatically in Post-Globalisation Era

Known as the Indian Machiavelli, Vishnugupta or Kautilya is one of the biggest strategists of all times and his *Arthashastra* is a readily-available source to understand the civilizational

history of *Bharatavarsha* (a Sanskrit term used to describe ancient undivided India)- the *sine qua non* or indispensable doctrine of political planning and conquests. It reflects the phenomenal work of a teacher as the king-maker, with his legacy lasting for more than two thousand years. His work is relevant to date since it contains the art of statecraft and geopolitics that are significant in today's era of globalisation. Interestingly, he gave *Bharatavarsha* a grand vision and practical methods to achieve lasting and sturdy civilizational outcomes and strategies to counter foreign invasion as reflected by Alexander's invasion of north-western India (Holmes). The fact that his work is an important piece for analysing India's diplomatic history is another brilliant testimony to this one-man epoch-maker. Renowned thinker Max Weber, in his famous lecture "Politics as a vocation", described the *Arthashastra* as the Indian literature containing "truly radical 'Machiavellianism', compared to which "Machiavelli's *The Prince* is harmless" (Weber 220, Campbell and Zimmer).

*Bharatavarsha* was divided into different warring factions of monarchies, before it became a unified nation under Emperor Chandragupta Maurya (a disciple of Kautilya) [2], and its progress was characterised by its economic growth, being an agrarian nation. The Mauryan empire, extending from Persia (modern-day Iran), Afghanistan to Bengal (modern-day West Bengal and Bangladesh) (Wolpert 59; Mookerji 2; Bhattacharjee 173), is believed to have been larger than the British empire in India and its capital, Pataliputra (modern-day Patna city in Bihar), was "twice as large as Rome under Emperor Marcus Aurelius" (Kulke and Rothermund 60). Such examples indicate India's prosperity under Mauryan rule which was founded on Kautilya's principles of statecraft and diplomacy. This means that governance was the "science" and economy was the "weapon" towards establishing a centralised polity. It also reflects how the *Arthashastra* was considered as "the ancient Indian constitution" (Bhargava 102) whose advices were strictly followed by Mauryan rulers to unify different kingdoms with different rulers under the same umbrella. These strategies reflect the element of "rugged political realism" of *Arthashastra* and show that it is a very progressive piece of diplomatic literature because of which the Greeks held, "the Indian treatise worked infinitely better in practice for its own time and place" (Kosambi 141). It also provides a complete definition of modern geopolitics by elaborating its elements which were unknown to any region in the world at that time. Surprisingly, it was not until recent times that historians began analysing the Indian depiction of nations as written by Kautilya. The real complexity and profound implications of building *Bharatvarsha* with kingdoms as nations were lost with the Mauryan empire's decline but have since gained an academic preference for reading policy narratives in dynamic geopolitics in the 21st century.

Kautilya is believed to be the earliest philosopher to give the realistic view of international politics. He justified a nation's interaction with its counterpart through "dissension and force" (Kangle 9.7.68-69: 431) as "natural" and conquests to tighten national security by conquering "the earth upto four ends" (Kangle 3.1.41-43:195) and to maximise national interests. This meant that he wanted the ruler to keep a vigil eye on enemies in the nation's borders on its four sides. In the Indian background, he said, "the region of the sovereign ruler extends northwards between the *Himavat* and the sea, one thousand *yojanas* [about nine thousand miles!] in extent across." (Kangle 9.1.18: 407). Sil argues that Kautilya's world conquest would create "a true foundation for world peace" (Sil 101-42, 123) and it was for

laying this foundation that neighbours needed to be viewed with vigil eyes. According to Kautilya, the ruler (*Chakravartin Samrat*) should not conquer territories beyond India (Diksha 38-39; Raychaudhuri; Mahapatra) - only those territories were to be acquired that practised Indian culture (Indra 54-55) (causing imperialism as stated by Dikshitar 38), although this was one of the chronic reasons for warfare during the Mauryan rule. Adding to this, the *Arthashastra* guides the ruler to identify his friends and enemies based on nation's self-interest and whether it gets affected by the presence of an ally (Kangle 8.1.59: 389). Realist notions hold that nations are motivated by their political and economic self-interests because of which they engage in relationships with other nations. Therefore, war and peace are two relative concepts based on a nation's self-interest from "profit viewpoint" (Nag and Dikshitar 15). An ally's importance is described as furthering self-interest in such a way that it is beneficial for the ally, too. Here, the army's importance has been highlighted because when one's army is strong, its allies and enemies remain friendly. But when interests clash in conflicting nations, the *Arthashastra* states, peace has the potential to "turn into war, allies into enemies and enemies into allies" (Kangle 8.1.56: 389). Burton Stein argues that Kautilya opined of "temporary peace" since it cannot last forever as interests are bound to clash and nations rarely behave altruistically which was "a timeless truth of *Arthashastra*" (Stein 78). Therefore, his science of polity brings a plethora of strategies and concepts in war and politics.

The *Arthashastra* highlights states' elements and how the King, as one of them, should work for the welfare of his subjects without thinking of his personal gains and take brutal measures too, in order to maintain law and order. Therefore, Kautilya's harsh measures were necessary to maintain peace and stability in the nation. Scholars have defined *Arthashastra* in many ways: while some call it "a treatise on polity" (Basham 51), "science of polity" (Singh 7), "science of politics" (Kangle 1.1.1:1, 7.18.43:384), "science of political economy" and "science of material gain" (Kosambi 141), others call it a treatise that contains "timeless laws of politics, economy, diplomacy and war" (Zimmer 36) which helps a ruler in "the acquisition and protection of the earth" (Kangle 1.1.1:1) since it deals with strategies to govern- similar to Aristotle's reference as "master science". Its first rule is to eliminate enemies (Kangle 14.3.88:509) which the rulers should accomplish as soon as possible. They should provide "material gain, spiritual good and pleasures" (Kangle 7.60: 431) to their subjects for their overall prosperity and peace. A nation's wealth should be directed towards raising strong armies that ensure a peaceful kingdom, due to which Kautilya considers wealth as the most important element of kingdom, synonymous with "the earth inhabited by people"; therefore, the "Science of Politics" studies the means to attain and protect the earth (Kangle 15.1.1-2: 512). Witnessing Greek foreign invasions by Alexander and tyranny of the Nanda rulers, Kautilya, the Guru and Prime Minister of the mighty ruler Chandragupta Maurya (c. 317-293 B.C.E.), carved out strategies to stop the advances made by Greeks and unite the existing small and weak kingdoms into a unified strong nation (*Akhanda Bharata*), because of which he has rightly earned the name "Indian Bismarck" (Thapar 12). His means towards a nation's unification, written in *Arthashastra*, are not modest and docile, with assassination being the only weapon to stop foreign enemy advances, because of which R.P. Kangle argues, "This science has been composed by him (Kautilya) [3], who quickly regenerated the science and the weapon and (conquered) [4] the earth that was under control of the Nanda kings" (Kangle 516). These were "not to be

looked upon as mere accidents” (Mookerji 28-33) since it resulted in a treaty conclusion between Seleucus (Greek governor and Alexander’s last successor in India) and Chandragupta to unify the Indian subcontinent. Consequently, Chandragupta Maurya, following Kautilya’s footsteps, became the first ruler of *Bharatavarsha* (Bhattacharjee 143-48, 173; Bhargava 114) and established the Mauryan empire which ended with the demise of his grandson Ashoka between 268 and 232 B.C.E. This is significant in today’s globalised world because treaty-making, as a vital element of globalised geopolitics, reduces barriers between states as a natural phenomenon, creating a state-system which open doors for negotiations, mediations and agreements as diplomatic methods. However, barrier-reduction might also pose security challenges because of international actors exercising power in various forms that results in its pursuit and channelisation within the international system. Thus, it is safe to say that globalisation provides security risks that “breed suspicion, vulnerability, and conflict” (Waltz) since people and states (reflecting linkage strategies and transnational networks [Keohane]) become interdependent on their counterparts which adds to their insecurity, for which power distribution is required. In such cases, globalisation determines power distribution in a country because of which states are forced to reconceptualise power (Tangredi; Kugler and Frost) which is a founding notion of the realist school of IR but becomes complicated due to evolving notions. Therefore, thinkers conceptualise globalisation as an exercise of new forms of power towards which the *Arthashastra*, as a diplomatic treatise focusing on realism, can act like a pole star.

In the *Arthashastra*, Kautilya opined that his welfare state (*Yogakshema*) was based on national security (*suraksha*) and general well-being of citizens (*palan*) which could be framed on the knowledge of incumbent “correlation of forces” (Prakash), that is, relative power, based on which he illustrated the *Saptanga* theory which defines a state’s power relationship amongst its “organs” and “dialectically engages political rationality and normativity” through *artha* (economy) and *dharma* (code of conduct) respectively. The two interwoven components exist in the state as its seven elements or organs (*sapta prakritis*) including the king (*Swami*), the Council of ministers (*Amatyā*), the territory (*Janapada*), the fort/ capital city (*Durga*), treasury (*Kosha*), the coercive power of the state vested in army (*Danda*) and the ally (*Mitra*) that make up a state’s comprehensive national power (Kamal). As argued earlier, elimination of pre-existing barriers amongst states is a central tenet of globalisation that raises questions about security directly related to a nation’s well-being. Therefore, according to the *Arthashastra*, for a state’s prosperity and security, a realist concept is the foremost concern that contributes to strengthening *Durga*, for which expenditure needed to be disbursed for *Kosha* that would maintain the army (*Danda*). A healthy treasury is essential for a state’s survival and, based on these factors, a nation needs to carefully choose its allies (*Mitra*). While the first six factors speak of a nation’s internal balancing, the last one speaks of a nation’s position in its neighbourhood which is secured by strengthening the defence sector. However, Irandoust argues that military expenditure and globalisation have shared a close relationship with each other in the last 20 years: greater globalisation leads to greater militarisation (Indraoust). Therefore, it would be correct to say that military expenditures are bound to be influenced by the interactions of nations with gradually-reducing socio-economic barriers, leading to newer security challenges.

In order to counter such challenges, greater diffusion and expansion of military technologies in defence is needed for survival, which accounts for higher military expenditure, a narrative similar to the Kautilyan notion of *Danda* towards enemies. This reflects that despite the rudimentary nature of the defence sector in ancient India, the *Arthashastra* outlines comprehensive measures for strengthening security which are applicable in a globalised world order with greater arms proliferation that create a politically insecure environment. *Arthashastra*, hence, calls for increasing defence budget from the *Kosha* in an insecure world order in the 21st century since greater defence expenditure would “enable a faster permeation of military technologies, with concomitant effects on defence strategies, capabilities and nature of warfare” (Kumar). For the same reason, Kautilya wants the ruler to make allies and seek partnerships with them based on common interests and issues, but not to rely upon them (Prakash). He outlines ways of maintaining a balance of power (BoP) with the neighbouring nations: these include strategic partnerships to increase own power (*samauaya*), dual policy of allying with one’s enemy to fight (*dvaidhibhava*) and seeking shelter in anticipation of a future threat from a stronger power (*samshraya*), amongst which he prioritises *Dvaidhibhava* as the best since it furthers a nation’s strategic interests rather than surrendering its autonomy in case of *Samshraya*. Therefore, the *Arthashastra* lays out a comprehensive and innovative theory of state’s power distribution in the modern geopolitical order which is combined with the notion of welfarism as it was considered as the ultimate end by laying stress on *Artha*.

In support of a welfare state, Kautilya, in *Arthashastra*, further writes, “A king shall augment his power by promoting the welfare of his people; for power comes from the countryside which is the source of all economic activity: He shall build waterworks since reservoirs make water continuously available for agriculture; trade routes since they are useful for sending and receiving clandestine agents and war materials; and mines for they are a source of war materials; productive forest, elephant forest and animal herds provide various useful products and animals. He shall protect agriculture from being harassed by fines, taxes and demands for labour” (Rangarajan). This statement shows that Kautilyan economics focuses chiefly on agriculture and fishery, after which it laid stress on mining industry for ordinance sector to strengthen national security (Biswas and Biswas). All the professions played their respective roles in boosting a kingdom’s economic growth which was regulated by a wise *Swami*, free from all sensuous desires who would respect and protect the citizens since economic growth was aimed towards people’s welfare, according to the ancient Indian notion of *Yogakshema* (*yoga* means acquisition of material and *kshema* means consolidation) as stated by *Arthashastra*. This highlights many aspects of Kautilyan economics: agriculture was more important than mining since the former provided food which is a basic necessity for sustenance. Similarly, globalisation facilitates agriculture, especially in the Global South (GS) [5], through research, technology and credit transfer, thereby ensuring food security and increasing employment opportunities for the citizens which reduces poverty (Mellor), increases economic growth in the nations and strengthens the *Yogakshema* notion. In simple terms, the “growth” notion links welfare state and economic development in *Kautilyan* economics, supported by three pillars: agriculture, mining and trade that would create material wealth and would be supervised by the ruler. This is why he writes, “The root of wealth is (economic) activity and lack of it (brings)

material distress. In the absence of (fruitful economic) activity, both current prosperity and future growth will be destroyed. A king can achieve the desired objectives and abundance of riches by undertaking (productive) economic activity” (Sihag 59-67).

In today’s age of deepening globalisation, the world needs such approaches in diplomacy which might look new to the West but, in the case of the GS especially, is quite relevant to address economic challenges like poverty. Kautilya’s geopolitical conceptions of interstate arrangements like the *saptanga* power theory and the *matsya-nyaya* allude to realist approaches of Western philosophers like Machiavelli’s *Prince* (1513), Hobbes’ *Leviathan* (1651) and Morgenthau’s national power. The need to outline the similarities and differences has gained prominence post- Cold War when India is actively engaging with the world and addressing global issues like poverty, human rights and climate change on multilateral platforms. The element of realism in Indian foreign policy rooted in Kautilyan strategies consisting of *Saam*, *Daan*, *Dand*, *Bhed* has aroused curiosity amongst policy practitioners because it argues for pragmatism by assessing the severity of threats and searching for possible strategic opportunities towards conflict resolution while avoiding full-fledged war. As a continuous process, globalisation is undergoing a quick intensification of IR and many new actors are responsible for a nation’s structural changes. This includes the birth of diverse, complex and tense relationships amongst nations, along with the gradual deepening of regional economic cooperation through organisations like the Group of 20 (G-20) and the Association of Southeast Asian Nations (ASEAN). Thus, a Kautilyan approach to IR in globalised world would allow a nation to make alliances with its counterparts and multilateral organisations to enhance trade for greater economic cooperation which is needed by an emerging economy like India. Besides, the Mauryans enabled diplomatic practices in various forms and the succeeding kings added their own elements to the Kautilyan ways which affected South Asia’s diplomatic systems for centuries. What unified these practices was a specific manner derived from the Kautilyan worldview that offered a distinctive narrative framework, functional to the universalistic purposes of the Mauryans to unite unanimously in the highly fragmented landscape of ancient South Asia. As a result, in matters of *realpolitik*, the Kautilyan diplomacy is built upon a complex mixture of neighbourhood relationships and economic development oriented towards welfarism.

## Situating within the Indian Diplomacy: Strategies as an Emerging Economy Post-1991

After India gained independence from the British colonial rule in 1947, it faced an ideological crisis as it countered several politico-economic challenges as a GS nation in the bipolar world order (the liberal-capitalist governance led by the USA in the west and the communist state system led by the USSR in the east) that had resulted in a Cold War. However, India, like other newly independent countries, chose to stay away from aligning with any of the blocs and established the Non-Aligned Movement in 1961 to create a platform for similar GS nations to counter their challenges through multilateral forums (Bhaatacharya 61-71) which reflects India’s adherence to the Kautilyan principle of maintaining neutrality when nations are engaged in disputes and conflicts. However, the end of the Cold War in 1991 led South Asia to believe that realism would be the best way to



reshape their foreign policies which included restructuring economies. Amongst them, India chose to improve its ties with the USA and Western European countries through its new economic policies that were based on liberalisation, privatisation and globalisation (Bhattacharya 61-71). India's strategic autonomy, like that of the *Vijigishu*, reflects its stand in maintaining neutrality in the globalised geopolitical world order. Like Kautilya, it uses the *Dvaidhibhava* strategy for choosing to secure its national interests between two rivals (for example, the USA and China) which involves a BoP, similar to *Samsraya*, based on which the Indian Minister of External Affairs Dr. Jaishankar says that Kautilyan ideas have a significant influence on Indian diplomacy (Jaishankar). He rightly states, "Geopolitics and BoP are the underpinning of IR. India itself has a tradition of Kautilyan politics that put a premium on them" (Jaishankar). It means that in the modern multipolar world order, India is surrounded by frenemies and, therefore, needs to counter political challenges by adopting Kautilyan approaches like *Sama*, *Danda* and *Bheda*.

The discipline of IR has been largely euro-centric until the 20th century when decolonisation led to the emergence of nations in Africa, Asia and Latin America, popularly known as the GS. Its ideas were based on Western notions of power rivalry, realism, security and national interests which seemed to be redundant while analysing post-colonial geopolitics. Contemporary international politics driven by the LPG principles, non-alignment, multipolarity and rebalancing has outlined the need of a global and inclusive IR. In these thirty years, India has emphasised strengthening its ties with its neighbours for securing its national interests, characterised by a paradigm shift: from laying excessive stress on a security-centric approach to developing partnerships that serve to meet its foreign policy goals through greater economic development, mutual cooperation in the fields of artificial intelligence, disaster management, climate change and joint defence exercises. Though the NAM's relevance as a bridge between the two power blocs has ceased to exist since 1991, India continues to adopt a holistic multilateral approach in its foreign policy which is often dubbed as 'multi-alignment' which is evident from its membership in the BRICS (Brazil, Russia, India, China and South Africa), the G-20, the QUAD (short form of Quadrilateral Security Dialogue, a security partnership that also comprises of the USA, Japan and Australia) and the Shanghai Cooperation Organisation (SCO) which have helped it develop a robust multilateral framework as a GS nation. During the Modi rule, the Indian foreign policy has witnessed trade and investment as its foremost priorities with the centrality of *realpolitik* (Hall), seen in its ways of engaging in international agreements with the USA and China, two of the leading global superpowers, while maintaining a strategic distance from both. Its membership in the China-led Shanghai Cooperation Organisation (SCO) and the Asian Infrastructure Investment Bank has deepened its ties with the BRICS nations (Pardesi). On the other hand, although Indo-US relations have been steadfast since the former attained independence in 1947, post-1990s period saw a revitalisation in bilateral ties between the two for the fulfillment of national interests. India's commitments to align with a strong power "without aligning" (Ayres) and display of mixed strategies of diplomacy and resistance "in its own way" (Grossman) show its adherence to Kautilyan principle of national-interest furtherance through a "rules-based international order" which is a Dharmic concept of peaceful coexistence (Saran).

India's rise as an emerging economy has interested scholars to study its strategic culture

rooted in its past to analyse cultural explanations of the nation's behaviour. The *Arthashastra* shows a step-by-step guide to explain macro and micro economics with an emphasis on the king's role to regulate market forces of demand and supply through government welfare policies like productivity-linked wages, maintaining price stability and labour specialisation which are found in today's complex economic models. It indicates Kautilya's foresight and truly reinvigorates the *Arthashastra's* relevance in today's world of globalisation where prices are determined by the intersection of supply and demand market forces, along with government intervention. It also reflects how ancient Indian economies were advanced like today's Global North (GN) [6] economies. In modern times, similar economic growth models are found in liberal states in post-globalisation, where the state intervenes in regulating demand and supply through fair trade, customer protection, balancing profits and wages and stabilising commodity prices. It is for these reasons that the ancient Indian economy held the household and villages as central determinants of national economic growth. Thus, the *Arthashastra* holds economic growth to be a "multidimensional phenomenon" (Škare), ultimately dependant on a kingdom's productivity. However, if viewed from a wider scale in post-globalisation era, the World Trade Organisation (WTO) has played a similar instrumental role in balancing global economy by regulating and expanding trade, supporting investment, employment and economic growth through preferential Free Trade Agreements (FTAs) and its historic Most Favoured Nation (MFN) principle which has resulted in an economic openness (World Trade Organisation) amongst the member nations. Therefore, it can be said that in today's "rules-based arrangement" of nations, the WTO plays the role of a *Vijigishu*, according to Kautilyan economics, wherein it works towards protecting consumer and labour rights, regulating trade, investments and markets which create price equilibrium in the global economy.

Shahi argues that India's "internationalist nationalism" has its roots in *Arthashastra's* political views of state survival, based on *Dharma* that aims towards *lokasamgraha* or general welfare (Shahi 2019). This makes Indian foreign policy a possessor of both *realpolitik* and "*moralpolitik*" strategies since its independence from British colonial rule in 1947 (Rao 47) which caters to strengthening capability building and national security. One of the finest examples of a *realpolitik* and *moralpolitik* unison is India's political unification of all states by bridging all barriers within the nation's boundaries. It has been correctly stated by independent India's first Prime Minister Jawaharlal Nehru that a nation prioritises its own interests before formulating its foreign policy and, in India's case, it coincides with peaceful strategies like "cooperation with all progressive nations". India's foreign policy is autonomous and non-aligned, similar to Kautilya's statecraft strategies of self-reliance and independent decision-making.

Globalisation connects the world financially especially in the case of the GN and the GS. It fosters economic stability, growth and makes market accessible, which strengthen a nation's financial infrastructure- greatly inspired by Kautilya's *Artha* concept of finance that is important in state building and in diplomatic engagements that call for strategic partnerships "when BoP meets globalization" (Paul), helping in correct assessment of states' relative power for deeper ties and competition. Therefore, according to Kautilyan principles, such assessment helps a nation analyse its immediate gains and future gains based on strength, trustworthiness and interest convergence. Herein emerges the *Arthashastra's* strength

debate of alliance-formation where Kautilya favoured an alliance of two equal nations, rather than a strong and a weak. This has been the foundation of Indian foreign policy which is evident in its pluralistic approach at global level through its membership in the G-20 and steady relationship with its allies at the national level. Therefore, modern day Indian foreign policy of alliance-building and multilateralism is a development of Kautilya's *Artha*, that calls for closer cooperation amongst like-minded nations to strengthen economic interests that serve to empower a country by bridging North-South divide. Hence, it is the duty of the ruler (*Swami*) to ensure livelihood means for his subjects by following a two-fold approach of *Paalana* (proper maintenance of domestic administration) and *Labh* (furtherance of national interests for state's prosperity). Since the early 1990s when the Cold War ended, the USSR's disintegration led India to adopt a proactive, dynamic and pragmatic approach in its eastern neighbourhood, namely, its extended neighbourhood comprising Southeast Asian countries (the ASEAN), for its economic liberalisation. India's foreign policies post-Cold War have shown continuity and constancy of various ideologies which have developed and grown to adapt to the changing global dynamics. One such example is the "Look East" policy, conceptualised by the-then PM P.V. Narasimha Rao in 1991 and furthered by PM Modi as "Act East" policy in 2014, which focused on trade and investment enhancement (Malhotra). Such pragmatic measures taken by the Indian government bear resemblance with Kautilya's politico-economic approach to IR that position India as a key player in global politics. Here, it needs to be noted that the Kautilyan diplomacy focuses chiefly on security for which it seeks to strengthen partnerships with its allies based on their relative power distribution. It can therefore be stated that India's priorities towards development in recent years have resulted in its integration of its political diplomacy with its economic diplomacy.

The *Arthashastra* influences the Indian foreign policy by teaching it the ways of balancing "national interests and global good" (Jaishankar) for which multilateral institutions have come into existence through which conflicting nations can agree on common issues like climate change, disaster management, health, cyber security, terrorism, pandemics, global trade and resilient supply chains resulting in the modern understanding of globalised world order, contrary to the post-independence views of BoP over collective consensus. Although trade and investment continue to dominate Indian foreign policy perspectives, the nation looks for greater opportunities of international collaboration amongst other GS nations to prioritise development that stabilises and rebalances the existing world order through "reformed multilateralism" (Jaishankar), especially in times of volatility. It indicates that India's foreign policy is intertwined with the concept of *Yogakshema* not only for itself but also for other nations, leading to a "mix of compulsions and convergences" (Jaishankar).

## Conclusion

This research contributes to the existing corpus of literature by highlighting the importance of the *Arthashastra* in India's foreign policy, especially after the 1990s global economic reforms. Globalisation has changed the world order and increased competition amongst nations (ET Contributors) and, therefore, post-Cold War India has helped in suturing fractured multilateralism (Rao 48) in the world by setting aside pre-existing differences amongst nations and bringing them together pragmatically. The Indian diplomatic history,

inspired by the *Arthashastra*, has tethered to its ideals based on non-alignment, respect for human rights and independence of judgment by upholding its civilisational identity of holding partisan approaches, deepening cooperation and advocating for a democratic and rules-based order that are aligned with its national interests. A globalised world order consists of state prosperity and interdependence on each other intertwined with national security and general welfare, which is a modern definition of *Yogakshema*. India's firm vision towards a "free, open and inclusive Indo-Pacific" as a *Vijigishu* and a dialogue partner of the ASEAN reflects its endeavours to secure its communication and trade lines that are essential not only for its own economic growth but also for that of the entire world since one-third (Kamal) of global trade and energy supply flows through this region. Similarly, Kautilya's friend-foe structure of geopolitics (*Rajamandala*) and *Shadgunya* instruments towards its neighbours and global power blocs help India locate its priorities on a global level. Thus, with a politico-economic approach to IR (the subject matter of *Arthashastra*), Indian foreign policy finds its roots in ancient political thought, especially in the political, financial and diplomatic strategies enshrined by Kautilya in the *Arthashastra*.

Drawing inspiration from it, the Indian foreign policy is characterised by its non-alignment principle containing a "realist and adaptable strategy" (Sirohi 2017) which is a necessity for an emerging economy like India. However, India has been appreciated internationally for adhering to its oldest-yet-modern treatise on statecraft and economics. Based on its civilisational richness, India has looked up to its ancient diplomatic literature which is clear from its adoption of the Kautilyan framework of foreign policy and general welfare. One can easily draw similarities between Kautilyan ideas on foreign policy and the Indian perspectives on global policies. Consequently, in the 21st century, a clear ideational link can be found between Kautilya's foreign policy ideas and India's present diplomatic engagements which reflects how India's diplomatic history is intertwined with its present. The research analyses Kautilya as a political realist and his contribution towards shaping the modern Indian diplomacy as a GS nation. As the text continues to remain unexplored, the *Arthashastra* challenges the euro-centric realist notions in the discipline of IR and deconstruct colonial narratives of foreign policy while focusing on BoP, national interests and general welfare as an emerging GS economy.

## Endnotes

1. The world's economic hegemony seems to shift "from west to the east" and it is expected that by 2030, the top three economies of the world shall be China, India and Japan, all being Asian. According to reports by Morgan Stanley, India is currently the world's sixth largest economy and is the fastest growing economy in the world. It is predicted to take over Japan in Asia with its second largest projected GDP exceeding 8.4 trillion dollars and might also exceed that of Germany and UK in the world by 2030. Consequently, its per capita income is expected to cross 15 thousand dollars by 2047 with its GDP exceeding 26 trillion dollars. It shall become a global manufacturing and technology hub to diversify its supply chains, owing to its investment-attracting policies and reforms, renewable energy transitions, digitalised infrastructure, sustainable transition procedures and global competitiveness. Many Multinational Corporations (MNCs) look towards India as "an investment destination" with its "entrepreneurial,

English-speaking and digitally literate” working-age population exceeding 900 million. Therefore, in the post-pandemic world, the World Bank, IMF and the Global Consulting Firms claim that India “is on the verge of becoming an important world economic power in the near future” because of which it can be called an “emerging economic power” (Prabhakar).

2. Before Emperor Chandragupta Maurya unified India, the nation was divided into innumerable factions known as *janapadas* (villages and townships) which eventually grew into *Mahajanapadas* (kingdoms). Amongst all, Magadha (in modern Bihar) was the richest and most powerful kingdom between 4th and 6th century B.C. ruled by clans like the *Haryakas*, *Sisungas* and *Nandas*. With Nandas being the last dynasty to rule Magadha before Chandragupta Maurya, the nation’s northwestern region fell prey to the Greek emperor Alexander’s conquests along with Persian Archaemenid invasion, led by Cyrus and his followers. The region was facing political disintegration since it lacked a unifying force to unite all republics and monarchs against foreign invasion and, naturally, all kingdoms bowed down before them because of which Punjab, Sindh and other regions around river Indus and Jhelum were annexed by them. It was during this time that Chandragupta Maurya, under the guidance of his teacher Kautilya, defeated the Nandas and established the Mauryan empire in Magadha. He defeated Alexander’s successors in northwestern India and brought whole of the region under his control, thereby, laying a stepping stone for ancient India’s unification (Mookerji).
3. The brackets indicate insertion by the author for clear understanding.
4. Ibid.
5. Global South (GS) broadly refers to the developing and underdeveloped countries of Latin America, Africa and Asia where the world’s highest population resides (mostly, in the Tropics) excluding Israel, Japan and South Korea. The region is characterised by low-income, high poverty levels, poor educational and healthcare facilities, dense population and political or cultural marginalisation. These have been historically subjected to European colonialism and, until recently, they were not industrialised because they sustained their livelihood on agricultural practices.
6. The Global North (GN) comprises of the western world with countries like Canada, Israel, Russia, Turkey, United Kingdom, United States of America and the entire European continent with Asian and Pacific countries like Australia, Hong Kong, Japan, Macau, New Zealand, Singapore, South Korea and Taiwan (Japan and South Korea are the only Asian countries that do not form the Global South). They are characterised by high income levels, economic development, political education, industrialisation, existence of human rights, minimum socio-economic disparities and wealthier than the Global South countries. Some of the nations share a history of being colonisers if Global South which has been historically responsible for the existing inequalities (WorldAtlas).

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