

## “The Role of Dharma and Artha in Kautilya’s Statecraft: Ethical Foundations and Pragmatic Governance”

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### Abstract

This research explores the interrelationship between Dharma(ethical foundations)and Artha(pragmatic governance)in Kautilya’s Arthashastra, analyzing their integration in ancient and contemporary statecraft. Using qualitative analysis of primary texts, historical interpretations, and comparative frameworks, the study examines how Kautilya balances moral obligations with practical necessities of power, economics, and security to ensure stable and just governance.The findings reveal that Dharma serves as the ethical guide for rulers, while Artha provides the material basis for effective administration; their synthesis prevents both moral decay and excesses of realpolitik. The research highlights the enduring relevance of this balance in **modern governance**, advocating for ethical leadership, social justice, and sustainable development alongside pragmatic state policies. Ultimately,the study demonstrates that Kautilya’s framework remains vital for achieving long-term legitimacy,prosperity, and societal stability in contemporary political systems.

**Keywords:** Dharma, Artha, Saptanga Theory, Ethical governance,7 Pillars of the state, Rajdharma, The law of the fish.

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### 1.Introduction:

The Arthashastra, it is an old Sanskrit text of India that discusses not only statecraft but also economics and military strategy and was composed by a man known as Kautilya(Chanakya).(Raj,2025)It was written in the 4th Century BCE and was essentially a manual to the rulers who desired to establish huge, prosperous empires.(Deodhar et al.,2020).**Kautilya’s Arthashastra written in around 325 B.C. and Published by R. ShamaShastri in 1909.It contains 15 parts,180 divisions,150 chapters and 6,000 shlokas.**(Tyagi)

The author underlines that before you can maintain the society stable, you must have a strong political power or material wealth, after this is established you can actually allow people to do other things like lead a moral life or even be free to spiritual-wise.The article discussed the operation of governance by demonstrating that the moral obligation of a ruler must be weighed

against the practical necessity to have a robust and growing state. It is a classical work of early politics and it remains the reference in modern-day political science debates.

In Indian political thought and Arthashastra, Dharma simply reflects the moral and ethical obligation that holds a society legit, and Artha is the pragmatic affair of money, statecraft, power, and economic hustle that a state requires in order to live and remain afloat. Dharma stipulates the moods and ethics of both the leaders and the citizens, but Artha distributes the gold and plans to literally drag that down and have everything going. (Shamasastri, 1915)

In the contemporary statecraft today, that concept is reflected in the form of economic growth and ethical government and social justice and national security which must be balanced. A modern ruler - consider a Kautilyan king in the modern setting - must employ pragmatic means to maintain a stable situation without being answerable to the law and ethical obligations to the common good. This mixture prevents an unbridled power or wealth to become corruption or social disintegration. (Tanwar, 2014)

## 2. The Concept of Dharma in Kautilya's Arthashastra:

**“Dharma is a code of conduct supported by the general conscience of the people. It is not subjective in the sense that the conscience of the individual imposes it, nor external in the sense that the law enforces it. Dharma does not force men into virtue, but trains them for it. It is not a fixed code of mechanical rules, but a living spirit which grows and moves in response to the development of society”.** (Gautam, 2016)

### —S. Radhakrishnan<sup>1</sup>

Arthashastra is a book by Kautilya, an ancient Indian political thinker that provides an instruction of how to rule people and maintain order in society. The guy, **Kautilya**, who compiled the Arthashastra, defines dharma as being the fundamental principle that governs the functioning of the state and society (dharma tattvam samhita). This moral and ethical standard that guides individuals, organisations, and communities towards good life is known as Dharma. (Debbarma, 2023)

Kautilya divides dharma into four major parts:

1. **Raja Dharma:** This involves the responsibilities of the king, to ensure that the people are secure, safe, and that they are living in a well structured society. (Debbarma, 2023)
2. **Praja Dharma:** It accentuates the duties of the subjects at large. Being a good citizen means that you have to perform responsibilities towards the nation, the law and the welfare of the masses. (Debbarma, 2023).

3. **Ashrama Dharma:**This is concerned with the responsibilities of being an adult, of taking care of your immediate and extended family, of your children and your community in general. (Debbarma,2023)

4. **Varna Dharma:**It defines what one should be expected of depending upon their social or professional status. There are different obligations and functions of each caste or a profession. (Debbarma,2023)

Kautilya points out that the state should maintain morality,which means that there should be just and effective rules that would achieve these goals.These rules should be enforced by the state and violators of the rules should be punished.

### **Relevance of Dharma in modern Era:**

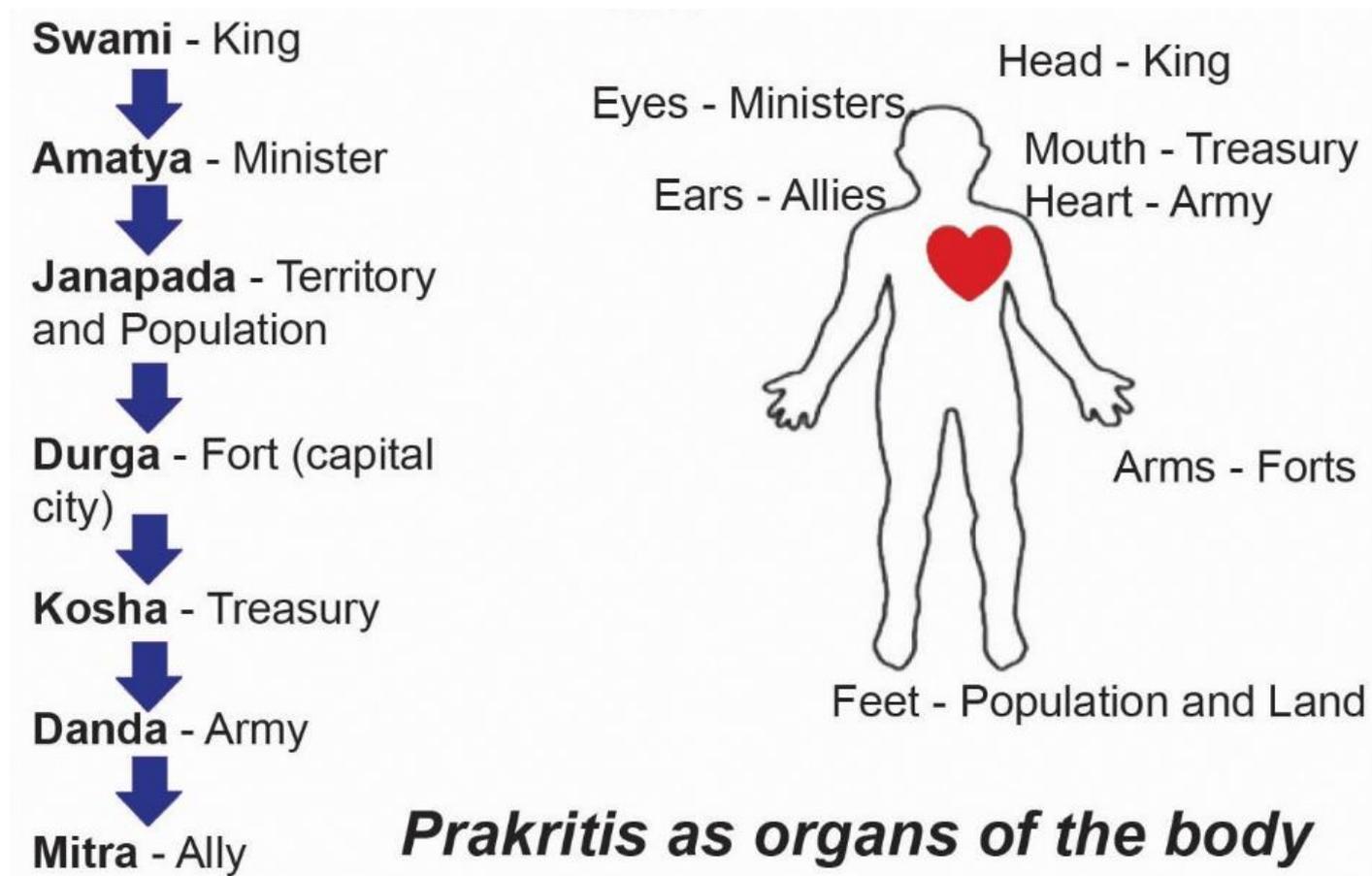
Arthashastra by Kautilya could be composed more than two millennia ago, and the teachings regarding dharma remain out-of-this-world relevant. Modern applications of the dharma of Kautilya are:-

- **Ethical Governance:**According to Kautilya, moral compass is critical to the leader in case dharma will remain in place.It is more than ever in the modern world, where corruption and poor decisions take place far too often.In doing things right, leaders are able to increase the confidence people have in their institutions and they aid in maintaining stability in the society.(Raj,2025)
- **Social Justice:**Dharma is one of the most relevant ideas in the Arthashastra, which stipulates that all people should be treated fairly.This fact is even more significant in the time when discrimination and injustice are still widespread.The governments that observe dharma facilitate the establishment of a just society where all people are given equal opportunities to succeed.(Raj,2025)
- **Sustainable Development:**According to the dharma teachings,which Kautilya taught, it is important to be responsible in their actions and make decisions that take into account the long-term effects of actions.When the governments and organisations are really practicing dharma, they may drive towards sustainable development that safeguards the environment and utilizes the natural resources in a sensible manner.(Deodhar et al.,2020)
- **Finding a Middle Ground between Personal and Social Interests:**Dharma offers a model to consider the interests of a person and the whole society. Holding onto dharma may assist people to reconcile with the wider good of the society,which is individualistic and self-focused.(Satpathy,2013)

### 3.The Concept of Artha in Kautilya's Arthashastra:

In Arthashastra, the compilation of Kautilya, artha simply refers to the entire scheme whereby a ruler accumulates and retains power that is, lots of money, security, and a running government. In essence, the aim of the end game is to make the people happy and healthy by good administration and protection. (Gautam, 2016)

- ❖ **Artha as political strength and government:** Artha simply implies the material prosperity, wealth, and economic resources necessary to a ruler to be a successful politician and rule a state.
- ❖ **State welfare:** State welfare system is just the government intervening to ensure that people have a fair access to health, education and social support and this is excellent at reducing inequality and ensuring that no one is left behind.
- ❖ **Strategies for state power**
- ❖ **Economic policy and taxation**
- ❖ **Statecraft and administration**
- ❖ **Military power**
- ❖ **The Saptanga Theory:** Kautilya enumerates the seven parts of a state, ruler, ministers, territory, fortress, treasury, army, and allies, which all were essential to success. (Pimparkar, 2020)



Source-[indiandefencereview.com/decoding-kautilyas-arthashastra-present-day-challenges/](http://indiandefencereview.com/decoding-kautilyas-arthashastra-present-day-challenges/)

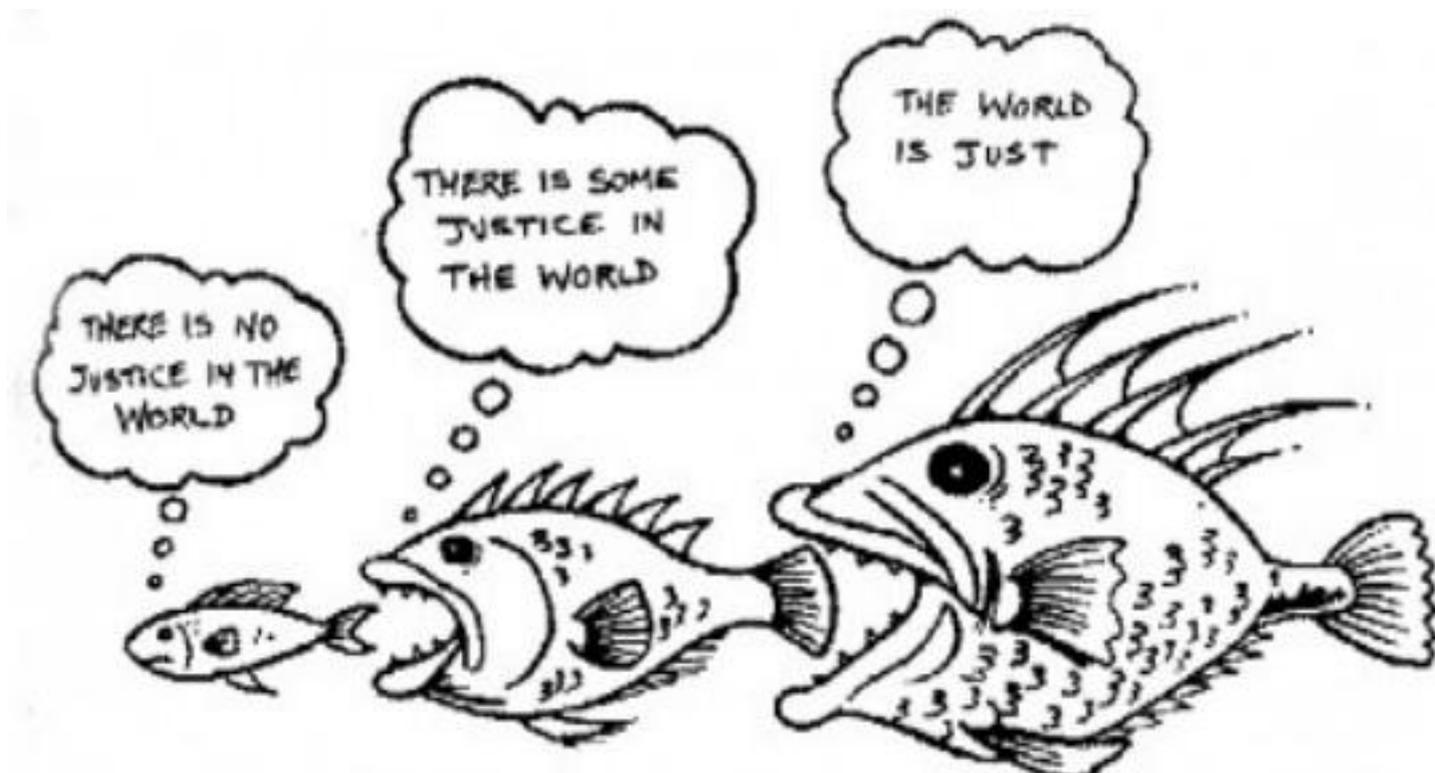
### The seven pillars of the Arthashastra:

- I. **Swami(TheKing):-**Highest position.
- II. **Amataya(The Minister):-**Assist the king.
- III. **Janapada(The Country):-**Comprising the economy.
- IV. **Durg(The Fort):-** Administrative center,which is a fortified city.
- V. **Kosha(The Treasury):-**Financing strength.
- VI. **Dand(The Army):-**Important role in defense.
- VII. **Mitra(The Ally):-** Support is necessary particularly when the times are hard.

**Rule of law Chasing artha:**It is based on a law system and the king relies on the strength of Danda (punishment)to maintain order and prevent anarchy(Matsya-Nyaya).

#### ❖ The Matsya-Nyaya or jungle law:-

Matsya Nyaya simply means the Law of Fish. It is simply that the large fish feed on the small fish, or the powerful fish feed on the feeble fish. It is almost as though it were the law of the jungle just a simple method of saying that the stronger always gets his way. In the absence of a government or any form of rules, societies are likely to descend into anarchy where the stronger will consume the weaker ones, just as bigger fish eat smaller ones. This is why this theory then contends that the human nature is naturally imperfect- so we require leaders, laws, institutions to ensure that this natural Matsya Nyaya does not destroy the human society. (Thakur, 2023)



Source-[takeela.com/matsaya-nyaya-the-law-of-fish/](http://takeela.com/matsaya-nyaya-the-law-of-fish/)

#### 4. The Interrelation of Dharma and Artha: Balancing Ethics and Pragmatism:

Dharma and Artha are synthesized in a dynamic balance that is very important in the health and survival of a kingdom. This is a combination that guarantees equality in governance and resource allocation in a manner that promotes short term survival as well as long term prosperity. Dharma is a guarantee that the wealth and power acquired by Artha are used in the common good and not only in their own self-interest like the ruler. When personal desire is adjusted with the good of the

society, then the kingdom will be heading in a more blissful and peaceful future, and at the same time the traps of unregulated selfishness can be prevented. (Skare, 2013) Here some main points related to this:

- ❖ **Artha as a goal in order to complete Dharma**
- ❖ **Stabilizing and empowering the justice**
- ❖ **Preventing moral decay**
- ❖ **The King's Rajadharma:** -The major responsibility of the ruler (rajadharma) is to serve the interests of his people. Kautilya says well-knownly that the happiness of the king consists in the happiness of his subjects and their welfare in his. (Narayan, 2004)

When Artha is held back by Dharma, moral and ethical governance appears. This relationship creates a framework where justice is not merely the application of legislation but it is also an engaged practice of morals. A leader who uses power moderately and compassionately is one who understands the value of all his or her subjects and upholds order between strength and justice. (Skare, 2013)

Lastly, subjects are bound to respond to being treated fairly by their ruler and in their best interest and thus loyalty and productivity will naturally rise. This contradicts the ancient Indian philosophy: the happiness of the king is in the happiness of his people. Having their welfare as a priority thus forms a strong and firm base of the reign and enhancing the stability of the kingdom in the long term. (Skare, 2013)

The approach that Kautilya offers to non-violence, truthfulness and compassion is fundamentally a guide to use when it works -the man is all about ensuring the state is safe and prosperous. He tells you to treat the vanquished like human beings and the king ought to take care of his people, however, he also gives the green light to spy work, the use of secret kill team and no-talk smack to ensure the kingdom becomes bigger. To him, these ethical rules are not set in stone rules but they are the ones used to achieve the task of benefiting the realm. Thus no matter whether a ruler is a heart-soft or a hard-edge kind, the true assessor is their success in striking their state objectives. (Chandrasekaran, 2006)

## **5. Practical Governance: Dharma-Artha in Decision-Making and Statecraft:**

There is a necessity to strike a balance between ideals and practical needs in practical governance based on the dharma (righteous duty and ethics) and artha (material well-being, power). This implies the statecraft approach that seeks prosperity and security (artha) along with the maintenance of social order, justice and righteousness (dharma). (Shanhaz, 2021)

**Chanakya quotes-“All urgent call she shall hear at once but never defer;because when delayed,they will be too difficult or impossible to do. In essence, this is major.”(Shanhaz,2021),**

According to(Shanhaz,2021),

1.Inadequacy in empowerment down the line is one of the key factors that can lead to all decisions appearing to be made up the hierarchy, making it only serve to create a bottleneck.

2.The procedures are sometimes pursued more literally than spiritually a syllabus read,but no-one actually does its feel.

3.According to Chanakya,the only way a good leader can succeed is by never delaying in taking decisions;he/she must take quick and good decisions, like taking a bus before it leaves.

## **6.Contemporary Relevance: Examples from Modern Governments:**

Kautilya and his Arthashastra is clear that the old wisdom still works.The text indicates that good governance depends on good finances,good army and ensuring that people are in the green zone.Kautilya had actually prostituted the concept of a welfare state, which safeguarded the livelihood of all individuals, particularly the most vulnerable ones.(Vasanthakumar,2014)He was also everything when it came to effective administration, moderate economic and foreign policies and ensuring things are kept within check so that we do not drift towards extreme actions.His major aspects of governance such as social good, taxation, commerce,daily governance, and national security are the building blocks in present times.To put it simply,this treatise provides us with a convenient model of how to address the relationship between the power of the states and the interests of the citizens,which can be used to evaluate present-day governance.(Tanwar,2014)

## **7.Comparative Perspective: Dharma-Artha and Modern Political Ethics:**

Dharma in the old Indian literature simply establishes the ethical foundation of a just government, and artha, on the other hand, concerns itself with the nuts and bolts of statecraft to achieve material well-being. It is entirely a different atmosphere to what we encounter today in contemporary political ethics where justice, personal rights and the interests of the state are likely to feel like disconnected- or even antagonistic- notions.(Dangwal,2024)

### **Comparison of Dharma-Artha and modern ethics:**

Characteristic	Dharma-Artha in the Ancient Thoughts	Modern Political Ethics
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	It is all, basically, based on this moral and cosmic order, dhamma or dharma, and it is all narrowed down to duty, particularly rajadharma. It is an indication that any political activity is merely a part of a larger spiritual and ethical cosmos. (Skare, 2013)	This framework is based on secular and rational values like liberalism, utilitarianism and deontology, and it focuses on the creation of a just political order, with no moral baggage of any kind, including personal or religious values. (Skare, 2013)
<b>Relationship with morality</b>	It is quite strange that it brings law and morality together. Our laws or what we call dandaniti are perceived to enforce the Dharma, but they can only be legit when they are aligned with the greater moral order. (Debbarma, 2023)	Generally, it maintains a separation between ethical standards and legal requirements. Laws are created by legislative procedures, but they are also expected to reflect moral values. (Debbarma, 2023)
<b>Rights and Duties</b>	The primary point is a duty-based approach where social and individual obligations as a follow-up on that dharma notion prevail over individual rights. When everybody is doing what he/she should, then the society is left feeling in balance. (Dangwal, 2024)	It is a rights-based model that is about making individual liberties and rights to the core of the debate. It is obvious that citizens possess rights which are inherent and the task of the government is to ensure that such rights are not violated. (Dangwal, 2024)
<b>Role of the state</b>	The king is conceived in terms of the guardian of Dharma and the servant of the people and not the ruler by his wishes. Arthashastra by Kautilya states that power of a ruler will be legitimate when the ruler is dedicated to the upholding of Dharma. (Skare, 2013)	the state is essentially a social contract between us and the government has to be answerable to us via democratic means. The authority of the state is directly as a result of the consent of the ruled. (Skare, 2013)

## 8. Conclusion:

The statecraft of Kautilya is a mixture of dharma (ethical principles) and artha (a practical state), moral for the sake of the welfare and security of the state. As the material foundation is provided by artha, dharma defines the boundary of ethics, ensuring that even the uncivilized actions of the ruler are aimed at the general benefit and stability of the state. This balance is very helpful in the current world where leaders have to handle realpolitik, economic growth, and security and at the same time maintain ethical governance and responsibility to their constituents. This is ancient wisdom that is ever relevant because it is practical in its recognition of the fact that long-term success of a state is tied to ethical conduct and economic capabilities.

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