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*The coalition against corruption*

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## PRESS RELEASE

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Based on his intensive research on the work of Kautilya, the 4th-3<sup>rd</sup> Century BC ideologue and an astute administrator-adviser to King Chandragupta Maurya who had indeed used scores of modern concepts of economic analysis, Prof Sihag has argued that Kautilya should be recognized as the ‘Father of Economics’ much ahead of the 18<sup>th</sup> Century AD philosopher & political-economist Adam Smith.

According to Prof. Sihag, Kautilya’s Arthashastra carries a comprehensive model of governance based on dharma (righteousness and propriety) along a people-centric approach (aimed at their welfare). Hence, the relevance of Kautilya’s ideas on governance for the present day situation in India characterized by all-round inefficiency; corruption; unacceptably high incidence of misery and insecurity on the common man; threat of instability, and fissiparous tendencies gaining ground, is quite comparable with the then misrule of the Nanda dynasty as summed up by Kautilya: “A decadent king... oppresses the people by demanding gifts, seizing for himself and his favourites the produce of the country. Such a king ignores the good and favours the wicked, causes harm by new unrighteous practices [policies], neglects the observance of the proper and righteous practices; suppresses dharma and propagates adharma; indulges in wasteful expenditure and destroys profitable undertakings; does not punish those who ought to be punished but punishes those who do not deserve to be; arrests those who should not be arrested but fails to arrest those who should be seized; fails to protect the people from thieves and robs them himself; does not recompense service done to him; does not carry out of his part of what had been agreed upon; by indolence and negligence destroys the welfare of the people.”

Thus Kautilya identified bad or failed (adharmic) governance with erosion of functional ethics and accountability; scuttling of the role of institutions; violation of ‘rule of law’; fiscal profligacy; existence of large scale poverty and unemployment; unsatisfactory system of justice caused due to slow & cumbersome processes, un-deterrent punishment, etc.; high incidence of crime; lack of sensitivity for people’s needs in policies and public deliveries; greed for power and undeserved material gains on the part of those who wield sovereignty, and inefficiency in government’s interface with the people. It flows from Kautilya’s theorization that manipulation for personal gains constitutes pinnacle of misrule.

In contrast, Kautilya’s model of governance has dharma (ethics and propriety) as its basis. The ruler himself must be a Rajarshi – wise, capable and farsighted and imbued with personal virtues of self-control, beyond temptations and without caprice, falsehood and extravagance. He must regard his people like his children. Kautilya prescribed that the king must ensure that his officers are not corrupt and took pains to lay down a detailed system to check and detect financial corruption, and punishment for those found guilty. In this regard, he created offices of the Treasurer and the Chief Comptroller-Auditor and laid emphasis on the accountability of the politicians and the bureaucrats.

As such Kautilya recognized the dynamics of governance. Whereas good governance is expected to create a progressive and just society, the elements of misrule, if not corrected in time and if the avenues for grievance redressal and justice were also choked, would destroy the system itself. Thus, if the King continued to violate the Rajdharm, the people would not co-operate and might even conspire against the king to destroy him—the Prajadharma. Thus there is a limit to mis-governance while good governance is a *sine qua non* for a healthy civil society.

**Conclusions:**

- (a) An ounce of ethics is better than a ton of laws
- (b) Market failure is bad, government failure is worse but moral failure is the worst.
- (c) Principles were only as good as the people who practiced them
- (d) Ethics, foresightedness and sound organizational design could improve governance and bring prosperity.

Dr. Balbir Sihag, Professor Emeritus, University of Massachusetts (USA) gave a talk on 'Kautilya's Ideas on Governance and their Relevance for the Conditions in India' in the evening of 15<sup>th</sup> November, 2012 at the India International Centre, Lodhi Road, New Delhi. The lecture was delivered under the aegis of the Transparency International India, New Delhi. It was presided over by Prof. Lallan Prasad, Former Head & Dean, Department of Business Economics, Delhi University and Executive President, Kautilya Foundation, Delhi. Mr. P. S. Bawa, Chairman, Transparency International India, New Delhi gave the opening address.

**For Further information, please contact**

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