Social Concerns of Kautilya and Laws on Wage and Consumer Rights

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Abstract

Arthasastra is a Sanskrit text that deals with the Indian Polity and Hindu Social Laws. There are hundreds of laws made by this tradition which are also relevant even to these days. The Kautilya Arthasastra – written at the turn of the 5th to the 3rd century BC – is a classical work of political theory and International relations theory as well. The Arthasastra is a theoretical and normative work that features six pivotal idea clusters 1) State power, 2) Raison defeat, 3) Correlation of forces, 4) The Saptanga theory, 5) The Sadgunya theory, 6) The Matsya-nyaya theory, etc. The Kautilya Arthasastra also acts as the key to understanding the politicostrategic culture of modern India. Here this research shall focus on the ideas of Arthasastra on the social concern of Kautilian Laws with special reference to wage and consumer’s rights and mostly on the punishments for breach of contract and fraud.

Keywords
Kautilya; Arthasastra; Pana (unit of quantity); Pala (unit of quantity); Masha (unit of quantity); Drona (unit of quantity)

I. Introduction

Arthasastra (AS) prescribes three administrative positions for the protection of consumers as well as the rights of the artisans and skilled laborers. These positions may be interpreted as posts of Commissioners/pradestarah (AS 4.1) or three Secretaries/ Ministers/ Amatyas(AS 4.1). They may act as administrative heads for respective affairs of the state management. These positions are directly involved with trade and commerce and their responsibilities are to protect the consumers as well as trading communities. From the statement ‘kantakasodhanam kuryuh’ (AS 4.1), it is clear that they are the responsible officials who are engaged to protect the common man from the cheating of service providers of any kind. This commissioner or the administrative head appointed by the king for the welfare of the society has the responsibility to protect consumer’s rights, trader’s dignity, and worker’s wage, and also has the right to punish if found guilty. Arthasastra has given sufficient importance to the protection of consumers’ rights. Contextually it has framed laws on
a. Laws on Mortgage or Deposits
b. Laws on Contracts with Artisans
c. Laws on Weaving the Clothes
d. Laws on Washing the Clothes
e. Laws on Filigree
f. Laws on Medical Practice
g. Laws on Musical Bands
h. Laws on Weights and Measures
i. Laws on Business Conspiracy
j. Laws on Adulteration
k. Laws on Lost Metallic Procurement

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II. Research Methods

This paper is an endeavor to trace and analyze the ancient Indian social principles associated with the rights of a consumer as well as the duties of the service provider. This paper accepted the research methodology of combination of two systems i.e. literary and analytical methods.

III. Results and Discussion

It is micro type study of a specific text that is Arthasastra by Kautilya of 7th Century BC. Though this text has global acceptance on political study, it is also noticeable fact that the social aspects of this text have not been explored very frequently.

3.1 Laws on Mortgage/ Deposit

There is every possibility of fraud in mortgaging the articles. In misery, a poor man goes to the rich man who can protect him from the financial crisis against some mortgage. In this time of distress, there is every possibility of fraud activities, keeping this problem in mind Arthasastra probably legalizes the banking activity. In stage one Kautily identifies those who are eligible to receive the mortgage/deposits in one's distress. (AS 4.2) They are:
1. Man of chastity who can give instructions to artisans or leader of the artisans.
2. A man who can be trusted with deposits (a man of trust on financial transactions).
3. A man who can plan artistic work with his own investment (probably an entrepreneur).
4. A man who can be relied upon by guilds of artisans (faithful co-worker).

It has also the noble idea that the guilds shall receive their deposits back in the time of distress.

3.2 Laws on Contracts with Artisans

Artisans or the working segment are also instructed to start the work or the assignment in accordance with their agreement as to time, place, and form of work and should fulfill their contracts. Artisan is never allowed to quit the responsibility assigned without any valid cause.

Penalty

If the worker who is under contract postpones their engagement under the excuse that no agreement as to time, place, and form of work has been entered into, shall except in troubles and calamities, not only forfeit ¼th of their wage but also be punished with a fine equal to twice the amount of their wage. (AS 4.1)

They shall also make good whatever is thus lost or damaged. If the job provider faces any type of loss or damage due to negligence or inefficiency, the service provider is liable to take the responsibility for damage and order to compensate the same. (AS 4.1)

Similarly, those who carry on their work contrary to orders shall not only forfeit their wage but also pay a fine equal to twice the amount of their wage fixed during the contract.

This suggests that breach of contract in any form was a punishable offense and the artisan is not free to breach/leave the contract without mutual understanding. In this way, Kautilya protects the right of the job provider and cautions the artisan to conclude the assignment in accordance with the contract made. It is also a noticeable fact that the service provider is most careful with the contract and conscious of the assignment.
3.3 Laws on Weaving the Clothes

A weaver is a caste people, whose ancestral or family profession is to plash the clothes for the common man if assigned. Normally people used to provide them the tread or the row materials or cotton to produce and provide finished cloth out of it. In this condition, three striking points come to mind, what will be the quantity of thread or row material? What will be the wage or making cost? In case of breach of contract or fraud what will be the penalty? We can get the answers from the statements in the text (AS. 4.1). Such a weaver is allowed to take 10 or 11 (dasaikadasikam) percentage as the loss gap of the product, if he demands more than the same quantity, this unethical demand is considered an offense and shall be punished. Similarly in weaving linen or silk clothes (kshaumakauseyanam), the increase shall be 1 to 1½. In weaving fibrous or woolen garments the increase shall be 1 to 2. The loss in weight in woolen threads due to threshing or falling of hair is 5 palas (unit of quantity).

Penalty

He shall otherwise, not only pay either a fine equal to twice the loss in threads or the value of the whole yarn but also forfeits his wage. In this way, the law protects the right of the job provider and protects him from any such fraud activity by the service provider.

In case of loss in length, the value of the loss shall be deducted from the wage and a fine equal to twice the loss shall be imposed as a penalty. In addition to this, Arthasastra also imposes a penalty on loss in weight (tulahine) with a fine equal to four times the loss. This is also considered as an intentional breach of contract and leads to a penalty. Again substitution of another kind of yarn shall be punished with a fine equal to twice the value of the original. The same rules shall apply to the weaving of broadcloths (dvipatavanam) also. A truthful adherence to the contract shall generate a healthy environment for the industrial sector. Keeping this in mind Arthasastra probably gives importance to the contract and its rearing. It is helpful to both the sectors i.e. job provider and service provider.

3.4 Laws on Washing the Clothes

In the case of the washer man Arthasastra also expects smooth and careful handling of the object and suggests, that the washer man shall wash the clothes either on wooden planks or on stones of a smooth surface (AS.4.1.8). Arthasastra suggests a uniform dress code or a stamped cloth (AS.4.1.9) for the washer man, probably to protect against any kind of fraud and illegal use of the master's clothes. Arthasastra has shown its concern and imposed a penalty on this act.

Penalty

If he fails to maintain qualitative wash and washes the cloth elsewhere (other than the specified surface) shall not only be punished with a fine of 6 panas (unit of currency) but also be subject to the payment of compensation equal to the damage(AS. 4.1.8). Washer man wearing clothes other than such as are stamped with the mark of a cudgel shall be fined three panas (AS.4.1.9).

For selling, mortgaging, or letting out for hire the clothes of others, a fine of 12 panas shall be imposed on him. There is one more possibility of fraud that the washer man substitutes the original clothes and cheats the master of the cloth. In such case of substitution of other’s clothes, they shall not only be punished with a fine equal to twice the value of the clothes but also be made to restore the original ones (AS.4.1.8).
There is a clear opinion regarding the time period for keeping the clothes by a washer man, the violation of the standard time schedule is considered to be a punishable offense. If he keeps more than night clothes which are to be made as white as a jasmine flower, or which are to attain the natural colour of their threads on washing on the surface of stones, or which are to be made whiter merely by removing their dirt by washing, proportional fines shall be imposed (AS. 4.1.10/11).

For keeping for more than 5 nights such clothes as are to be given thin coloring, for more than six nights such as are to be made blue, for more than 7 nights such as are to be made either as white as flowers or as beautiful and shiny as lac, saffron, or blood and such clothes as requires much skill and care in making brilliant. If the washer man becomes unfaithful and violates these laws, then he forfeits the wage (AS. 4.1.11/12).

These two statements clearly suggest two types of time frames for low cost as well as for high-cost clothes. For good and sophisticated clothes he is allowed from 5 to 7 days and for normal clothes, he is allowed only one day. Similarly, one more statement regarding irresponsible washing of the clothes which causes loss in colour shall be prosecuted before the judges.

Trustworthy persons shall be judges in disputes regarding colour and experts shall determine the necessary wages. However, in the first wash of red-colored clothes, there is a loss of ¼ th part (of the colour) in the second wash, 1/5th part. This explains subsequent losses (AS. 4.1.12). It is also a fact that the consumer cannot claim any penalty if it is not addressed by the experts and if the loss of colour is less than the scheduled standard loss. If the loss of colour becomes more than standard loss as fixed by the law book shall be penalized. The rules pertaining to washer men are also applicable to weavers (AS. 4.1.15).

**Wages on Washing the Clothes**

Interestingly Arthasastra takes care of the wage to be paid to the washer man in accordance with the quality of the cloth the wage becomes high or low. Probably Kautilya gives importance to the risk factor and imposes more wages for more costly clothes. For washing of the best garments, the wage (service charge) shall be one pana, for those of middle quality half a pana, for those of inferior quality ¼th of a pana, and for rough washing on big stones, the wage shall be ⅛th of a pana (AS. 4.1.12/13).

**3.5 Laws on Filigree Works**

Goldsmiths are those craftsmen who are engaged in filigree, mostly they belong to a specific caste Baniya. Their basic social duty is to make ornaments of gold, shiver, etc. For the same purpose, they are also allowed to procure gold from the open market but there are certain limitations for social security. They can procure gold from the common man or man who is working in a gold mine but should inform the same to the administration (AS. 4.1.16).

**Penalty**

If he procures articles and found before melting the original one shall be punished. Procured articles if without changing the form of the articles shall be fined 12 panas (AS. 4.1.16).

If they do the same crime by changing the form of the articles (i.e., melting), they shall be fined 24 panas (AS. 4.1.16).

If they purchase the same from the hands of a thief, they shall be fined 48 panas (AS. 4.1.16). Not only illegal procurement but also treachery in any form is also punishable.
If they purchase an article for less than its value after melting it in secret, they shall be liable to the punishment for theft (48 \textit{panas}) and likewise for deception with manufactured articles.

When a goldsmith steals from a \textit{suvarna} gold equal to the weight of a \textit{masha} (unit of mass used for costly metals) (1/16th of a \textit{suvarna}), shall be punished 200 \textit{panas};

When he steals from a silver equal to the value of a \textit{masha}, he shall be fined 12 \textit{panas}. All these laws explain and establish administrative concern for the right of the consumer. Interestingly here Arthasastra imposes penalties on the artisan for fraud activities of the service provider and protects the job provider for running a healthy social life of mutual cooperation.

When a goldsmith removes the whole amount of the gold (\textit{karsha}) from a \textit{suvarna} by \textit{apasaran}a method or by any other deceitful combination (\textit{yoga}), he shall be punished with a fine of 500 \textit{panas}.

In case of contaminating them (gold and silver) in any way, the offense shall be regarded as loss of their intrinsic colour and shall be punished. It is also noticeable that the proportional enhancement of punishments in any crisis is the best way of crisis management.

\textbf{Wage on Service or Making Cost}

One \textit{masha} shall be the fee for the manufacture of a silver \textit{dharana}. For the manufacture of a \textit{suvarna}, ⅛th of the same (if it is normal) or fees may be increased to twice the above according to the skill of the manufacturer (if the ornament is specially designed). Interestingly even today in India we can experience at least 22% making cost (on average) is claimed, which is very close to the idea of Kautilya.

\textbf{3.6 Laws on Other Metals}

Fees for the manufacture of articles from copper, brass, \textit{vaikrinataka}, and \textit{arakuta} shall be five percent only. In the manufacture of articles from copper, 1/10th of the copper will be lost.

\textbf{Penalty}

For the loss of a \textit{pala} (unit of measurement) in weight, a fine of twice the loss shall be imposed. This suggests that loss at the time of the manufacturing should not be manipulated, if so the craftsman shall be punished. It is also noticeable that a proportional increase in punishments is imposed.

In the manufacture of articles from lead and tin, 1/20th of the \textit{masha} (unit of weight) will be lost. One \textit{kakani/kankani} (unit of currency) shall be the fee for manufacturing an article of a \textit{pala} in weight of the above.

In the manufacture of articles from iron, 1/5th of the \textit{masha} will be lost; two \textit{kakanis} shall be the fee for manufacturing an article of a \textit{pala} in weight from iron.

When the examiner of coins declares an unacceptable current coin to be worthy of being entered into the treasury or rejects an acceptable current coin, he shall be fined 12 \textit{panas}. When the examiner of coins misappropriates a masha from a current coin of a \textit{pana}, the tax, (\textit{Vyaji}) of five percent on the coin having been duly paid, he shall be fined 12 \textit{panas}.

When a person causes a counterfeit coin to be manufactured or accepts it, or exchanges it, he shall be fined 1,000 \textit{panas}.

He who enters a counterfeit coin into the treasury shall be put to death, probably the employee of the king if do so shall be put to death.
3.7 Laws on Medical Practice

In our contemporary society, there are several disputes (in this sector) are taking place. The disputes are like carelessness of physicians, unauthorized medication, inefficient medical workers, high charges on service, death due to wrong treatment, fraud in medicine, and medical mechanisms. All these disputes sometimes disturb the health sector and hamper the mechanism of health service. Probably it was very much available even in ancient India. Kautilya to develop a society of mutual cooperation has imposed laws on this sector also. Physicians undertaking medical treatment without intimating (to the King) is considered illegal.

Penalty

If the patient dies, the doctor shall be punished with the first amercement. Probably this punishment was meant for those doctors who are unregistered practitioners. In the case of registered practitioners, physicians except in special cases shall not face criminal procedure.

If the death of a patient under treatment is due to carelessness in the treatment, the physician shall be punished with the middle-most amercement.

Growth of disease due to negligence or indifference (karmavadha) of a physician shall be regarded as assault or violence and the practitioner shall be punished accordingly.

3.8 Laws on Musical Bands

There was the provision of musical bands, very specifically they were from Sudra group of people. Normally their livelihood was from Kusilavakarma (Music and theater), Physical Labour, Animal husbandry, tread-man-ship, and amusement. But the period for amusement activity shall not spread throughout the year. They should settle and co-operate with the production mechanism in a certain period of the year and shall cultivate their livelihood. Bands of musicians (kusilavah) shall, during the rainy season, stay in a particular place. They may hold their performances to their liking in accordance with the procedure of their country, caste, family, profession, or copulation. The same rules shall apply to dancers, drum players, and other mendicants.

Penalty

They shall strictly avoid giving too much indulgence or causing too much loss (atipatam) to anyone. Violation of the above rule shall be punished with a fine of 12 panas. For offenses, mendicants shall receive as many lashes with an iron rod as the number of panas imposed on them.

Wages for the works of other kinds of artisans shall be similarly determined. Thus traders, artisans, musicians, beggars, buffoons, and other idlers who are thieves in effect though not in name shall be restrained from oppression in the country.

3.9 Laws on Weights and Measures

Every possibility of fraud and illegal activities which has any possibility of mismanagement in social life has been dealt with by Arthasastra with much stillness. In a view to preventing deception, the superintendent shall also supervise weights and measures. The difference of half a karsha in the measure called adhaka is no offense. The difference of half a pala in such measures as are called parimani and drona is no offense. These rules suggest the concern of the administration to the protection of consumers' rights as well as producers' knowledge.
Penalty

But the difference of a *pala* in them shall be punished with a fine of 12 *panas*. Fines for greater differences shall be proportionally increased.

The difference between a *karsha* in the balance called *tula* (unit of weight) is no offense. A difference of two *karshas* shall be punished with a fine of 6 *panas*. Fines for greater differences shall be proportionally increased. But the difference of a *karsha* shall be punished with a fine of 3 *panas*. For greater differences, fines shall be proportionally increased. Fines for differences in weight in other kinds of balances shall be inferred on the basis of the above rule.

When a merchant procures the commodity by a false balance of a greater quantity of a commodity and sells under the same nominal weight a less quantity by the same or another false balance, he shall be punished with double the above fines.

Deception on the part of a seller to the extent of ⅛th part of the articles valued at a *pana* and sold by number shall be punished with a fine of 96 *panas*.

The sale or mortgage of articles such as timber, iron, brilliant stones, ropes, skins, earthenware, threads, fibrous garments, and woolen clothes as superior though they are really inferior shall be punished with a fine of 8 times the value of the articles thus sold.

When a trader sells or mortgages inferior as superior commodities, articles of some other locality, as the product of a particular locality, adulterated things, or deceitful mixtures, or when he dexterously substitutes other articles for those just sold (*samutparivartimam*), he shall not only be punished with a fine of 54 *panas* but also be compelled to make good the loss.

3.10 Laws on Business Conspiracy

Due to competition in the market, there is every possibility of conspiracy. *Arthasastra* apprehends the same and shows its concern.

Penalty

Those who conspire to lower the quality of the works of artisans, to hinder their income, or to obstruct their sale or purchase shall be fined a thousand *panas*. Merchants who conspire either to prevent the sale of merchandise or to sell or purchase commodities at higher prices shall be fined 1,000 *panas*.

Middlemen who cause to a merchant or a purchaser the loss of ⅛th of a *pana* by substituting with tricks of hand false weights or measures or other kinds of inferior articles shall be punished with a fine of 200 *panas*. Fines for, greater losses shall be proportionally increased commencing from 200 *panas*.

On the basis of the theories developed by Kautilya, our governments should implement stringent laws by which the right of the stakeholder can be well protected. Particularly in agricultural markets where Government purchases the products under the scheme of Government Reserve plans, we experienced this type of business conspiracy. A dominating businessman always controls that sector and hinders the common procedure to the free access to the Government Procurement Programme. As a result, they have been forced to sell their commodity at a less price and this unhealthy market management forces them to leave their profession and creates colossal unemployment.

3.11 Laws on Adulteration

Now a day each part of the world is under the threat of adulteration. Though there are several good laws to prevent adulteration from food materials are in force, hardly we can see a decrease in the adulteration of food materials. Probably due to the inefficiency and
corrupt attitude of the implementing agency we are facing the same problem and this causes severe harms to our body. Arthasastra rightly pointed out the problem and imposed laws to disrupt these activities. It is the duty of the trader to calculate the daily earnings of middlemen and to fix the amount on which they are authorized to live. Whatever income falls between sellers and purchasers (i.e., brokerage) is different from profit. Hence authorized persons alone shall collect grains and other merchandise. Collection of such things without permission shall be confiscated by the Superintendent of Commerce. The Superintendent of Commerce shall fix a profit of five percent over and above the fixed price of local commodities, and ten percent on foreign produce. In case of failure to sell collected merchandise wholesale at a fixed rate, the rate shall be altered. In case of obstruction to traffic, the Superintendent shall show necessary concessions. Whenever there is an excessive supply of merchandise, the Superintendent shall centralize its sale and prohibit the sale of similar merchandise elsewhere before the centralized supply is disposed of.

Favorably disposed towards the people, shall merchants sell this centralized supply for a daily wage. The Superintendent shall, on consideration of the outlay, the quantity manufactured, the amount of toll, the interest on outlay, hire, and other kinds of accessory expenses, fix the price of such merchandise with due regard to its having been manufactured long ago or imported from a distant country (desakalantaritanam panyanam.)

**Penalty**

Adulteration of grains, oils, alkalis, salts, scents, and medicinal articles with similar articles of no quality shall be punished with a fine of 12 panas. Hence shall merchants be favorably disposed towards the people in selling grains and other commodities.

Merchants who enhance the price or realize profit even to the extent of half a pana more than the above in the sale or purchase of commodities shall be punished with a fine of from five panas in case of realizing 100 panas up to 200 panas. Fines for greater enhancement shall be proportionally increased.

**3.12 Laws on Obscure (Metal) Procurements**

Of whatever precious things sweepers come across while sweeping, one-third shall be taken by them and two-thirds by the king. But precious stones shall be wholly surrendered to the king. A discoverer of mines, precious stones, or treasure troves shall on supplying the information to the king, receive 1/6th of it as his share. Treasure troves valued beyond 100,000 shall wholly be taken by the king. But if they are of less value, the discoverer shall receive 1/6th of it as his share. Such treasure troves as a man of pure and honest life can prove to be his ancestral property shall wholly be taken by the man himself.

**Penalty**

The seizure of precious stones shall be punished with the highest amercement. But if the discoverer happens to be an employee (bhritaka), his share shall be only 1/12th of it.

Taking possession of a treasure trove without establishing such a claim shall be punished with a fine of 500 panas. Taking possession of the same in secret shall be punished with a fine of 1,000 panas.

**Last Lines**

This paper is a humble initiative to analyze the Kantakasodhana Chapter of Arthasastra. Here we have traced and analyzed the Indian laws regarding the rights and duties of consumers and the service provider as well. Here the service providers are
Bankers, Contract Laborers, Weavers, Washer man, Goldsmiths, Mining workers, Medical practitioners, Musicians, and Traders.

In the Indian society which is accused to be a caste-based society can see citizens of different castes engaged in different sectors for their livelihood. Most of them are continuing their ancestral practices related to their livelihood. They are-

i) *Sahukaras/Zamindars/Landlords/Baniyas* who were the bankers and predominantly practiced their ancestral profession to year their livelihood. *Arthasastra* is the social text of ancient India that shows its concern regarding the legalization of the banking system in a crude form, subsequently that mechanism economic backbone of the state mechanism.

ii) Probably economically most backward landless Scheduled Caste citizens were the contract laborers. *Arthasastra* is a text that shows its concern towards their wage and the frauds initiated by them. *Arthasatra* through its laws made them conscious of their assignment and shows their concern that the job provider should not be harassed by the service provider. Penalties imposed on the workers intended to make them conscious of their duties by which their livelihood should be well protected.

iii) *Tantuvaya/Tanti* a community (of contemporary OBC/SC category) was the caste that was engaged in the weaving sector. Now a day this tradition is in a decaying process and except for specific localities we are hardly able to trace traditional *tantuwayas*. It was also an ancestral profession of the same caste, however, during the Islamic period, a good number of Hindu weavers converted to the Islamic religion. Now a day no Hindu *tantuwayas* is very less and most of them are practicing another profession for their livelihood.

iv) *Rajak* and a group of people belonging to Scheduled Caste was engaged in this sector. This profession was an ancestral and family-bound profession. Even today we can see several villages of this caste, yet practicing their ancestral profession for their livelihood. Recently other people entered into this field and this section faces a crisis to gather their livelihood.

v) *Baniya* or the metallic artisan are even today practicing a similar job. They are normally following their ancestral job to gather their livelihood. Others' entry to this family profession is limited.

vi) Mining workers-most probably it has proximity to the landless and economic backward castes, who were forced to gather their livelihood from semi-technical and technical laborers.

vii) *Vaidya* a caste most probably a lower grade Brahmin engaged in the medicinal practice. In India, we can find the Health sector was dominated by a group of people belonging to a definite caste that comes under the Varna i.e. Brahmin. It was also a fact that they took non-technical assistance from the *Venecharas* and laborers dependent on manual work.

viii) Musicians, mostly from the *Sudra* category were engaged in this profession, and it was also an ancestral profession but now a day this profession has been hijacked by non-sudra habitats, and this sector is now placed in a good economic zone.

ix) There was a segment of officers who were engaged in the marketing sector to look after and protect the rights of the common man, the appointment of officials to maintain the law and order relating to the frauds in the market, frauds in marketable commodities and appointment of officials to look after the mines and minerals.
IV. Conclusion

Arthasastra composed statements to maintain and regulate the social economy. The fixation on wages probably has the intention to protect the rights of the craftsmen and by the imposition of punishments on breach of contract, it has the noble intention to protect the rights of the service provider and job provider/customers. By these laws Arthasastra rightly intended to protect the rights of both sectors. The sectors like the construction sector, Health sector, Market management sector as well as the sector associated with adulteration should be dealt with properly and should be punished severely. The actual development of the society through the punishment prescribed by the Arthasastra is mostly fiscal in nature, now a day we need more stringent punishments for these crimes by which we can apprehend a good society of cooperation and coordination.

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