



FROM ARTHASHASTRA TO ATMANIRBHAR BHARAT: A THEORETICAL FRAMEWORK FOR SUSTAINABLE SOVEREIGNTY IN INDIA'S DEFENCE SECTOR

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ABSTRACT

This paper explores how India's idea of strategic self-reliance has developed over time. It traces the philosophical roots from Kautilya's Arthashastra to the current vision of Atmanirbhar Bharat in the defence sector. This study aligns with the conference theme, "Indian Knowledge Systems [IKS] - Driven Green Start-ups: Sustainable Business Pathways for a Self-Reliant India", suggesting that national security depends on economic independence.

Historically, Kautilyan economics highlighted the link between Varta (economic activity) and Danda (state power). Kautilya believed a nation's sovereignty is sustainable only when its strategic assets are managed and produced locally. This paper examines how these ancient ideas of IKS form the foundation for modern Sustainable Business Pathways in the defence industry. Moving away from foreign imports, the Atmanirbhar Bharat initiative revives traditional self-sufficiency, turning the defence sector into a driver of domestic innovation and long-term economic stability.

The research further investigates the shift from Traditional Wisdom to Modern Enterprises. It theorizes that local defence production creates a "Sustainable Start-up Model" that reduces vulnerabilities in global supply chains and encourages technological independence. The paper concludes that applying IKS to current defence policy is not just about revisiting the past but about creating a necessary framework for achieving a Self-Reliant India in a volatile global environment.

Keywords: Indian Knowledge Systems (IKS), Atmanirbhar Bharat, Defence Sector, Sustainable Sovereignty, Arthashastra, Self-Reliant India.

LITERATURE REVIEW

1. The IKS Foundation: Kautilyan Economic Philosophy

Contemporary scholarship increasingly identifies the **Arthashastra** as the precursor to modern concepts of national self-reliance. As noted by Singh (2025), Kautilya's **Saptanga Theory** (the seven limbs of the state) emphasizes that a nation's security (*Danda*) is inextricably linked to its economic health (*Kosha*). Recent analyses of IKS-driven economics suggest that the ancient mandate of **Varta**—the science of national wealth—provides a blueprint for "Sustainable Sovereignty," where the domestic production of strategic assets is viewed as a moral and

political duty (ResearchGate, 2025). Verma and Dwivedi (2025) argue that this "Kautilyan Realism" remains the strongest ideational lineage in Indian strategic culture, advocating for a self-sustaining defense infrastructure that minimizes external vulnerabilities.

2. Strategic Autonomy and the Atmanirbhar Bharat Evolution

The modernization of the Indian defence sector has been characterized by a move toward **Strategic Autonomy**. Literature concerning the "Make in India" and "Atmanirbhar Bharat" initiatives highlights a systematic effort to reduce reliance on the global arms trade, which has historically created fiscal drains and strategic risks (PIB, 2025). Scholarly evaluations of the 2026-27 Union Budget indicate a record allocation of ₹7.85 lakh crore for defence, with a specific focus on capital outlays for indigenous manufacturing (EconomicTimes, 2026). This shift is theoretically grounded in the transition from being a technology consumer to a technology creator, a move that researchers describe as the "Quest for Strategic Autonomy" (Verma & Dwivedi, 2025).

3. Sustainable Business Pathways and Green Entrepreneurship

A nascent but growing body of literature explores the intersection of **Green Start-ups** and the defence sector. The concept of "Earthshastra"—a sustainable evolution of Kautilyan thought—posits that indigenous innovation must be environmentally conscious and ethically grounded (Medium, 2024). Modern "Green Defence" initiatives, such as the adoption of circular economy principles in manufacturing and the development of dual-use green technologies, align with the IKS-driven goal of "Sustainable Futures" (Journal of Political Science, 2025). Furthermore, the role of MSMEs and startups is highlighted as the "agile engine" of this transformation, where IKS serves as the bedrock for ethical entrepreneurship and decentralized job creation (Financial Express, 2026).

THE KAUTILYAN ROOTS: A THEORETICAL FOUNDATION FOR STRATEGIC SELF-RELIANCE

I. The Saptanga Theory: The State as an Organic Whole

In the Arthashastra, Kautilya presents the Saptanga Theory, viewing the State as an organism with seven limbs (Angas). Two limbs are important for this paper focused on the defence sector: **Kosha (The Treasury)**: Kautilya stated that "all undertakings depend on finance." A self-reliant treasury is essential for a strong military. **Danda (The Army/Force)**: This represents the state's protective power. **Theoretical Link**: The modern push for Atmanirbhar Bharat aims to align Kosha and Danda. By producing defence equipment locally, India ensures that its wealth (Kosha) stays in the domestic economy while boosting its protective power (Danda).

1. Varta: The Economic Lifeblood of Security

Kautilya defined Varta as the science of national economy, including agriculture, cattle-rearing, and trade. He argued that a king skilled in Varta can control his own people and enemies through his treasury and army. **Indigenous Production**: Kautilya insisted that the state should have its own factories for weapons and shields, overseen by the Ayudhagaradhyaksha (Superintendent of the Armoury). **Sustainable Resource Management**: The Arthashastra outlines the ethical and efficient extraction of minerals and resources, linking to modern Sustainable Business Pathways discussed in Technical Session II.

2. Strategic Autonomy and the Circle of States (Rajamandala)

Kautilyan foreign policy centers on the Rajamandala (Circle of States). Kautilya cautioned against relying too heavily on any single ally. **Vulnerability of Imports**: Relying on foreign nations for "Danda" (defence technology) creates a strategic imbalance. **Modern Application**: This ancient distrust of foreign dependency drives India's shift toward local defence sources. It goes beyond economics; it's about the state's duty (Dharma) to maintain sovereignty free from external control.

3. The Ethics of "Green" Sovereignty

While "Green Start-ups" is a contemporary term, Kautilya's philosophy stressed protecting natural resources. The Arthashastra contains strict regulations about safeguarding forests and elephants, key assets at the time. **Theoretical Synthesis**: This paper can argue that modern "Green Defence"—using sustainable energy and eco-friendly manufacturing—is a current expression of Kautilya's respect for the state's natural resources as vital for long-term security.

II. THE TRANSITION: FROM ANCIENT MANDATES TO ATMANIRBHAR BHARAT

The move from heavy reliance on global defence imports to a domestic-first strategy is more than a policy change. It reflects the Indian Knowledge System (IKS) belief that self-sufficiency is the greatest form of national security.

1. Reviving the 'Ayudhagaradhyaksha' Model through iDEX

Kautilya's idea of a Superintendent of the Armoury overseeing local production has a modern counterpart in the iDEX (Innovations for Defence Excellence) scheme. This initiative acts as a "Modern Enterprise" that connects "Traditional Wisdom" with advanced technology. By supporting Green Start-ups and small innovators in tackling defence challenges, India decentralizes its strategic production. This shifts from state-run monopolies to a vibrant ecosystem.

2. Positive Indigenization: A 'Dharma-centric' Economic Policy

The government's "Positive Indigenization Lists" represent a modern interpretation of Kautilya's directive to safeguard the state's Kosha (Treasury). Banning certain weapons import creates a guaranteed market for local producers. This theoretical framework ensures that the economic benefits from defence spending stay in the country, supporting a "Sustainable Business Pathway" for Indian manufacturers. This aligns with IKS, which holds that wealth generated for national security must benefit the local community.

3. Strategic Autonomy as Sustainable Sovereignty

In a theory-based analysis, Sustainability in the defence sector means maintaining operational readiness without outside interference. Supply Chain Sovereignty: Just like ancient Indian kingdoms relied on local smiths and resources, modern self-sufficiency lessens the carbon footprint and logistical risks of global shipping. Technological Legacy: The transition prioritizes "Sustainable Futures through IKS", ensuring that the knowledge (Intellectual Property) of defence systems stays in India and avoiding "technological colonialism".

4. 'Green Defence' and the Modern Startup Model

Relating to the conference's emphasis on Green Start-ups, the shift to Atmanirbhar Bharat increasingly includes eco-friendly initiatives: Resource Optimization: Inspired by respect for nature, modern indigenization promotes "Circular Economy" ideas in manufacturing, cutting waste in producing high-quality alloys and explosives. Dual-Use Innovation: Start-ups in the defence sector are encouraged to create "Green" solutions, like solar-powered surveillance drones or biodegradable ammunition packaging, forming "Sustainable Start-up Models".

THEORETICAL SYNTHESIS

The shift from Arthashastra to Atmanirbhar Bharat showcases a full cycle in Indian strategic thought. By adopting these ancient concepts, the modern Indian defence sector is transforming from a consumer of foreign technology into a self-sufficient entity. This change offers the "Sustainable Business Pathways" needed for a truly Self-Reliant India.

III. CONCLUSION: THE COMMERCE OF SOVEREIGNTY AND FUTURE PATHWAYS

The blend of Kautilyan ideas and the Atmanirbhar Bharat vision gives a strong theoretical foundation for India's defence sector. As emphasized by the Departments of Commerce at Vellalar College for Women during the One Day National Level Conference, the path to a self-reliant nation relies on Indian Knowledge Systems (IKS).

1. Finance as the Modern 'Kosha'

In moving toward a self-sufficient defence system, the role of Commerce, Accounting, and Finance—the core fields of the organizing departments—becomes the modern counterpart of Kautilya's Kosha (Treasury). Sustainable Funding: For a "Self-Reliant India", financial institutions need to go beyond traditional lending. They should support IKS-driven green start-ups with venture capital and strategic subsidies.

Fiscal Accountability: The shift towards local production requires advanced Professional Accounting to oversee the long-term costs of defence assets, ensuring they remain Sustainable Business Pathways instead of financial burdens.

2. Strategic Synergy: Traditional Wisdom in Modern Enterprises

The conference emphasis on "Traditional Wisdom to Modern Enterprises" serves as a call to action for the defence industry. Circular Economy: Future pathways must integrate IKS-inspired resource management to create "Green" technologies that reduce environmental harm while maximizing strategic output. Economic Resilience: By fostering a local defence market, India creates a self-sustaining cycle where government spending supports homegrown innovation, reflecting Kautilyan ideals of an economically strong and militarily secure state.

FINAL SUMMARY

This paper argues that the shift from Arthashastra to Atmanirbhar Bharat does not stray from global standards. It aligns with a timeless Indian truth: true sovereignty cannot exist without self-reliance. As India navigates the challenges of 2026 and beyond, integrating IKS into the finance and commerce of the defence sector will drive a Sustainable and Self-Reliant India.

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