PART II   The Evolution of India's Intelligence Culture

2   Kautilya's Discourse on Secret Intelligence in the *Arthashastra*

This chapter aims to identify the ideational foundations of Indian intelligence by assessing an ancient Indian text called the Arthashastra. It asks the question: how did the Kautilyan state 'think about' and 'do' intelligence in support of its foreign and military policies? After tracing the reasons for intelligence in the Kautilyan state, the chapter describes the structuring of intelligence bureaucracies in the Kautilyan state and moves towards understanding the Arthashastra's thesis on matters such as intelligence analysis, intelligence-policy relationship, strategic surprises and other questions explored by modern intelligence scholars. It finally concludes that the Arthashastra demanded a certain kind of knowledge culture that led to intelligence becoming a centralised state activity essential for state survival as well as policymaking.

Introduction

On 19 January 2010, the then Vice-President of India, Hamid Ansari, while delivering the 4th R.N. Kao memorial lecture, said:

> "we can go as far back as Kautilya to perceive the importance [of intelligence]. In fact, the methodological sophistication exhibited in Kautilya's chapters on secret service and internal security can be read with benefit even today".[1]

Throughout the lecture, Kautilya[2] unfortunately never reappeared, nor was the 'methodological sophistication' elaborated in any detail. This episodic reference somewhat captures the state of the art in the study of intelligence in India. As the secondary literature referenced in this chapter will highlight, a rhetorical presentation of Kautilya's *Arthashastra* as the root of Indian intelligence philosophy has never been examined with either ideational or empirical evidence. This chapter makes an attempt to detail the intellectual depth in Kautilya's *Arthashastra* in matters of foreign intelligence. It attempts to answer the question: *how did the Kautilyan state 'think about' and 'do' intelligence in support of foreign and military policies?* It forms the basis for the observation of modern-day Indian intelligence culture. The *Arthashastra* is an ideal starting point to observe ancient Indian wisdom on intelligence, as the text:

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1   Hamid Ansari, 'Oversight and Accountability', *Outlook*, 19 January 2010, available at www.outlookindia.com/website/story/ensure-oversight-and-accountability/263861, accessed 1 November 2019.
2   Kautilya, also known as Chanakya and Vishnugupta, was the royal adviser of the Mauryan Empire and the author of the *Arthashastra*. Although many believe the text to be from the 2nd century BCE–3rd century CE, the exact dating of the text, as with the periodisation of Indian history in general, has been seriously contested by scholars.

"was in fact the final manifestation of [Indian knowledge], the traces of which are discernible in the Vedic literature and copiously found in the epics, puranas and literary works".[3]

Most books on Indian intelligence are descriptive works, devoid of analytical rigour, while invariably beginning from the ancient times where Kautilya figures predominantly.[4] Kautilya's appearance in these works is unsurprising, as the translated versions of his Sanskrit text 'Arthashastra' by scholars R.P. Kangle, R. Shamsastry and L.N. Rangarajan have the word 'spies' used 58, 65 and 59 times respectively. A cursory glance through the text would give the readers an impression that the entire state was run by spies. This has led one renowned intelligence scholar to term the Kautilyan state as "the original surveillance state".[5] Therefore, there is a unanimous appropriation of Kautilya as the *guru* of intelligence in India, yet the *guru bodhana* (teachings) have been either misunderstood or insufficiently absorbed by students of intelligence.

In order to avoid falling victim to such simplistic reading of the *Arthashastra* and interpret the latent meanings of intelligence in the text, a certain degree of specialisation in Intelligence Studies and knowledge of the civilizational history of India is important.[6] The only scholar to have done this is a German political scientist, Michael Liebig, who regarded Kautilya "the first theorist in intelligence".[7] Liebig, like other scholars, argued that intelligence is a key source of state power, but did so with a methical analysis of the text. This chapter takes forward Liebig's efforts; but the larger intention is to draw a cultural comparison to the modern-day external intelligence in India. There is, however, an important caveat. It is beyond the scope of this book to observe empirically the extent to which Kautilya's teachings on intelligence were applied by subsequent kingdoms in the subcontinent. The idea is simply to provide an understanding of how deeply ancient Indians had accepted intelligence as an essential state activity through the examination of an important text of that time.

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3   S.D. Trivedi, *Secret Services in Ancient India: Techniques and Operations*, Bombay: Allied Publishing House, 1988, p. xix.
4   Ibid; Asoka Raina, *Inside RAW: The Story of India's Secret Service*, Ghaziabad: Vikas Publishing House Pvt Ltd, 1981, pp. 2–6; Bhashyam Kasturi, *Intelligence Services: Analysis, Organisation and Function*, New Delhi: Lancer Publishers, 1995, pp. 17–18; Manila Rohatgi, *Spy System in Ancient India*, Delhi: Kalpaz Publications, 2007.
5   Philip H.J. Davies, 'The Original Surveillance State: Kautilya's Arthashastra and Government by Espionage in Classical India', in Philip H.J. Davies and Kristian Gustafson (eds), *Intelligence Elsewhere: Spies and Espionage outside the Anglosphere*, Washington DC: Georgetown University Press, 2013, pp. 49–66.
6   K. Gjesdal, 'Hermeneutics', *Oxford Bibliographies*, 21 May 2019, available at www.oxfordbibliographies.com/view/document/obo-9780195396577/obo-9780195396577-0054.xml, accessed on 1 November 2019.
7   Michael Liebig, 'Kautilya's relevance for India today', *India Quarterly*, Vol. 66, No. 2, 2013, p. 103.

Thus, the cultural appraisal of secret foreign and military intelligence in the Kautilyan state, as presented in this chapter, is desired to act as a foundation to highlight how the post-independence Indian state and its intelligence services have been stripped off the Kautilyan character. To do so, the chapter begins by briefly explaining to the readers why the Arthashastra is an important and appropriate reference text. It then goes on to establish the basis for foreign intelligence in the Kautilyan state and then dwells on the methodologies involved in intelligence collection and analysis, the nature of relationship the Kautilyan intelligence services shared with the consumers and other international intelligence services, and lastly, the Kautilyan perspective on intelligence failures and surprises. Finally, the chapter extracts the key cultural traits that define the character of Kautilyan intelligence, which then become the elements of comparative analysis in the coming chapters. Through this exercise, it is the argument of this chapter that intelligence in the Kautilyan state was a state-driven activity as a consequence of the "knowledge culture" that was prevalent. From the next chapter onwards, the book reveals how the "knowledge culture" made way for a "reactive culture", where intelligence morphed from being a state-driven activity to an individual-led endeavour.

The *Arthashastra* as the basis for the study of Indian Intelligence

One of the most authoritative scholars and translators of the *Arthashastra* to English, L.N. Rangarajan used the phrase "an imaginary Kautilyan country".[8] The phrase is significant as the text *Arthashastra* is neither a historical treatise nor a memoir of Kautilya. It is widely recognised as a guidebook on statecraft; and the utopian country that emerges in the mind of the author is what Rangarajan termed 'the imaginary country'.[9] But then, what was the basis for the author's imagination? It is here that the *Arthashastra* stands in fundamental contrast to other scholars and thinkers like Machiavelli and Sun Tzu. Kautilya's imaginary state reflected the author's identity as a Hindu (not religious identity, but the identity of a person living in undivided India) and a scholar trained in the Indic methods of knowledge production. This section briefly expands on both of these aspects to enable better comprehension of the ideas of intelligence embedded in the *Arthashastra.*

Topographically, the Kautilyan country was diverse with a variety of natural features like rivers, mountains, forests, plains, deserts and so on. Driven by governance considerations, the

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8   L.N. Rangarajan, *Kautilya: The Arthashastra*, Gurgaon: Penguin Random House, 1992, p. 27.
9   For an elaboration on the taxonomies of imagination, see: 'Imagination', *Stanford Encyclopaedia of Philosophy*, 22 January 2019, available at https://plato.stanford.edu/entries/imagination, accessed 1 November 2019.

economic and social activities took shape around the natural features and an elaborate system of fortifications and defences also existed to protect the empire. While these were the geographic and physical features of the Kautilyan country, what is important is the ideational aspect of the Kautilyan state that gave birth to the requirement of intelligence. Here, the Kautilyan state reflected the people that occupied the territory and the philosophy that guided their lives. The Hindu philosophy of life was guided by the four *purusharthas* (goals of human endeavours) – *dharma, artha, kama* and *moksha.* The last aspect being considered the final manifestation of spirituality could only be achieved through strict adherence of the other three facets. *Artha* loosely translates into wealth and *kama* is synonymous with pleasure, while *dharma,* the most important of the *purusharthas,* was the foundation of all human activity, which translates into a sense of duty, law, balance and restraint.

The elevation of the *purusharthas* to the societal and political level is done under the assumption that order is central to existence and so far as the idea of national security is concerned, the employment of *artha* and *kama,* governed by *dharma,* is to ensure "internal well-being and external security".[10] The influence of these ideational aspects on intelligence in the Kautilyan state will be done in the next section. However, it is prudent to mention why the choice of the *Arthashastra* makes better sense given the availability of a vast number of literary works in ancient India that dwell on aspects of intelligence and statecraft.

The word *Arthashastra* translates as 'the science of wealth', but the text is a thesis on governance and statecraft covering the disciplines of political science, economics and sociology. There are several other texts like the *Dharmashastras, Nitishastras* and even epics like *Ramayana* and *Mahabharata* that offer rich lessons in all these disciplines. However, where the *Arthashastra* stands out in comparison is the scholarly presentation of arguments by Kautilya. As noted by Kautilya himself, there were at least ten scholars of the *Arthashastra* before him.[11] Kautilya's *Arthashastra*, being a normative "how to" text on statecraft, follows a dialectic model of articulation and *anviksiki* (investigative science). Throughout the text, using a thorough conceptual investigation, Kautilya critically engages the works of other renowned scholars like Visalaksa, Parasara, Pisuna and Bahudanti, among others, before drawing his own conclusions. It is this intellectual engagement and dialectic tone of the text that makes it an ideal source to understand why and how intelligence was prescribed as an essential state

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10   Medha Bisht, *Kautilya's Arthashastra: Philosophy of Strategy*, London: Routledge, 2019, p. 12.
11   Ibid, p. 24.

activity, and what were the civilizational understandings on the theory of intelligence and surprise. The following sections make a comprehensive attempt in this direction.

The rationale for intelligence in the Kautilyan State

Scholarship on the *Arthashastra* converge on one particular theme that is constant in the Kautilyan state – power. The source of this power, nevertheless, ignites a host of debates which ranges from the power of the military and economy (*artha*) to the power of morality (*dharma*).[12] The strength of the seven constituent elements of the state (*prakritis*) – the king (*swami/vijigīsu*), the councillors and minister (*amatya*), the territory and population (*janapada*), the fortified towns and cities (*durga*), the treasury (*kosa*), the force (*danda*) and the allies (*mitra*) – collectively constitute the power of the Kautilyan state. Beyond these tangible elements of national power, however, lies the most fundamental determinant of power, i.e. the power of knowledge, which has generated little attention.

At the outset, it is important to emphasise that while reading the *Arthashastra* for the benefit of the modern times, the king has to be read interchangeably as the state. The most fundamental of all qualities expected of a king was the quality of intellect – a desire to learn, listen, grasp, retain, understand thoroughly and reflect on knowledge.[13] The king had to be amenable to guidance by the councillors/ministers, who in turn were trained in all the arts and sciences and possessed the ability to *foresee* things.[14] What is to be noted here is that, the intellectual prowess of the councillors and ministers, according to Kautilya, could flow only from the intellectual quality of the king. To translate this to modern parlance, the strength of the institutions of a state is proportional to the nation's strategic culture and the regime's political culture. Kautilya has written that:

> "whatever character the king has, the other elements also come to have the same, for they are all dependent on him for their progress or downfall".[15]

The idea of knowledge as power in the *Arthashastra* has its roots in the notion of *Rajadharma* (duty of the king)[16]. The first *dharma* (duty) of the king was to protect his people from enemies.

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12   G. Modelski, 'Foreign Policy and International System in the Ancient Hindu World', *The American Political Science Review*, Vol. 58, No. 3, 1964, pp. 549–560.
13   R. Shamasastry, *Kautilya's Arthashastra, Mysore: Sri Raghuveer Printing Press*, 1951, pp. 3–212.
14   Ibid, p. 20.
15   Rangarajan, *The Arthashastra*, 1992, p. 101.
16   The term *dharma* is a slippery one, with varied meanings, owing to the lack of an equivalent word in English. Depending on the context, as is the case with this chapter, *dharma* means law, duty, morality and

The threefold representation of the king's *dharma* towards his people were *rakshana* (protection), *palana* (administration) and *yogakshema* (welfare). In order to achieve this, the king had to be supported by an elaborate system of intelligence; and a huge chunk of the king's daily routine was to be spent in tasking and receiving intelligence from secret agents.[17] When not interacting with the spies, the king was to be in the company of elders (*read experts*) to learn from their experience and cultivate his intellect.[18] Both external and internal security are given equal importance in the text. However, considering that this book concerns foreign and military policies, the focus shall be on only external intelligence.

To offer a glimpse of the kind of intelligence the Kautilyan state sought for foreign and military policymaking, the following passage is drawn from the work of Liebig:

> "with regard to foreign countries, such information is of great importance: what are the political, economic and military strengths and weaknesses of other states? Is there unrest among the people, are there conspiracies in the elite that can be exploited and reinforced? How can an enemy state be weakened materially and psychologically, including the covert killing of certain political actors? For Kautilya, intelligence is the indispensable foundation of foreign policy decision-making".[19]

The passage quite succinctly covers both the informational and executional aspects of secret intelligence that were embedded in the Kautilyan state.

There is a generic perception that the Kautilyan state was built with an intention of expansion, and hence, his theories fit well with a revisionist state seeking to overthrow the existing order.[20] Kautilya indeed refers to the king as *vijigīsu* – the one desiring to conquer – somewhat denoting that maintenance of territorial status-quo was never an option. However, expansion of territory was not the primary motive driving conquests, but it was the expansion of wealth.[21] Nevertheless, seen within the framework of *rajadharma*, it appears that the Kautilyan state,

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righteousness. *Rajadharma* is the law of governance which dictates that the king's action be driven by morality, ethics and righteousness.

17   Ibid, p. 123.

18   Kautilya, *Arthashastra*, 1.7.1 (The first number corresponds to the book number in Kautilya's Arthashastra. There is a total of 15 books. The second number denotes the chapter while the final number refers to the particular sutra within the chapter). Source of English translation: R.P. Kangle, *The Kautilya Arthashastra*, Bombay: University of Bombay, 1963.

19   Liebig, Kautilya's relevance for India today, 2013, pp. 103–104.

20   Shyam Saran, *How India Sees the World: Kautilya to the 21st Century*, New Delhi: Juggernaut, 2017, pp. 29–30.

21   Patrick Olivelle, 'Economy, Ecology, and National Defence in Kautilya's Arthasastra', in P.K. Gautam, Saurabh Mishra and Arvind Gupta*, Indigenous Historical Knowledge: Kautilya and His Vocabulary (Volume III)*, New Delhi: Pentagon Press, 2016, p. 10.

even while being expansionist, was fundamentally concerned with the defence of its territory and people. Therefore, while observing the principles of intelligence as embedded in the *Arthashastra* one should not commit the mistake of presuming that they are inapplicable in a defensive nation like India.

In fact, Kautilya's advice for an offensive derives from achieving the necessary condition of a strong defence. He cautions that "before a king sets out on an expedition of conquest, he has to take steps to guard [the state]".[22] According to Medha Bisht, Kautilya's policy of non-intervention is a policy which helps in the undisturbed enjoyment of the results of the past activities".[23] Hence, a defensive capacity is a requisite condition in the Kautilyan state irrespective of whether it later intends to attain the character of a status-quoist or a revisionist state. Theoretically speaking, a defensive state, more than an aggressive state, would have to pay greater attention to intelligence.[24] Therein lies the relevance of the power of knowledge as espoused by Kautilya to present-day India. Kautilya wrote that, "making enemies is a greater evil than loss of wealth. Loss of wealth endangers the treasury, making enemies endangers life [state survival]".[25] Therefore, by all means, intelligence attains centrality in the Kautilyan state. The knowledge, thus, required for state survival, also known as strategic intelligence, was the basis for policymaking in the Kautilyan state. According to him, "a king can reign only with the help of others; one wheel alone does not move a chariot". In other words, the king cannot alone govern the state, he needs an effective intelligence organisation. With the support of an intelligence organisation and the advice of his ministers, the knowledge-driven statecraft can produce a unified nation of which the king will be the *chakravartin* (emperor/political unifier).[26] Ergo, the Kautilyan statecraft was built on the power of knowledge and advice, aimed at the fulfilment of the political leadership's primary duty, which was the protection of the people. This was the foundation on which the Kautilyan intelligence organisation stood. Statecraft without intelligence in the Kautilyan state was simply impractical.

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22   Medha Bisht, 'Bargaining and Negotiation Analysis: Lessons from Arthashastra', in P.K. Gautam, Saurabh Mishra and Arvind Gupta, *Indigenous Historical Knowledge: Kautilya and His Vocabulary (Volume III)*, New Delhi: Pentagon Press, 2016, p. 105.
23   Ibid, p. 111.
24   George O'Toole, 'Kahn's Law: a universal principle of intelligence?', *International Journal of Intelligence and CounterIntelligence*, Vol. 4, No. 1, 1990, p. 39.
25   Kautilya, *Arthashastra*, 8.3.18.
26   Michael Leibig, 'Statecraft and Intelligence Analysis in the Kautilya-Arthashastra', in P.K. Gautam, Saurabh Mishra and Arvind Gupta, *Indigenous Historical Knowledge: Kautilya and His Vocabulary (Volume III)*, New Delhi: Pentagon Press, 2016, p. 42.

Institution of Spies: Intelligence Modus Operandi in the Kautilyan State

The Kautilyan intelligence organisation was predominantly composed of human intelligence (HUMINT) and organised systematically. The roles and responsibilities were allocated with the motive of guaranteeing informational advantage and ensuring secrecy. Secrecy was the primary character of the Kautilyan intelligence organisation, underlying both the intelligence profession and the decision-making process. A three-tier intelligence system existed in the Kautilyan state with the king and the chancellor (could also be read as the Minister for Intelligence) at the apex level followed by the station chiefs/ regional directors under whom a network of agents (collectors) operated. The intelligence operatives were classified as *guda* (clandestine/concealed), working under assumed identities or operational covers. Kautilya prescribes a degree of flexibility in assuming covers whilst paying attention to the situation. Known as *vyanjanáh* (occupational cover), the *Arthashastra* offers twenty-nine distinct categories of cover with fifty subcategories. The fundamental point Kautilya tries to convey through the record of covers is that the occupational cover had to be determined by the operational environment and mission objectives.[27]

While the king and the concerned chancellor were the principal recipients of intelligence reports, there was a system of regional hubs from where *kapatika* (intelligence officers) recruited and handled agents, received and assessed the raw intelligence, and transmitted the product in a cryptic form. The regional hubs or established offices were known as *samstha*, which represent subsidiary bureaus or stations; and the *kapatika* was the station chief. Despite the king being the overall driver of the state intelligence machinery, the regional hubs and the station chiefs were given considerable autonomy, as it was here that the intelligence and counterintelligence operations were planned and executed.[28] The covers given for the station chiefs were that of a monk, householder (mostly a farmer) or trader. In modern intelligence parlance, the *samstha* would be called a 'station' in American intelligence or a '*rezidentura*' in Russian intelligence; and, the intelligence covers would be referred to as non-official covers (NOCs) by the former or an 'illegal' by the latter. Kautilya laid particular emphasis on the psychology and wisdom of the station chiefs in sensitive areas. He mentions that such officers must be:

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27   Kautilya, *Arthashastra*, 1.11.1–1.12.25.
28   Shamasastry, *Kautilya's Arthashastra*, 1951, p. 30.

"non-seducible but are shown to be impelled by motives for actions that are associated with seducible parties".[29]

The particular choice of the three occupational covers mentioned above emerges from the twin rationale of maintaining a network of spies and simultaneously raising finances to sustain operations. Monks, householders and traders were allowed to easily interact with others from the same profession and develop an espionage network, while also earning money to supplement the secret funds.[30] A farmer or a trader clearly enjoyed the advantage of finances whilst a monk enjoyed the privilege of having disciples and students at his service who could be employed in espionage roles. The bottom-line regarding station chiefs in the *Arthashastra* is that the cover should allow for operational ease and enable self-sufficiency in maintaining the spy nest. Intelligence scholars have found in Kautilya's exposition an ideal theory for non-official covers (NOCs).[31] Kautilya does recommend the use of diplomatic personnel in foreign nations to collect intelligence, recruit sources and participate in covert actions.[32] However, considering the presence of a vast system of NOCs, it is discernible that he understood the limitations of diplomatic covers.

The agents who reported to the station chiefs, and also the couriers who transmitted intelligence from the stations to the headquarters, are classified as "roving spies". The institution of roving spies served the purpose of both intelligence collection and covert actions. The former is called *sattri* (spies) who collected intelligence for the station chiefs, while the latter included members of covert action units – *tikshna* (assassin), *rasuda* (poisoner), and other specialists in subversion.[33] The roving spies were also important in communicating intelligence from the regional hubs to the headquarters. In this regard, Kautilya emphasises both on cryptology as well as information security. Cryptology was given particular importance and Kautilya dwells into a series of encryption techniques and steganographic codes to be employed depending on the circumstances under which the information is being transmitted – some verbal, some non-verbal.[34] With regards to communication, Kautilya understands the importance of timely and secure communication of intelligence. The agents responsible for headquarter-to-station communications and station-to-field communications were unknown to each other in order to

29   Kautilya, *Arthashastra*, 1.12.25.
30   Kautilya, *Arthashastra*, 1.11.9–1.11.13.
31   Stefano Musco, 'The art of meddling: a theoretical, strategic and historical analysis of non-official covers for clandestine Humint', *Defense and Security Analysis*, Vol. 33, No. 4, 2017, pp. 380–394.
32   Leibig, 'Statecraft and Intelligence Analysis in the Kautilya-Arthashastra', 2016, p. 38.
33   Rangarajan, *The Arthashastra*, 1992, p. 470.
34   Kautilya, *Arthashastra*, 1.12.11.

ensure information security.[35] With regards to timely dissemination of information, Kautilya encourages infrastructural development such as the development of trade routes for quick communication. The importance of this aspect becomes clear in the chapter on the 1962 war as weak communication infrastructure played a critical role in India's dismal performance.

The role of the *sattri,* i.e. the intelligence collector, is fairly straightforward. But the covert action part is something that needs elaboration. Considering the offensive nature of the Kautilyan state, and influenced by a simplistic reading of the text, there is a tendency to pass off the covert action portion as just paramilitary and sabotage operations aimed at destroying the enemy. In fact, the entire Book XII is devoted to the utility of covert action for a weak king faced with a strong opponent. However, when one carefully observes the extent to which Kautilya prescribes maintaining covert capabilities, it is impossible to overlook the simultaneous benefits to strategic intelligence that the covert action capability brings. Within the methodology of subversive operations, Kautilya offers a series of positional and psychological factors of the target, which the intelligence officer must exploit. Psychological factors (vices) to be exploited include anger, greed, fear, etc. while the positions that are to be targeted are as high as the *mahamatras* (high-level officials) and the defence commanders.[36] With access to the enemy's strategic leadership and knowledge of the target's psychological vulnerabilities, Kautilya's thesis would undoubtedly secure a critical position in the HUMINT pedagogical manuals of modern-day intelligence schools.[37] Therefore, Kautilya's prescription for an effective covert action network should also be regarded as a potent foundation for intelligence collection. The case chapters will indeed highlight the critical role the presence/absence of covert action capabilities played in determining India's knowledge of the enemy.

As regards recruitment, the system was advised to function on an open market basis. In fact, a cursory reading of the *Arthashastra* gives an impression that everybody is spying on everybody

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35   Ibid.

36   Kautilya systematically directs the spies to look out for individuals in the enemy kingdom who are victims of misfortune and offended by the king, impoverished, ambitious, and/or haughty. Such individuals must be then seduced by the spies (through monetary or amorous means). See: Kautilya, *Arthashastra*, 1.14.6.; To appreciate the strategic utility of Kautilya's prescriptions, it is beneficial to observe the case of Ashraf Marwan – Israeli spy in Egypt. Marwan's psychological and positional profiling plus the strategic gains realised by the Israeli intelligence by recruiting him offers the reader a validating insight into the Kautilyan philosophy of intelligence. See: Uri Bar-Joseph, *The Angel: The Egyptian Spy who saved Israel*, London: Harper Collins, 2016.

37   'Human Intelligence Collector Operations', *Pentagon Library Military Documents*, 6 September 2006, available at www.loc.gov/rr/frd/Military_Law/pdf/human-intell-collector-operations.pdf, accessed on 1 November 2019.

else.[38] A meticulous observation, however, reveals that there are three crucial factors driving recruitment – loyalty to the king/nation; subject matter expertise; and secrecy. Expertise refers both to an appropriate occupational cover without raising suspicions as well as knowledge of the area of operations. In this regard, Kautilya dictates the means to effectively exploit the varna system of the Hindu society to select the right agent for the right task. So, a monk could be a station chief/intelligence officer while a 'wandering nun' could be employed as a roving spy. To ensure loyalty to the nation, the chosen monk or nun should, first, pledge loyalty to the king; and, second, have renounced the practice of religion and assume the occupation only as a cover for espionage.[39]

Sudras (the worker community) were one of the most preferred communities for intelligence operations. Their access to the society made them an ideal pursuer of intelligence objectives – for both covert operations and counterintelligence.[40] For instance, Kautilya's prescription of using servants to monitor the integrity of state officials is closely replicated by several modern-day counterintelligence states. N. Narasimhan, a former Indian spymaster, recollected from his days in China that his domestic help spying on him had made even free movement difficult. Consequently, official interactions with diplomats of other countries, especially the Soviets and Vietnamese, had become the only source of information.[41] Thus, Kautilya's prescriptions for spy recruitment relied extensively on context, access and ability of the individual. Reflecting the relevance of Kautilya's recruitment patterns on modern-day intelligence systems, Stefano Musco has observed that:

> "building a reliable NOC requires a careful reading of the socio-political milieu in which the intelligence officers are sent, but also more creativity. Under this perspective, today political analysts, anthropologists and area experts can make great contribution…yesterday's roving philosophers and teachers are today's professors, researchers and PhD students".[42]

Whatever be the professional cover, for Kautilya, integrity and loyalty was paramount – first to the nation and the intelligence profession, and then to the occupational cover. While professing how an individual could acquire an advisory position with the king, Kautilya

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38   In the Kautilyan state, every aspect of governmental activity is based on espionage. So, "Kautilya's vision is not merely of a counterintelligence state but an untrammelled espionage state".

39   Kautilya, *Arthashastra*, 1.11.4.

40   Kautilya, *Arthashastra*, 1.12.9.; Shamasastry, *Kautilya's Arthashastra*, 1951, p. 28.

41   Interview with former Secretary (Research), N. Narasimhan, 8 November 2018.

42   Musco, 'The art of meddling: a theoretical, strategic and historical analysis of non-official covers for clandestine Humint', 2017, p. 389.

recommends knowledge of political science and a subjugation to the eternal principles of *dharma* (law) and *artha* (wealth/economics). The intelligence officers were to swear loyalty to the king, and to prove this, they had to pass a series of tests based on *dharma, artha* and *kama.* The latter denotes pleasure and enjoyment, which in modern spy-craft would entail a list of entrapments; the most widely recognised one being the 'honeytrap'. Kautilya recommends the use of a 'wandering nun', who in today's world are famed by Soviet intelligence practitioners as 'swallows', to conduct honeytrap tests. In the early 1950s, for instance, at least three Indian diplomats codenamed PROKHOR, RADAR and ARTUR were known to have been seduced by Soviet swallows that enabled Moscow to decrypt Indian diplomatic communications.[43] Hence, to avoid such undesirable occurrences and obtain the best from the intelligence officers, the *Arthashastra* advocates integrity, expertise and secrecy as mandatory qualities to seek from the market.

Recruitment of agents was on the basis of legal contracts that ensured reliability of the source and enhanced credibility of the information.[44] The intelligence officers were protected financially through the secret funds both to sustain themselves as well as the intelligence network. Clandestine agents were protected within an extra-legal framework. The Kautilyan state had a stringent judicial mechanism to punish fraudsters and criminals. These laws, however, did not apply to the clandestine agents; and, any contract with them, irrespective of the intent, was considered valid.[45] Nevertheless, to negotiate the hurdles of misinformation and duplication of intelligence, the mis-doers were usually rewarded with death. At the same time, Kautilya is judicious with the treatment of the spies and intelligence officers, and advises them that, in the event of the king depriving the personnel of wealth and honour, the officers/agents might abandon the king.[46] This is not to be regarded as a license for treason, but merely an approval of resignation. The pledge of loyalty to the state, according to the *Arthashastra*, shall remain eternal. In fact, Kautilya suggests that the resigned officials have to make use of the king's friend/ally to rectify the defects of the master and then return to the king.[47] In today's terms, this would probably mean using the legal and judicial means to rectify the ills of the system, if at all there is provision for such actions.

43   Christopher Andrew and Vasili Mitrokhin, *The Mitrokhin Archive II: The KGB and the Wider World*, London: Penguin, 2006, pp. 312–313.
44   Rangarajan, *The Arthashastra*, 1992, p. 466.
45   Ibid
46   Shamasastry, *Kautilya's Arthashastra*, 1951, p. 356.
47   Kautilya, Arthashastra, 5.5.15.

Finally, notwithstanding the antiquity of the *Arthashastra*, the text also provides some pointers that one could juxtapose with the present-day HUMINT versus TECHINT debate.[48] In advising the king to conduct deliberations in secrecy, Kautilya cautions against the presence of birds and animals in the vicinity. When reading his words, "secrecy of deliberations has been breached by parrots and starlings, even by dogs and other animals", one is reminded of technical gadgets like bugs, drones, and other signals intelligence devices that are either static or mobile but serve the purpose of intelligence collection.[49] Today, as technical means are preferred mainly for verifiability, penetration and reduced risk to human lives, birds and animals were probably chosen to reduce the risk of double crossing by agents and gain greater access without raising suspicions. However, as the inherent weaknesses in TECHINT such as its susceptibility to enemy deception and the exorbitant procurement and maintenance costs make HUMINT the more preferred means of intelligence collection, Kautilya too barely shows any interest in such means except as a reminder for the need of stringent counterintelligence measures.

Production of Knowledge: Intelligence Analysis in the Kautilyan State

Despite knowledge being the basis of Kautilyan statecraft, it is impossible to find any direct mention of intelligence analysis in the *Arthashastra*. While the exposition on intelligence collection is vast, the text demands a purposeful reading by an intelligence scholar to fathom the tenets of intelligence analysis. In so doing, it becomes evident that Kautilya has a colossal body of inputs to offer on analysis for foreign and military policymaking. An economics scholar who has devised a statistical equation to calculate power on the basis of the *Arthashastra* ranks intelligence analysis as the most important factor in enhancing national security.[50] Analysis, for Kautilya, begins right at the level of the station chiefs, before the reports are sent to the headquarters for strategic analysis. As the previous section mentioned, there were legit deterrents against duplication and misinformation. Yet, Kautilya does not discount the possibility of misreporting and enemy deception. He therefore opines that any information that has been corroborated by three different spies shall be taken to be true.[51]

48   Matthew Crosston and Frank Valli, 'An Intelligence Civil War: "HUMINT'" vs. "TECHINT"', *Cyber, Intelligence and Security*, Vol. 1, No. 1, 2017, pp. 67–82.; for modern day attempts at training animals in spying, see, Vince Houghton, *Nuking the Moon: And Other Intelligence Schemes and Military Plots left on the Drawing Board*, London: Penguin Books, 2019, pp. 7–15.

49   Kautilya, *Arthashastra*, 1.15.4.

50   Balbir Singh Sihag, 'Kautilya on Far-sight, Foresight and Freedom', in P. K. Gautam, Saurabh Mishra and Arvind Gupta, *Indigenous Historical Knowledge: Kautilya and His Vocabulary (Volume III)*, New Delhi: Pentagon Press, 2016, p. 148.

51   Kautilya, *Arthashastra*, 1.12.15.

At the all-source level of assessment, Kautilya divides the advisory business into two groups. In the first group, which is mostly about making sense of the enemy by bringing together intelligence reports from different departments, Kautilya refrains from putting a ceiling on the number of participants in the all-source analysis body. He simply says, "according to capacity" (*yathásámarthyam*).[52] The term 'capacity' has to be interpreted as strength commensurate with the issue at hand. The other group is the core group that deliberates on the action to be taken; and, here Kautilya limits the membership to precisely four members. According to the *Arthashastra*, the king is the chief of the analytical body. In fact, modern-day American intelligence scholars have only recently begun to argue that policymakers are also intelligence analysts, and hence, the danger of the policymaker rejecting professional intelligence analysis is ever-present.[53] Kautilya, however, had observed this factor two millennia ago and thus recommended that the king lead the analytical process. However, he does so with two underlying premises.

First, the king had to be knowledgeable and well-versed in the *sastras* [sciences], mostly political science. Collocating this recommendation to present day policymaking would mean that the foreign and military policymakers need to have expertise on the subjects they are dealing with. However, considering the unreliability of such utopia, Kautilya makes the second recommendation, that the king should have the quality of *learning, listening, grasping, retaining, understanding thoroughly and reflecting on knowledge*. This he ought to do in the company of four advisers to avoid the problems of single source persuasion, groupthink, or an information scarcity/abundance.[54] Having done so, Kautilya leaves it to the wisdom of the king, who is well versed in the *sastras* himself, to either take a decision or consult any other subject matter expert.[55] This segment requires greater elaboration and the following paragraphs attempt to make sense of it.

In essence, the methodology mentioned in the previous para encompasses Sherman Kent's description of strategic intelligence as an organisation, activity and product.[56] The qualities 'learning, listening and grasping' are the root ideas of the formation of an intelligence activity. The purpose of Kautilya's emphasis on an elaborate system of intelligence collection is to service the learning, listening and grasping qualities of the king. In other words, the intelligence

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52   Ibid, 1.15.47–50.
53   Stephen Marrin, 'Why strategic intelligence analysis has limited influence on American foreign policy', *Intelligence and National Security*, Vol. 32, No. 6, 2017, pp. 727–728.
54   Rangarajan, *The Arthashastra*, 1992, p. 171.
55   Ibid.
56   Sherman Kent, *Strategic Intelligence for American World Policy*, Princeton University Press, 1966.

collectors operate to inform the decision-making apparatus of the state. The next two qualities – 'retaining and understanding thoroughly' – are qualities that give birth to analysis and organisation. By retention and comprehension, Kautilya is essentially alluding to the importance of strategic analysis and institutional memory. To use Sherman Kent's words, this forms what is known as the "descriptive element" of strategic intelligence.[57] The descriptive element is derived only through knowledgeable people supported by institutional memory, who then receive the current intelligence inputs provided by the station chiefs. The information provided by the station chiefs is what Kent terms, the "reportorial element".[58]

The descriptive element is actually where the bulk of the organisational energies are invested. Unlike the mantra of the British intelligence that "intelligence is about secrets, not mysteries",[59] intelligence activity in the Kautilyan state, whilst heavily leaning on unearthing secrets, was particularly geared towards solving mysteries for the policymaker.[60] Based on the secrets gathered by the secret agents, the analysts run a strategic assessment based on the theory of *saptānga* (seven parts/comprehensive national power) – derived from the seven *prakriti* [elements] of national power. Kautilya believes an enemy's intentions can be fathomed from the assessment of the comprehensive national power, which is the sum total of the seven elements – the king, minister, people, fortress, treasury, army and alliances. The credit for identification of this methodology of analysis must go to Liebig who writes that the "concept of state power as an aggregate of seven *prakritis* provides excellent *theoretical tools for intelligence analysis*" [emphasis original].[61] However, Liebig falls short in exploring strategic culture as an aspect of intelligence analysis.

Liebig's exclusion of strategic culture is understandable, as Kautilya, by default, presumes an aggressive intent on part of the enemy and also the strategic environment in which the Kautilyan state exists is composed of Hindu societies where patterns of thought and actions are fairly uniform. In the modern scenario, however, where each nation-state operates on independent notions of history, tradition and interests, culture forms an important aspect of decision-making.[62] As the case chapters in this book shall reveal, it was this factor more than

57   Ibid, p. 11.
58   Ibid, pp. 7–8.
59   Philip H.J. Davies, 'Ideas of Intelligence: Divergent National Concepts and Institutions', *Harvard International Review*, Vol. 14, No. 3, 2002.
60   It is also this aspect that leads many observers to incorrectly declare several policy failures (mysteries) as intelligence failures (secrets) – this will be evident in the case studies section of this book.
61   Leibig, 'Statecraft and Intelligence Analysis in the Kautilya-Arthashastra', 2016, p. 54.
62   Anna Derinova, 'The Role of Social Institutions in Shaping Strategic Culture', *E-International Relations*, 29 April 2013, available at www.e-ir.info/2013/04/29/the-role-of-social-institutions-in-shaping-

anything else that inhibited analysis of the enemy's intentions. For Kautilya, nonetheless, knowledge of the enemy's strategic culture was crucial. According to the *Arthashastra,* it is not only important to know the *saptānga* analysis of the enemy but also how the enemy perceives his own national power.[63]

To elaborate, Kautilya suggests that the *saptānga* framework of analysis should lead to the prediction of the enemy's actions/policies, which are confined within *sādgunya* [basic measures of foreign policy]. Although it might seem simple and clear to draw a correlation between *saptānga* and *sādgunya*, i.e. the state power and foreign policy choices, Kautilya cautions that there might be deviations from the norm.

The *sādgunya* (foreign policy choices) that Kautilya offers are:[64]

1. *Samdhi* [peace]: the rival state is stronger and will remain so in the foreseeable future.
2. *Vigraha* [war]: the rival is vastly inferior in power.
3. *Āsana* [neutrality]: the correlation of forces is balanced.
4. *Yāna* [war preparation, coercive diplomacy]: one's own power is rising vis-à-vis the rival state.
5. *Samśraya* [alliance building]: the rival state's power is rising faster than one's own.
6. *Dvaidhībhāva* [diplomatic double game]: the constellation among rivals and allies is very fluid.

Notwithstanding the logical soundness of the *sādgunya* theory, Kautilya shows maturity in offering a series of alternatives that recognise the fact that an enemy need not behave according to the tenets of the *sādgunya* theory. A series of hypothetical scenarios are built in Book VII, and consequently policy prescriptions are presented.[65] What this essentially conveys to an analyst is that, whilst social sciences can offer methodological frameworks for analysis, it is the empirical observations of the enemy's strategic culture that allows objective analysis and production of estimates. That the observation of the enemy's strategic culture was central to Kautilya's military policy and planning is an important factor and is revisited in the later section while discussing the intelligence-military relationship. However, before moving there, it is necessary to briefly examine the analytical models and prescriptions made in the *Arthashastra,* that have remained valid to this day.

Kautilya's reflection on the numerical representation in the all-source analysis organisation is not merely a quantitative articulation, but a well thought out strategy against common analytical challenges observed by intelligence scholars.[66] It appears that Kautilya was clearly

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strategic-culture, accessed on 10 December 2019.; Alastair I. Johnston, 'Thinking about Strategic Culture', *International Security*, Vol. 19, No. 4, 1995, pp. 32–64.
63   Rangarajan, *The Arthashastra*, 1992, p. 507.
64   Leibig, 'Statecraft and Intelligence Analysis in the Kautilya-Arthashastra', 2016, p. 57.
65   Kautilya, *Arthashastra*, 7.1.1–7.15.28.
66   Ibid, 1.15.36–40.

aware of the impact of psychological and structural impediments to analysis and dissemination. The *Arthashastra* argues that the decision-making process is on flimsy grounds if the ruler relies on a single analyst. Similarly, relying on two or three analysts will give rise to "groupthink" or "conflicting analysis".[67] Kautilya thus warns that, "holding consultations with two [or three analysts], he [the king] is controlled by [them] if united and ruined by them if at war with each other".[68] With four analysts, Kautilya regards such occurrences difficult, but not impossible.[69] In order to caution against such hazards, modern-day scholars of intelligence analysis like Richards Heuer, Jr. have advocated the use of "devil's advocacy" and "analysis of competing hypothesis" models to eliminate psychological and mental constraints to analysis and improve predictability.[70] Kautilya does not explicitly mention any such analytical models, but they are embedded in the advice he offers to the king while consulting his analysts. Accordingly, the king must consult the analysts both "individually" and "jointly" and in so doing must "ascertain their different opinions along with their reasons for holding them".[71] Therefore, by extension, all theories and hypotheses that the analysts held were subject to scrutiny by the consumer.

Intelligence-Consumer Relationship in the Kautilyan State

On the basis of the descriptive and reportorial elements, Kautilya has drawn attention to the last quality, i.e. 'reflecting on knowledge'. This is what Kent terms the "speculative element" that essentially goes on to become the intelligence product.[72] In fact, the *sādgunya* theory is meant to facilitate the production of intelligence estimates, which are futuristic and predictive by nature. Nonetheless, the speculative element acquires a unique character, as it is this segment that interacts with the consumers of intelligence. It is here that the intelligence cycle approaches a full rotation and meets the consumers. Kautilya has shown profoundness in giving due importance to both professional intelligence analysis and political analysis. The text forbids

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67   Following the 2003 Iraq debacle, the Senate Select Committee on Intelligence's report on the US Intelligence Community's pre-war assessments noted that the it "suffered from a collective presumption that Iraq had an active and growing weapons of mass destruction (WMD) program. This "group think" dynamic led intelligence community analysts, collectors and managers to both interpret ambiguous evidence as conclusively indicative of WMD program…". Such are the perils of "group think" that Kautilya is cautioning against. For the above quote, see Richards J. Heuer, Jr., 'Limits of Intelligence Analysis', *Orbis*, Winter 2005, p. 75.

68   Kautilya, *Arthashastra*, 1.15.37.

69   Ibid, 1.15.38–39.

70   For a detailed discussion on intelligence analysis see Richards J. Heuer, Jr., 'Psychology of Intelligence Analysis', Center for the Study of Intelligence, 1999, available at www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/psychology-of-intelligence-analysis/PsychofIntelNew.pdf, accessed on 27 November 2019.

71   Kautilya, *Arthashastra*, 1.15.43–44.

72   Kent, *Strategic Intelligence for American World Policy*, 1966, p. 59.

the king from taking unilateral decisions. Yet, realising its inevitability, Kautilya warns that such decisions must remain within the confines of the *sastras* (sciences) in order to limit any potential disaster.

It is indeed astonishing how Kautilya's perspectives on intelligence-consumer relationship are so closely reflective of modern-day challenges. The *Arthashastra* never steered away from analytical objectivity, as it required the analysts to swear by the nation and pledge adherence to *dharma* and *artha*. Based on this intentional purity, Kautilya has asserted that in matters of national interest the analysts must speak without procrastination.[73] This is an indication that Kautilya prioritised objectivity and earnestness over concerns of 'cry-wolf' syndrome affecting consumer receptibility. Politicisation of intelligence was outrightly unpardonable. Analysts had to refrain from presenting analysis with the purpose of pleasing the monarch.[74] Yet, the analysts were also cautioned about the ills of upsetting the monarch with unsavoury reports. In these conditions, Kautilya recommends maintaining silence over reporting something that is unwelcome and likely to provoke the king. Modern intelligence scholars are likely to disagree with this suggestion. However, putting it in the right perspective might invoke a thought process regarding Kautilya's perspective on intelligence-consumer relationship.

As mentioned earlier, in the Kautilyan state, it was mandatory for the king to consult the intelligence organisation and his other councillors before taking any decision. In this multi-agency all-source analytical process, the Kautilyan system comes to resemble the British Joint Intelligence Committee in structure where the representatives of the Secret Intelligence Service (SIS/MI6), Foreign and Commonwealth Office, Ministry of Defence, Home Office, HM Treasury, Cabinet Office and any other department meet on a need basis, discuss and deliberate and finally submit a *consensual* report to the political leadership.[75] However, in effect, the Kautilyan system operated like the American system where dissenting voices were also presented to the consumer.[76] This happened both because the monarch was a party to the all-source deliberations as well as a reviewer of the analysts' conclusions (mentioned in the previous section). Notwithstanding the ceiling on membership in the all-source analytical organisation to four people, it was still considered impossible to avert the negative ramifications of contrarian reports and suggestions on the monarch's decision-making faculties. It was against this backdrop that Kautilya advised the analysts not to present any

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73   Rangarajan, *The Arthashastra*, 1992, p. 176.
74   Ibid, pp. 176–177.
75   Philip H.J. Davies, 'Intelligence culture and intelligence failure in Britain and the United States', *Cambridge Review of International Affairs*, Vol. 17, No. 3, p. 501.
76   Ibid, p. 502.

report that, short of an all-department consensus, was poised to upset the king. He has written that:

> "even competent people may be cast out if they say unwelcome things; and, undesirable people who know the mind and inclinations of the monarch may become favourites".[77]

The merits of Kautilya's prescription may, nevertheless, invoke differences among scholars. But insofar as Kautilya was concerned, intelligence-consumer relationship was given greater priority over, what would be termed today as, analytical professionalism.

The other important consumer of intelligence – more so from this book's point of view – the military, also figures prominently in the *Arthashastra*. According to Kautilya, the commander-in-chief had to be a thorough intellectual besides being an operational genius. With relation to intelligence, it was mandatory that he had a clear knowledge of the capabilities of the enemies, the allies and the neutral kingdoms; the types of armies – hereditary troops [*maula*], hired troops [*bhrita*] and mercenaries [*sreni*]; and, the strength of the cavalry, elephants, weapons and other war equipment.[78] Yet, as a policy analyst, he also had to be aware of the conditions that facilitated a particular military decision. In other words, the commander-in-chief had to be aware of the enemy's strategic culture.[79]

Kautilya has written that the commander-in-chief has to be "trained in the science of all kinds of fights and weapons", which suggests a mandatory requirement of theoretical knowledge on warfare.[80] However, he also uses the term *pratyanīkam,* which signified military planning in accordance with the military posture of the enemy.[81] This meant that the commander-in-chief, not only required a thorough understanding of warfare in theory, but also a comprehensive appreciation of the enemy's understanding and application of the principles of warfare. Such intellectual pursuit in modern parlance would be termed 'professional military education'. In intelligence analysis, however, education is about possessing two-dimensional knowledge, i.e. theoretical and empirical, a lack of which is held accountable for "mirror-imaging" – a situation where the analysts assume that, given the circumstances, the other side is likely to behave the same way as we would.[82] To avoid falling victim to such cognitive traps, Kautilya has deemed

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77   Rangarajan, *The Arthashastra*, 1992, p. 177.
78   Kautilya, *Arthashastra*, 2.33.1–11.
79   Ibid.
80   Ibid, 2.33.9.
81   Ibid, 2.33.10.
82   Heuer, Jr., 'Psychology of Intelligence Analysis', 1999, pp. 70–71.

an all-faceted knowledge of the enemy critical. As the case chapters shall reveal, it was this crucial aspect that was missing in both the 1962 and 1999 wars.

Operational and tactical intelligence aspects are fairly straight-forward and self-explanatory throughout the text. Therefore, to sum up, according to the *Arthashastra*, no war or battle could be conducted without strategic intelligence. This led the Kautilyan state to function on a vibrant intelligence-consumer relationship. It was accepted that decision-makers were also analysts, operating at an extremely crucial stage of policymaking. In this regard, the system desired a balance by tailoring intelligence reports to suit consumer needs whilst emphasising on consumer education to avoid intellectually poor decisions that would invite disasters.

The Role of Intelligence Alliances in the Kautilyan State

International intelligence alliances and co-operation is another area where Kautilyan thoughts are a clear reflection of the nature of modern-day liaison networks. The *Arthashastra* does not make any explicit mention of intelligence liaisons, but an intelligence scholar cannot escape the temptation to draw inferences from Kautilya's exposition on inter-state alliances. Within this framework, his clearly mentions all the challenges and opportunities that today's international intelligence alliances face.

The *Arthashastra* has argued that alliances are built either for consolidation of power or expansion of the kingdom.[83] The moral basis for a state's actions (*rajadharma*), aimed at achieving the welfare of the people (*yogakshema*), therefore, does not apply to the conduct of alliances. Kautilya places alliances as the only external factor in calculating the state power but is realistic in observing the 'need-based/ self-interest driven' character of the allies. Applying this character to modern day intelligence operations, it appears as though he is echoing the age-old intelligence dictum that 'there are no friendly secret services, there are only secret services of friendly states.' In other words, "clandestine agencies pursue national interests ruthlessly against friends and foes alike".[84]

One intelligence scholar has described this interplay between intelligence and international politics as "adaptive realism".[85] Accordingly, intelligence allows 'smart' states to maximise power and security through creation of effective strategies, alliances and balancing against

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83   Shamasastry, *Kautilya's Arthashastra*, 1951, p. 374.

84   Richard J. Aldrich, 'Dangerous Liaisons: Post-September 11 Intelligence Alliances', *Harvard International Review*, Vol. 24, No. 3, 2002, p. 50.

85   Jennifer Sims, 'Defending adaptive realism: intelligence theory comes of age', in Peter Gill, Mark Phythian and Stephen Marrin, *Intelligence Theory: Key Questions and Debates*, London: Routledge, 2009, p. 158.

adversaries. Hence, intelligence liaisons cannot be judged on how they operate, rather they ought to be judged on why they exist. In this regard, both the Kautilyan theory of intelligence as well as modern western theories of intelligence meet and agree that intelligence alliances are built solely for the maximisation of one's own power. Consequently, states have had to pay careful attention to the intention and the capacity of the alliance partner.

Theoretically speaking, when several criteria demand close co-operation between intelligence services, a strategic partnership logically emerges. Tactical alliances, for their part, are a result of certain interests meeting; and the costs of strategic partnerships being deemed too high. The criteria for strategic alliances that Kautilya has laid down are – *an ally of the family for a long time (read: ideological partners), amenable to control, powerful in support, sharing a common interest, ability to extend reach and is 'not a man who betrays'*.[86] Modern international intelligence relationships are also built on such ideological characteristics which are of strategic nature (the Five-Eyes or the Warsaw Pact intelligence services). These relationships are also crafted on the basis of mutual interests – anti-communism driven co-operation between the NATO countries; and, tactical arrangements, for instance between the U.S. and Syria against Sunni extremism.[87] Intelligence co-operation is not only about sharing information and assessments but also sharing assets and territory, which is what Kautilya called the 'ability to extend reach'. The U.S.-Pakistan intelligence liaison through the Cold War and later is a perfect illustration of this factor.[88] Finally, Kautilya's pointer - 'not a man who betrays' – is what has caused several difficulties and dilemmas in most international intelligence relationships.[89] These concerns cover a range of issues from source protection to an abidance with the 'third party rule' that forbids sharing of intelligence received from one party with another.

The dilemma in establishing intelligence relationships is aptly reflected in Kautilya's words:

> "[the gains of alliances] cannot be computed simply as a mathematical calculation…
> one should take into account the overall benefit which includes the immediate gain as

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86   Bisht, 'Bargaining and Negotiation Analysis: Lessons from Arthashastra', 2016, p. 113.

87   Adam D. Svendsen, *Understanding the Globalisation of Intelligence*, Basingstoke: Palgrave Macmillan, 2012.

88   For an exposition on the nature of US-Pakistan intelligence co-operation see Dheeraj P.C., 'U.S.-Pakistan intelligence liaison in South Asia's age of terror: a realist analysis', *Journal of Policing, Intelligence and Counterterrorism*, Vol. 12, No. 2, 2017, pp. 142–157.

89   Stephen Lefebvre, 'The difficulties and dilemmas of international intelligence cooperation', *International Journal of Intelligence and Counterintelligence*, Vol. 16, No. 4, 2003, pp. 527–542.

well as potential future gain. Sometimes, it may even be advisable to forgo any apparent benefits".[90]

However, from the perspective of weaker nations like India, Kautilya's prophecy needs careful attention. In, what he has termed, 'exceptionally unequal' relationships, only one party in the alliance receives disproportionate benefits.[91] To be clear, in intelligence it is difficult to measure strength. One agency might be well-funded, while another might have information dominance in a particular geography pertaining to the former's interests. Therefore, accepting the fact that the power balance in intelligence relationships are never constant, one can learn from the *Arthashastra* that alliances have to be judged on the basis of one's own utility and, thereby, be concluded as "acceptable or hostile" partnerships.[92] For instance, Kautilya has written that, if a stronger state is experiencing a crisis, it is in the interest of the smaller state to accept the alliance proposal but make unreliable contributions.[93] In the modern world, this is exactly what Pakistan has been doing with the U.S. post-9/11. Threats of being bombed back to stone age by Richard Armitage, the then Assistant Secretary of State, compelled the Pakistani Inter-Services Intelligence (ISI) agency to initiate co-operation with regards to Afghanistan, but as decades have passed it is only getting clearer that the ISI reaped the benefits of the alliance, while offering little strategic value to the Central Intelligence Agency.[94]

Similarly, if a stronger nation seeks the co-operation of a weaker nation in another instance with much lesser survival stakes, then the weaker nation, according to Kautilya, can enjoy the liberty of either accepting it or rejecting the proposal as 'hostile'.[95] This is a condition where the weaker nation gets lesser than it is entitled to receive by entering into an alliance, but a lot more to lose by thriving in it. As the later chapters in this book will highlight, this is exactly how India's intelligence relationships with the Anglo-American agencies have evolved. Thus, the bottom-line for a Kautilyan theory of intelligence alliances is that a thorough cost-benefit analysis plus a situational assessment should determine if a particular alliance can assume a strategic, tactical or hostile character. To conclude this section, a quote from the *Arthashastra*:

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90   Rangarajan, *The Arthashastra*, 1992, p. 550.
91   Ibid, p. 549.
92   Ibid, pp. 551–556.
93   Ibid, p. 555.
94   'Bush threatened to bomb Pakistan, says Musharraf', *The Guardian*, 22 September 2006, available at www.theguardian.com/world/2006/sep/22/pakistan.usa, accessed on 27 November 2019.; Dheeraj, 'U.S.-Pakistan intelligence liaison in South Asia's age of terror: a realist analysis', 2017, pp 152–155.; Robert Johnson, 'Pakistan's ISI and Covert Operations in Afghanistan', in Philip H.J. Davies and Kristian Gustafson (eds), *Intelligence Elsewhere: Spies and Espionage outside the Anglosphere*, Washington DC: Georgetown University Press, 2013, pp. 115–140.
95   Rangarajan, *The Arthashastra*, 1992, p. 555.

"a friend keeps up his friendship as long as money is forthcoming. Thus, the determination of the comparative seriousness of the calamities to the various elements of sovereignty [is inevitable]".[96]

Therefore, notwithstanding the security situation and threat perception, the sovereignty of one's own turf is more important than upholding the principles of an intelligence alliance.

Kautilya's Perspective on Intelligence Failures and Surprises

Intelligence failures and surprises in the *Arthashastra* are represented as *vyasana* [calamities/vices]. Kautilya perceived surprises as occurrences that have a psychological effect on the happiness of a person.[97] To him, national security was paramount as the security of the state was the aggregate security of the people. However, what does the *Arthashastra* have to say about aversion of surprises/calamities? Does Kautilya suggest that intelligence is failproof? Kautilya does not provide a clear-cut answer to this question but appears to take a middle path, as he championed an elaborate intelligence system, but at the same time argued vociferously for military preparedness, which suggests that he did consider intelligence to have its limitations.

The entire Book VIII of the *Arthashastra* is dedicated to the understanding and remedying of the calamities. They could occur in any one of the *prakritis* (constituent elements) and Kautilya has offered remedial measures to fix each and every one of them. The extensive network of spies working as a counterintelligence shield was meant specially to overcome the vices of men who were employed as ministers or personnel in the army or treasury; or even that of an ally. The remedial measures addressed both psychological and organisational discrepancies. Organisational loopholes included corruption, subversion etc. that could be fixed by counterintelligence measures while psychological shortcomings like greed, lust, etc. could effectively be tackled through disciplining measures.[98]

According to Kautilya, maintenance of peace and prosperity, to a large extent, depended on preparedness. Foresight formed the basis of preparations; but foresight as a quality was not entirely a derivative of facts and intelligence alone. One's intuition also had a great role to play

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96 Shamasastry, *Kautilya's Arthashastra*, 1951, p. 448.
97 Ibid, p. 467.
98 Rangarajan, *The Arthashastra*, 1992, pp. 80, 473, 647.

in determining decisions.[99] Intuition should not imply that astrology was the basis of decision-making in the Kautilyan state. In fact, Kautilya argued that:

> "wealth will slip away from that childish man who constantly consults the stars. The only guiding star of wealth is wealth itself; what can the stars of the sky do?"[100]

This is also not to suggest that Kautilya did not believe in divine interventions.[101] It is just the principle of 'prevention is better than cure' that Kautilya was alluding to. In matters of economy and security, Kautilya relied more on knowledge and power over astrology and divine dispensation (*daiva*). Even when he prescribed the appointment of priests, he demanded that the candidate be:

> "thoroughly trained in the Veda with its auxiliary sciences, in divine science, in omens and *in the science of politics* and capable of counteracting divine and *human calamities* by means of Atharvan remedies." [emphasis added][102]

Thus, Kautilya argued that intelligence was absolutely necessary to predict the future. His conviction for intelligence is visible when he asserts that "if the cause of [the calamity] is knowable, and hence, foreseeable, its origin is human".[103] In short, it is an intelligence failure. Yet, in matters of national security, he regards maximisation of defence capabilities as the safest bet.[104] *Mantrashakti* (knowledge/intellectual power) was best exploited alongside *prabhavshakti* (hard power) and *utsahashakti* (intangibles like morale, energy, courage, spirit).[105] Thus, the Kautilyan state was built on the power of knowledge, but this knowledge has also taught the king that material strength was equally important in statecraft. In other words, a strong military capability is as important as intelligence warnings in averting strategic surprises.

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99   Naresh Khatri and Alvin H. Ng, 'The Role of Intuition in Strategic Decision Making', *Human Relations*, Vol. 53, No. 1, 2000, p. 62.

100   Rangarajan, *The Arthashastra*, 1992, p. 25.

101   Sachin More, 'Kautilya on state fragility in contemporary security environment', in P.K. Gautam, Saurabh Mishra and Arvind Gupta, *Indigenous Historical Knowledge: Kautilya and His Vocabulary (Volume I)*, New Delhi: Pentagon Press, 2015, p. 16.

102   Kautilya, *Arthashastra*, 1.9.9.

103   Rangarajan, *The Arthashastra*, 1992, p. 519.

104   Sihag, 'Kautilya on Far-sight, Foresight and Freedom', 2016, p. 146.

105   G. Adityakiran, 'Kautilya's Pioneering Exposition of Comprehensive National Power in the Arthashastra', in P.K. Gautam, Saurabh Mishra and Arvind Gupta, *Indigenous Historical Knowledge: Kautilya and His Vocabulary (Volume I)*, New Delhi: Pentagon Press, 2015, p. 29.

Kautilyan Intelligence Culture in Summation

In summary, the Kautilyan state was based on knowledge and foresight. The latter was a derivative of the former. Simply put, the Kautilyan state was *intelligence literate*. Because of such literacy, intelligence institutions took shape and the consumers were mandated to engage with the intelligence institutions on a regular basis. Organisationally, the operational culture was marked by proactiveness and vibrancy to cater to the consumers' needs, while the consumers, for their part, had to sustain a culture of intellectual curiosity to sufficiently appreciate the utility and limitations of intelligence. A systemic level of professionalism existed to reward the meritorious and punish the worthless; and, international intelligence co-operation was marked by a realistic cost-benefit analysis. Finally, alongside secret intelligence, other deterrent capabilities were also given equal importance. Thus, the evolution of the Kautilyan intelligence culture owes it to the "knowledge culture" of the Kautilyan state. Knowledge culture by definition entails:

> "knowing who we are…the values, beliefs and behavioural norms that determines the success of knowledge management. [This] ranges from the highly explicit, visible organisational structures and procedures to those highly tacit, largely out-of-awareness, *deeply imprinted core beliefs* that guide [the states'] behaviour". [emphasis added][106]

As the Kautilyan state firmly believed in knowledge as the basis for survival, the successful management of knowledge at the organisational and systemic levels was achieved through intellectualism and operational finesse. It was this knowledge culture that went missing from the post-independence Indian state and led to severe weaknesses in the intelligence organisation. As the coming chapters will expose, the top-down approach of the Kautilyan state escaped the Indian state, leaving much of the burden on intelligence managers. Far-sightedness was replaced by myopia; operational courage was replaced by a culture of risk aversion; and most importantly, the knowledge-based policymaking was replaced by adhocism. How did this come to happen? What factors intervened in determining the modern Indian intelligence culture? Understanding the death of the Kautilyan state and the birth of the modern Indian state requires investigation of an important intervening variable, i.e. colonialism. In addition, as post-independence intelligence bureaucracies trace their origins to the colonial period, a study

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106   Leo-Paul Dana, Len Korot and George Tovstiga, 'A Cross-National comparison of Knowledge Management practices', *International Journal of Manpower*, Vol. 26, No. 1, 2005, p. 10.

of the British legacy on Indian intelligence culture is inevitable. The following chapter explores this.

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