

The Indian Concept of Money: A Literary Survey

Dr. Chandan Sharma

Associate Professor of Economics Morigaon College (A), India

DOI: <https://dx.doi.org/10.51244/IJRSI.2026.1304000255>

Received: 24 April 2026; Accepted: 29 April 2026; Published: 20 May 2026

ABSTRACT

Indian society has given importance on money and wealth from the ancient time itself. The Vedic literature identifies four main objectives of human life—*dharma*, *artha*, *kama* and *moksha*. To fulfill the other three objectives, earning of *artha* was given importance. By the term *artha* includes wealth, means of livelihood, financial security and economic prosperity. The other scriptures like *Upanisads*, *Bhagavat Geeta*, *Manu Samhita*, *Bhagavata*, Kautilya's *Arthashastra*, *Thirukural* in Tamil etc. also deals to great extent the monetary aspects. The modern economic theory mainly emphasizes on efficient utilization of resources to maximize individual satisfaction. Money plays an important role in maximizing production, consumption and satisfaction. In the race of product maximization certain problems like income inequality, environmental degradation, health hazard, tragedy of commons etc. emerge. To solve these problems concept of money need to be discussed in the view of ancient Indian texts. The present study tries to analyze the Indian perception of money and wealth available in scriptures of ancient times; also tries to find the differences between ancient and modern concepts of money. After discussion it is found that the ancient Indian scripture discusses about the nature of money, ways of earning money, it's spending, tips for better management of money so that maximum social welfare could be achieved.

Keywords: Money, Indian, Welfare, Earning, Spending

INTRODUCTION

The word 'money' is derived from the Latin word 'Moneta' which was the surname of the Roman goddess of Juno in whose temple at Rome, money was coined for over four centuries¹. Money plays an important role in the development of human civilization. It facilitates surplus production. Money helps by quoting the prices into monetary unit. Medium of exchange being the primary function of money facilitates the exchange of goods and services. By doing so it lessens the time and effort required to carry on economic transactions. Because, before money came into use, barter system was widespread where a person willing to exchange a good had to search for another person who wanted his commodity as well as had possession of good wanted by him. The barter system involved high costs of trading, namely search cost and disutility of waiting. The lack of double coincidence of wants along with other problems like store of value, common measure of value and deferred payment diminished the barter system and gave way to money. The money passes through different phases before reaching the present stage of paper currency. They were— animal standard, commodity money, bullion standard and coinage. In the first stage different animals like goat, cow, horse etc. were used as currency or medium of exchange. Due to the difficulties like protecting the animals from diseases leading to sudden fluctuation of supply thereby causing instability of maintain the value of money. To get rid of the difficulty of animal standard people started to use some precious things like skull, shell etc or metals like gold and silver. To make exchange of goods and services more convenient coinage made of gold and silver were used. Ultimately the stage of paper currency has arrived. The modern economic theory originates after Adam Smith published his book 'The Wealth of Nations' in the year 1776. The modern economic theory mainly emphasizes on efficient utilization of resources to maximize individual satisfaction. Money plays an important role in maximizing production, consumption and satisfaction. In the race of product maximization certain problems like income inequality, environmental degradation, health hazard, tragedy of commons etc. emerge. To tackle these problems new branches of economics, namely, welfare economics and environmental

economics have been developed. However, since the concept of money in modern economic theory remains the same the above mentioned problems persists.

Statement of the Problem

There is a general belief that Indian scholars of ancient times emphasized more on spirituality rather than on material development. The *Rishis* were living amidst the forest far away from human habitants and advocated for salvation. They survived on alms from others without doing any work by themselves. They propagated the ideology of *sanyas* or renunciation from material life. Their detachment from family life or productive purposes hindered progress of Indian society. However, if we go through the ancient literatures another picture is found. For example, the Rig Veda set earning of *Artha* a prime motive of human life. There are several Hymns of the Rig Veda which attributed to Gods for attaining material prosperity. Other literatures like *Upanisads*, *Bhagavat Gita*, *Manu Samhita*, *Bhagavata*, Kautilya's *Arthashastra*, *Thirukural* in Tamil etc. also deals to great extent the monetary aspects. Therefore, a proper study of the Indian concept of money and wealth may give a solution to problems like income inequality, poverty and environmental degradation.

LITERATURE REVIEW

Sing (2023) in the article '*Economy and Institutions in Ancient India*' states that ancient Indian literatures wealth (*artha*) not merely as material accumulation but as part of a broader ethical and social framework tied to *dharma* (righteousness) and *kama* (desire). **Rathor (2026)** in his paper '*Economic Ethics in Ancient India: Vedic Morality, Taxation, and Fiscal Governance in Textual Traditions*' highlights how ancient Indian thought integrated economics with morality, offering a multidimensional model that transcended profit maximization. It argues that this ethical-economic framework not only ensured social justice and sustainability in antiquity but also offers enduring insights for contemporary debates on equitable development, responsible governance, and ethical economics. **Dwivedi (2019)** in his work '*Wealth and its Various Aspects as Depicted in Vedic Literature*' opines wealth played a significant role at individual as well as at national level during Vedic period. Taking inspiration from Vedic tradition one could develop his or her material capability and that too in accordance with *dharmic* values. **Swamy et.al (2021)** in the study '*Yogic Principles of Artha and Dana with reference to Individual and Corporate Social Responsibility*' shows that Vedic hymns encourage wealth accumulation but emphasize ethical acquisition and redistribution, suggesting that prosperity must benefit society at large. **Malu et.al (2025)** in the work '*Trust, Charity and Wealth: The Role of Indian Knowledge System in Social Finance*' explores how ancient Indian texts and practices ranging from the Vedas, Manusmriti, and Bhagavad Gita, to the Arthashastra emphasizes a value-based economic model where wealth creation is harmonized with social responsibility.

Thus the available literatures clearly indicate that the concept of money and wealth in ancient Indian texts was integrating material prosperity with ethical responsibility to maximize social welfare. Understanding this holistic approach provides relevant insights for contemporary discussions on sustainable and ethical economics.

Objectives

The present study tries—

- (a) To analyze the Indian perception of money and wealth available in scriptures of ancient times.
- (b) To find out the differences between ancient Indian economic theory and modern economic theory.

METHODOLOGY

This paper follows descriptive analysis method. Information are gathered from secondary sources. For collection of data few ancient Indian Scriptures were surveyed. For the purpose of cross-checking books, articles and web materials were also consulted.

DISCUSSION

Origin of Indian Money

During the Indus Valley Civilization which was flourished between the period 3000 B.C. to 1500 B.C., the society witnessed a developed economy. The agriculture, industries and crafts, business, urbanization, etc. were at peak. There was flourishing external trade relations with Mesopotamian and Persian countries. However, there was no metallic money in circulation and trade was conducted by means of barter.² The Vedic literature identifies four main objectives of human life—*dharma*, *artha*, *kama* and *moksha*. To fulfill the other three objectives, earning of *artha* was given importance. By the term *artha* includes wealth, means of livelihood, financial security and economic prosperity. According to J. Koller, *artha* has multiple meanings, all of which imply ‘means of life’, activities and resources that enable one to be in a state one wants to be in.³ In broader term, *artha* includes knowledge, friendship and love besides material assets. The Rig Veda uses different terms to represent money and wealth like—*basu*, *waja*, *royi*, *ratna*, *dhana*, *dhanam*, *hiranya*, *bhaga*, etc. The term *purandhi* was used to represent the state of abundant wealth, which people desired to achieve. Indra was regarded as owner of money and wealth. Besides Indra, other Gods related to wealth were Agni, Usha, Savita, Ashini, Pusa and Marut. People offered *Yajnas* to satisfy the Gods so that they would bestow the *Yajmans* with plenty of wealth. During the early Vedic period wealth was composed of cow, food, cart etc. Other cattle like goat, sheep and horse also included in the wealth.⁴ The Rig Veda mentions ‘*gomat ashavat waja*’ which means cows and horses are wealth. In another reference cow is regarded as the god of wealth (*gomat wajasya ishara*). Hymn 83 of Book I cited that a person who acquires large number of cows got the first position in the society. There is also reference that cow was used as money or medium of exchange. Hymn 24 of Book IV of Rig Veda says—

‘A customer is trying to buy wine (*soma*) and fried barley from a priest as sacrificial offerings to seek Indra’s favour. Customer bids low price and the offerings remain unsold, for priest is not ready to accept low price. The offerings just cannot be sold for a mere price of ten cows’.⁵

Gradually the society entered into the stage of commodity money. Gold came into existence as a medium of exchange. Hymn 112 of Book IX refers ‘an arrow-smith seeks someone who will pay him in gold’. The Rig Veda also mentions about *nishha*, the unit of currency made of gold.

The Yajur Veda in the treatise of *Kathopanishad* emphasizes on social welfare. It’s one verse says— ‘May all be happy, may all be free from disease, may all realize what is good, and may none be subject to misery’.⁶

The mean of attaining maximum social welfare is generation of *artha*. By involving in productive activities, one could earn money and wealth. The *Isha Upanishad* chapter of Yajur Veda reads ‘to live a life of hundred years one must perform one’s household duties’. Everybody should involve in economic activities and should not be a burden on others. The *Isha Upanishad* also states that one’s wealth generation capacity depends on many factors, namely, his entrepreneurial skill, reward from his past activities, intelligent charity and thoughtful spending.

Charvak, a great philosopher established a school based on materialist ideology known as *Lokayat*. He advocated that people should spend his money to fulfill all his requirements in the lifetime itself, instead of accumulating wealth. After death money has no utility to a person. One should enjoy everything, and for this he should not hesitate to take loan. His famous quote says—

‘As long as you live, live happily. Drink *ghee* (clarified butter) even if you may have to borrow money. For, once consigned to flames (after death), who can return (to enjoy life)?’⁷

The *Bhagavat Geeta* mentions that there is fundamental difference between economics and religious aspects (*arthasastra sito dharma sastra nohe*—chapter-1, v.33). This scripture gives emphasis on earning money by a rightful way and at the same time mentions the need of spending money properly. According to it money is a mean to achieve happiness. Verse 340 of Chapter-5 states that a person who earns enough money by involving

in many businesses, but afraid of spending money, has no utility of money. Similarly, Verse 673 of Chapter-9 argues that there is no need of offering money to God to satisfy him because Lord Krishna is the husband of Laxmi, i.e, goddess of wealth.

The *Manu Samhita* discusses various economic aspects including money and wealth. It dedicated the entire 7th & 8th chapters on the matter of public finance. The book placed money earned by legal way in noble list along with other four things. Verse-90 of Chapter-1 refers that money must be invested for the growth of business, and this task is assigned to the *baisyas*. The book emphasized that by practicing good conduct one could earn innumerable wealth (Ch.4, v.156). There is also reference of units of money. *Kari* (cowry), gold, silver and copper etc. were used as money. The smallest denomination of Gold money is known as *rati* or *krishnal*. Five *rati* is equal to one *ana* or *maha*; sixteen *ana* consists of one unit of Gold money. Four units of gold money were known as *niska* (Ch.8, v.134). Units of Silver money were *pala*, *dharan*, *roupya masak* and *rajat* (Ch.8, v.136). Similarly, units of copper money were *karsik* and *pana*. Manu also maintains that people must save money to meet future unforeseen calamities (*apadarthang dhanang raksheddaran*).⁸

Kama Sutra written by Vatsyayana describes the meaning and purpose of *artha*. It defines *artha* as the acquisition of wealth, lands, cattle, equipage as well as arts and friends. Vatsyayana explains that *artha* is the protection of what is already acquired, and the increase of what is protected.⁹

Kautilya in his book *Arthashastra* discusses about wealth from macro point of view. He put forwarded sustainable means of acquiring wealth. According to him growth of wealth is essential for improvement in economic welfare. Wealth is acquired from natural resources, i.e, from earth and both sustenance and livelihood depend on wealth. In livelihood he included agriculture, animal husbandry, trade and commerce etc. When economic activities expanded it generated more revenues to state treasury through taxation. The government would spend this revenue in internal and external security of the state which ultimately contributed economic welfare¹⁰. Kautilya also mentions about personal finance. He gave various financial mantras how to earn wealth and how to manage wealth. According to him a person is bound to attain success if he starts his work with adequate planning. In case of making expenditure, one must be cautious. He states—‘One should wear ornaments according to one’s financial capacity’. Kautilya argues that wealth must be reinvested to generate more wealth. One way of spending money in a better way is doing charity. He writes—

‘Accumulated wealth is saved by spending well in business or in charity or by investing it profitably, just as a reservoir is kept fresh by letting out the stagnant water.’¹¹

However, he mentions about maintaining an ‘emergency fund’ to meet unforeseen incidents in future. He mentions—

‘Save your wealth against future calamity...when riches begin to forsake one even the accumulated stock dwindle away.’¹²

During the time of Kautilya the medium of exchange was performed in terms of money made of metals. The *Arthashastra* refers the money (*rupa*) in circulation were silver coins (*rupyarupa*), gold coins (*suvarnarupa*), copper coins (*tamrarupa*) and lead coins (*sisarupa*).

Panchatantra written by Vishnu Sharma mentions how people value money. He explains the importance of money through stories of wise conduct. For example, one verse read—

‘A king may scold his servant but he continues to work if he is paid at the end of the day. A calf also deserts the cow when her udder goes dry. Money gets you everything in a flash. Therefore, let the prudent get cash!’¹³

The *Tirukkural* of Tamil literature describes about the importance of wealth. This book devoted a complete chapter in the matter of wealth. It reads—

‘Wealth makes people important. Wealth acquired with proper means will yield virtues and happiness; All despise the poor, but all praise the rich’.¹⁴

Sankaradeva in his compositions discusses about the importance of money, its nature and how to spend it. He wrote in *Bhagavata* (10th canto, verse-127) that ‘*yi lakshita asa kari sadaye akula mana/ teho maha chanchala sarbbatha*’. According to Sankaradeva the nature of money is very unstable (*chanchala*), i.e, it does not remain in one place. He advises people to divide their hard earned money into five equal parts to perform five deeds—‘*pacha bhaga kari bibhagibe nija bitta/ dharma artha kama yasha mahaputrara nidane*’. It means one part should spend for social welfare, one part for earning more money, one part to fulfill basic needs, one part for acquiring knowledge or personality development and the remaining part to be saved for future generation.¹⁵

Nature and Purpose of Money

The Indian scriptures also discuss about the nature and purpose of money. The Rig Veda mentions that people need *artha* to fulfill five duties (*Yajna*). As a human being a person is required to perform five duties or responsibilities, namely, *Brahma Yajna* (Service to God), *Deva Yajna* (Service to Deities), *Pitri Yajna* (Service to ancestors), *Manusya Yajna* (Service to fellow human beings) and *Bhuta Yajna* (Service to all other creatures). The Rig Veda advises that people must earn money by involving in a righteous profession. Similarly, one must ensure that he spends his hard-earned money wisely without indulging in any suspicious activity. A person can earn good reputation in his family and in society at large only when he earns money in moral as well as ethical means and spend them to perform the above mentioned duties.¹⁶ This means that the *artha* is a mean, not end. It has derived demand. *Artha* is demanded to fulfill other requirements. The Vedas also regarded money as ‘Green Energy’ because it is received in exchange for energy put by a person in the form of physical or mental effort. One must put effort for money to grow. The Rig Veda (Book I, verse-125) mentions ‘One who gets up early morning gets the Treasure’.¹⁷

Rig Veda (Book I), mentions the characteristics of money. Verse-66 states that money is varied and changeable (*rayi eiba chitra*). Money is visible like sun, breathing for life, continuity like son and means of life like milk giving cow. Verse-9 refers that there are diverse types of money—‘*Dhanam chitram manimuktadi rupena bahubidham*’. Verse-17 mentions that money is spent mainly for two purposes—consumption and savings. Verse-57 states that nature of money is like water, i.e, nobody could resist water from flowing high place to low place. In the same way money could go anywhere (*sarvagami dhanang*), from one hand to another, nobody could stop money’s movement. Verse-64 refers money has the commanding power (*dhanani cha dasai*). Verse-79 affirms that money has many forms and with money one can overcome all challenges (*raying bahusahang varaniang sarvesu sangramesu taritumakyam*). It means that money has liquidity.

Money brings money. Money has the capacity to generate new income and wealth. When money is invested in productive purposes it creates employment and increases income. With enhanced income people could fulfill his requirement and enjoy life. The *Shanti Parva* of Mahabharata mentions this function of money—

‘Wealth brings about accession of wealth, like domesticated elephants are used to capture wild elephants. Religious acts, pleasures, joys, courage, wrath, learning, and sense of dignity, all these proceed from wealth.’¹⁸

By making a survey of ancient Hinduism scriptures, Devdutt Pattanaik in his book *How to Become Rich* summarizes the following points what these scriptures say about the concept and nature of money—

- ‘Nature of Lakshmi is *chanchal*, it means wealth brings value only when it is circulated, not locked up. Those who grab and locked her up, get profit (*labh*) without happiness, not prosperity with happiness (*subh-labh*).
- The concept of *moksha* (salvation) is related to repayment of debt (*hrinam*).
- Wealth is to be seen as fruit (*phala*), to be enjoyed now, and a seed (*bija*) to be invested for the future.
- Charity that makes the receiver dependent (*bhiksha*) is frowned upon, whereas charity that makes the receiver independent (*daan*) is advocated.
- Prithu was the first king who saw the earth as a cow (*go-mata*) and understood kingship as being the earth’s caretaker (*go-pala*). That is why the earth is called Prithvi. Giving away cows (*go-daan*) implies creating means of livelihood out of the earth. Consequently, killing of cows (*go-hatya*) equals destroying the means of livelihood by destroying earth.’¹⁹

Differences between Ancient Indian Economic Theory and Modern Economic Theory

The primary objective of modern economic theory is to analyze, explain, and predict economic events, human behavior, and market outcomes. It seeks to optimize resource allocation, explain income distribution, and analyze the roles of demand, money supply, institutions, and policy in fostering economic growth and stability.²⁰

The ancient scriptures rightfully gave importance on earning *artha*, i.e, money and wealth. However, the purpose of earning money and the way of earning it was different from modern theories of economics. In this regard Kalpalatha observes ‘Ancient Indian economic theory is different from modern economic theory in the sense that modern economic theory focuses on pursuit of material and physical pleasures alone whereas ancient economic theory is based on four life objectives— Dharma, Artha, Kama and Moksha, i.e, righteous conduct, acquisition of wealth, pleasure & love, and salvation’.²¹ The ancient scriptures regarded *artha* only a mean to fulfill the other three objectives so that the people could live in a better state of mind. It was tried to attain a welfare society with the help of *artha*. It was said that ‘Money is the root of *Dharma*’. Kautilya has written in *Arthashastra* that ‘*Sukhasya mulam dharma. Dharmasya mulan artha*’. It means that happiness is rooted in *dharma*, and *dharma* is rooted in money. Without money *dharma* is not stable.²² Money could bring happiness only when it is earned in a righteous way and spend thoughtfully along with benevolent deeds. All Indian scriptures discarded unethical activities like violence, thrift, fraud, destruction of environment, killing of animals etc. in earning money. Those scriptures also appealed the people to think for others before feeding own stomach. Selfish consumptions were asked to avoid. Similarly, doing charity was given priority. It is said that ‘when one involve in benevolent work, his capacity to earn multiplies and increases hundredfold’. The Atharva Veda declares ‘May you earn as by a hundred hands and disburses by a thousand’. But the modern positive economics is concerned mainly with ‘what to produce’ and ‘how to produce’. Even if the production is increased by destroying biodiversity, it is not a concern to positive economists. They remain silent in the matter how income earned by a person is spent.

India’s another unique point of view towards money is that ‘Not just the scarcity of money, but abundance of money can also destroy *dharma*’.²³ The modern western economists did not give importance to this point. The Indian concept was that the charm of money could cause destruction to a person or society. One, who is obsessed with money, forgets his duty towards the country and could not enjoy the life. Sankaradeva composed in *Bhagavata* (8th canto, v.285) ‘*yateka barhaya dhana, tateka mrituhe barhey/ aapada nahike ata para*’. It means that if a person does not follow the righteous way (i.e, consumption and charity) of spending money; the increase in money invites nothing but troubles.

Another unique feature is that knowledge is regarded as wealth. Money and wealth are classified into two main categories— best and medium (*paramesu, madhyamesu wajesu*). The wealth whose generation and acquisition are not associated with brutality is called best. It includes knowledge and cow. According to Rig Veda the person’s whose mind move faster could acquire money. Thus, the Indian philosophy of money includes both material and immaterial factors.

FINDINGS

The Indian scriptures speak about the following functions of money—

- Money has liquidity
- Money has general acceptability. Everybody wants money.
- Money gives strength to people
- People could attain development with the help of money.
- Money has different forms (*rupa*)
- Knowledge was regarded as wealth. With the help of wisdom money could be manifold.

CONCLUSION

From the above discussion, it is evident that the concept of money started in India during the Rig Vedic period itself. Earning of *artha* was a prime motive of human life so that they could lead a meaningful life. Poverty was regarded as a social menace and Indian scriptures tried to fight against poverty. The Indian money passes through various phases—from animal standard to paper currency. The first money in India was cow. Gradually other things like cowry, shells, gem, pearls, silver, gold, copper, etc. were used as money. The Indian scriptures also discuss about the nature and functions of money. There are also references of financial management. The ancient Indian concept of money was used to denote a broader concept. The term money (*artha*) encompasses medium of exchange, wealth, material pleasure, knowledge, love and friendship. The main objective of earning and spending of *artha* was to maximize welfare—both at individual and social level. Thus, it could be concluded that Indian ancient concept of money is clearly different from modern narrow concept of money. The Indian scriptures while emphasizing on earning of *artha* by a peaceful mean, also necessitate consumption and doing charity. Therefore, to overcome the present global problems like income inequality, over exploitation of natural resources, biodiversity destruction, poverty, etc. study of ancient Indian concept of money is useful.

REFERENCES

1. Goel, J. P. & H. Goswami (2013). An Introduction to Economics. Tushar Publishing House: Dibrugarh, p.434
2. Dahiya, P. D. (2020). Ancient and Medieval India. McGraw Hill: Chennai, p.2.9
3. Koller, J. (1968). Purusartha and Human Aims. in Philosophy of East and West: Vol.18, No.4, p.315
4. Sarma, T. (2009). Rigveda. Vol.-I & II. Vaidik Research and Global Study Centre: Nagaon, p.21, 35, 126, 160, 182
5. Kalpalatha, S. (2020). A Glimpse of Indian Economic Thought in Ancient Indian Literature. in Journal of Development Economics and Management Research Studies; 03(03), 13-18; CDES
6. Deodhar, S. (2019). Indian Antecedents to Modern Economic Thought. IIM (Ahmedabad), India, p.17
7. Deodhar, 2019, p.9
8. Sarma, K. (2015). Manusamhita. Chandra Prakash: Guwahati
9. The Hindu Kama Shastra Society (1925). The Kama Sastra of Vatsyayana. University of Toronto Archives, p.8
10. Deodhar, 2019, p.17
11. Nag, S. (2019). Chanakya Niti and Personal Finance. Outlook Money; 09 June
12. Ibid
13. Deodhar, 2019, p.8
14. Kalpalatha, 2020, p.3
15. Sharma, C. (2018). Economic Thoughts of Sankaradeva. Ph.D. Thesis submitted to MSSV, Nagaon, p.122
16. <https://www.astroved.com/blogs/4-financial-lessons>
17. Ibid
18. Deodhar, 2019, p.9
19. <https://rupapublications.co.in/2019/10/25/how-to-become-rich>
20. <http://www.wisegeek.com/what-is-modern-economic-theory.htm>
21. Kalpalatha, 2020
22. Gupta, A. (2016). Place of Wealth in Indian Culture—Scriptural Evidences and Comparisons. Retrieved from <https://swarajyamag.com/section/culture>
23. Ibid