

Research Paper

Relevance of Gandhain Thoughts for Practicing Corporate Social Responsibilities  
'THE LIGHT-HOUSE FOR A SHIP LOST IN STROM'

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*Modern world is known as a Global Village. World has come closer by virtue of revolution of information technology. Liberalization, Privatization and Globalization is giving experience of cooling sensation. Ethics, code of conduct, commitment, and social responsibilities are the hot topics of debate in air conditioned seminar hall. Code of Conduct is a literature meant to enhance the quality of life in. Unfortunately it has become a means to enhance profile of printing press. It is something that is widely preached ant not practiced in behavior.*

The business environment has undergone vast changes in the recent years in terms of both the nature of competition and the wave of globalization that has been sweeping across markets. Companies are expanding their boundaries from the country of their origin to the evolving markets in the developing countries which have been sometimes referred to as emerging markets. The current trend of globalization has brought a realization among the firms that in order to compete effectively in a competitive environment; they need to clearly define business practices with a focus on the public interest and welfare.

**1.2 Meaning of Corporate Social Responsibilities**  
Corporate Social Responsibility (CSR) is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the organization -- wherever the organization does business -- and includes responsibility for current and past actions as well as future impacts. CSR involves addressing the legal, ethical, commercial and other expectations society has for business, and making decisions that fairly balance the claims of all key stakeholders. Effective CSR aims at “achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment.” Simply put it means “what you do, how you do it, and when and what you say.” Several terms have been used interchangeably with CSR. They include -- business ethics, corporate citizenship, corporate accountability, sustainability and corporate responsibility. The issues that represent an organization’s CSR focus vary by size (small, medium and large), sector (for example, financial institutions, infrastructure providers, textile manufacturers, agricultural -producers, supermarket retailers, etc.) and even by geographic region. In its broadest categories, CSR typically includes issues related to business ethics, community investment, environment, governance, human rights, the marketplace and the workplace. World Business Council for Sustainable Development defines Corporate Social Responsibility (CSR) as “The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.” The European Commission advocates CSR as “Being

socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders.”  
Corporate social responsibility, it generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet. “People” constitute the company's stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community  
**1.3 Need of Corporate Social Responsibilities**  
Triangular relationship between Business/Companies, State/Government, and Society changed a lot. Business is performing independently in the interest of society. In order to ensure continuous existence, business practices may have to be molded from the traditional normal practice of focusing solely on profit to socially responsible practices.  
The reasons that motivate organizations to involve in CSR activities are discussed as follows:  
1. Young blood in the organization wants more than the financial benefit. They feel a sense of pride to be connected with the organization which is socially responsible.  
2. Responsible companies give greater priority to their customers. Consumers have become aware and more demanding in terms of information regarding conditions in which the products and services are produced along with the sustainability impact thereof.  
3. Importance of values and accountability which includes the behavior of the people is growing rapidly in organizations.  
4. Globalization and universal expansion of the economies enhances the consideration of image and reputation among organizations. An organizations image and reputation can be ruined in a matter of days through unregulated and unethical practices5. Environment protection has becomes an area of concern these days. Responsible business practice programme that aims to conserve earth's natural resources, avoiding pollution, water conservation are undertaken voluntarily by the organizations.  
6. Legislators are introducing regulations to force businesses

to act more responsibly whether that is in regard to the environment, finance, health and safety, wellbeing or a variety of other areas. Corporations by taking substantive voluntary steps with respect to these issues can avoid government intervention when seen as a pioneer in these areas rather than being forced by law to comply.

7. CSR practices can help the organization to avoid the risk of corruption scandals, environment disasters, child labor violations and dangerous work environment.

“Corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions. This is part of our cultural heritage. Mahatma Gandhi called it trusteeship....I invite corporate India to be a partner in making ours a more humane and just society... We need a new Partnership for Inclusive Growth based on what I describe as a Ten Point Social Charter...first, we need to have healthy respect for your workers and invest in their welfare...” .Indian Prime Minister, Dr. Manmohan Singh in 2007

As Dr. Singh pointed out, one of the key drivers of Indian corporate social responsibility is found in the country's cultural heritage. The concept of “trusteeship” asserts the right of the capitalist to accumulate and maintain wealth and to use it to benefit society. Corporate Social Responsibility and trusteeship are related to each other Gandhi's view of the ownership of capital was one of trusteeship, motivated by the belief that essentially society was providing capitalists with an opportunity to manage resources which need to be managed on behalf of society in general

2.1 Research Problem

Today in the era of globalization, the global economic system is vastly different from what it was in Gandhi's time. Thus, it is legitimate to ask: Do Gandhi's economic ideas have any relevance in our time? In this paper, we shall argue that their essential message continues to remain relevant.

3.1 Gandhain Thoughts on Social Responsibilities

Mohandas Karamchand Gandhi (1869-1948) one of the greatest thinkers of modern age, practiced his thoughts and his views reflect a keen insight into the socio-economic problems of our time. Some of his thoughts therefore, appear as relevant even today. Gandhiji never developed a systematic theory. His articles and speeches about socio-economic problems discussed issues that are faced by us in this age.

Gandhian ideas considered too ideological and therefore not much used in practice.. In spite of this Gandhian thoughts deserves a serious study to find out solutions to many socio-economic-political problems of the modern world.

1.Swadeshi and Khadi Gandhiji visualized self reliant and self sufficient economy. Swadeshi and Khadi are instruments to achieve aims of self-sufficiency. Swadeshi means the use of such good which are produced within one's country, preferably within one's own environment. Charkha' or the traditional spinning wheel is a well-known symbol of Gandhi's preference for village autonomy, appropriate technology and local self-sufficiency.

Kadhi refers to labor oriented production techniques. With the help of available manpower and their skills and competencies, resources available in the surrounding goods are produced to satisfy need and requirements of society.

This will help to generate employment opportunities, develop manpower resources in the area and ultimately needs of the society are satisfied.

2. Simplicity: The most important value practiced by Mahatma Gandhi is simplicity. He believed in simple living, limited requirements, vegetarian food, and compassion towards living creatures. He was master of human skills. He practiced simple actions, which can be practiced by any person easily, throw which he inspired the common man and ensure his involvement in any movement. Gandhiji used to respect every individual who came in contact with him. Gandhiji realized the problems and need of the society and established dialogue with people in simple language.

3. Dignity of Labor: Gandhiji believed in the concept of Work is worship. Gandhiji never like to discriminate between physical work and mental work. He did not mind people having poor standard of living based on hard work rather than high standard of living based on little work. If everyone did some physical work there would be no poor man in the world and nobody needed to die of starvation.

4) Trusteeship: Gandhiji was highly influenced by thoughts of 'Bhagwat Geeta'. The idea of 'Karma yogi' fascinated him. Work for others to worship God. Do not get involved / attached to material things as they are not permanent, is what he advocated.

He wanted businessman to adopt the principle of trusteeship. He published his opinion through various articles that are published in 'Harijan'.

To describe the principle Trusteeship he quoted “Enjoy wealth by renouncing it”, “Excel in your work (Karma), produce wealth, take the minimum which you need, leave the rest to the welfare of community.”

This principle is psychological a approach to the problem of private property and treated as means to level down difference between rich and poor. A rich man should understand / keep in mind that the property owned by him or is in his possession, does not belongs to him but that he is a trustee of the property on behalf of people. Ownership of wealth provides greed, attachment, possessiveness, exploitation, and revenge. Ownership of property dose not provide permanant possession. He should keep in mind that the property is result of hard work / effort of people and only with the help of others that he could accumulate the property. Businessman / owner of the property can retain the property but it must be utilized for the purpose of growth and development of society as social obligation. He can earn profit and also retain and use a part of wealth / profit for himself or his family's livelihood. So, benefits of the property must be distributed equitably.

Trusteeship expects Code of Conduct and accountability which is self-directed and self-controlled. Trusteeship is a means to transfer capital to less privileged people. It also describes the social responsibilities of owner / businessman towards customer, employees, shareholders and society.

According to Gandhiji “I believed in private enterprise and also in planned production. If you have only state production, men will be moral and intellectual paupers. They will forget their responsibilities.”

While describing a customer, Gandhiji underlined social obligations. According to Gandhiji “Customer is the most important visitor on your premise. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not outsider on our business. He is part of it. We are not doing him a favor by serving him. He is doing a favor by giving us opportunity to

do so.”

Gandhian economics is essentially the collection of Gandhi's thoughts on various economic systems. Gandhi was not an economist and he didn't propound any new economic theory. In his time any discussion on economics was centered on two accepted economic systems - Capitalism and Socialism. Both were rigid in their own terms and even today there is no universally accepted economic system that can be uniformly applied over space and time. Every region can have its characteristic economic system which varies with time. One has to take in to account the prevalent conditions; Socio-political, economic and educational status of the people; comparative advantages and disadvantages of the regional economy etc.

Gandhi's thoughts on economic systems evolved over time and they incorporated the good of both Capitalism and Socialism. A conservative may identify his views when he reads that Gandhi was against the confiscation of private property. Similarly a liberal socialist identifies his views when he reads about non-recognition of private property, social responsibility of those possessing property etc., Every thought of Gandhi may not be relevant today but Gandhian economics is very comprehensive to deal with many present day issues. One such issue is “Corporate Social Responsibility”, which can be traced to Gandhi's concept of “Trusteeship”.

Corporate Social Responsibility links Corporate Sector to Social Sector. It is becoming more relevant in our society plagued by increasing inequalities between haves and have-nots. Corporate Social Responsibility means that the corporate sector, which earns profit through the sale of its goods and services in the society also has some responsibility towards it. This is essential to promote growth with equity and to achieve an inclusive society. Increasing number of industrial houses are taking active interest in the welfare of the employees, their families and society at large. Starting from the provision of basic necessities like drinking water, primary education, health facilities to the development of environment friendly technologies on regional/national or even international scale, they are working in various spheres. In taking up few initiatives, some of them also have enlightened self-interest in mind. They are not only able to advertise their products but are also selling them to the beneficiaries of their activities. Some of them are involved in the charity work like provision of mid day meals to school children. Many of them have their own NGOs operating at ground level, and in other cases they are involving the civil society in their activities.

Reading Gandhi's concept of trusteeship, we understand that he wanted capitalists to act as trustees (not owners) of their property and conduct them in a socially responsible way. The philosophy of Trusteeship believes in inherent goodness of human beings. It involves the capitalists and landlords in the service of society without any element of coercion. It doesn't want the destruction of capitalists. Gandhi himself believed that their destruction would result in the end of the workers.

Narayan Murthy once said he is a socialist at heart and a capitalist by profession. Gandhi wanted the capitalist or the wealth creators to be the trustees of the wealth they create. In that trusteeship remains one of the most relevant of Gandhi's concept, which something which most of us can easily relate.

4.1 Conclusion

Although the scope and underlying purpose of CSR as it is practiced everywhere still remains contentious, there is a

growing consensus that CSR The human factor is said to be essential for differentiation in a highly competitive market. In order to prosper and progress, corporations must internalize and act upon the new realities of economic, demographic, social and organizational changes

"The wealth gathered by Jamsetji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation. The whole of that wealth is held in trust for the people and used exclusively for their benefit. The cycle is thus complete; what came from the people has gone back to the people many times over." - J.R.D. Tata

“We do not do it for propaganda. We do not do it for publicity. We do it for the satisfaction of having really achieved something worthwhile.” It is also worth remembering that in some cultures it is believed that doing good deeds in a discreet way is more desirable and rewarding than for publicity.: Ratan N. Tata,

Martin Luther King, Jr once said: “Gandhi was inevitable. If humanity is to progress, Gandhi is inescapable. He lived, thought and acted, inspired by the vision of humanity evolving toward a world of peace and harmony. We may ignore Gandhi at our own risk.” Likewise, Gandhian thoughts and philosophy appear to be the inevitable prescription for a corporate sector that is struggling to regain its credibility and win the trust of the societies in which they function. Corporations aspiring to reach or retain their top billings in the world of corporate business could do worse than by taking this counsel seriously and on their own initiative introduce and internalize these wholesome principles in spirit before they are inflicted by mandate. It is not just they look good for business, but indeed they are as has been proved by so many successful companies. Corporations may therefore like to adopt, adapt, and benefit from, these guidelines based on real life experiences and experiments of a man about whom Albert Einstein wrote, “Generations to come will scarcely believe that such a one as this ever in flesh and blood walked upon this earth.”

Gandhiji desired for ecologically sensitive, employment preserving production based on appropriate technology. A key idea underpinning Gandhi's view about production once again is about the motivation for production. He held that there ought to be an ethical basis even for capitalist production. It should not be motivated solely for making profit and amassing wealth. Gandhi believed that this guiding ethos should inspired by the idea of =non-attached' action. Hence he believed in non-possessiveness.

The ideology of Mahatma Gandhi is most suitable even today for modern business. Through Corporate Social Responsibilities the ideology is directly practiced by business.

So, to conclude we can say that Mahatma Gandhi a real light house, ray of hope for modern society, called Global Village, perhaps a lost ship in the storm.

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