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## Corporate Social Responsibility (CSR) : The Indian Ethos

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**Abstract:** *The relationship between industry and the public is changing and the growing interest in CSR is one aspect of this change. CSR can be regarded as the business community's contribution to helping society meet its environmental challenges. This article attempts to provide insights on CSR philosophy from the ancient Indian perspective. In the Indian context the origin of CSR can be traced from Vedas, Upanishads, Valmiki Ramayanam, the Mahabharatam (including the Bhagvad Gita) and most importantly from the first total management guru of world Kantilya's, and his work Arthashastra, it is a monumental work dealing with management principles from time immemorial, the great aims human endeavour (the purusharthas) have been classified in India as being four: Dharma, Artha, Kama and Moksha, roughly translated as moral behaviour, wealth, worldly pleasure and salvation. Of the three objects as dharma as always occupied the premier place. Dharma is law in its widest sense to the extent that society respected dharma, society protested itself. In a nutshell, Kantilya's, Arthashastra provides an inside-out approach to CSR, which is the development of the individual leader's (CEO) selfconscience. The business benefits of adopting and signing into a CSR program include: improved reputation ; increased shareholder value; happy; motivated employees and in turn the society at large.*

**Keywords:** *Vedas, Upanishads, Bhagvad Gita, Dharma, Kantilya's, Arthashastra and Management Guru.*

### Introduction:

CSR is a management concept whereby companies integrate social and environmental concerns in their business operation and interactions with their business operation and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders. CSR "analyses economic, legal, moral, social and physical aspects of environment". The broadest definition of CSR is concerned with what is – or should be – the relationship between global corporations, government of countries and individual citizens.

The concept of CSR in the Indian context can be traced to the Vedas and Upanishads. CSR practices in the Indian philosophy is deep-rooted in the concept of dharma or virtue / righteousness which is to confirm to the truth of things. Dharma is the basis of order whether social or moral. Business should not only be responsible morally to the stakeholders but also to the society, environment and towards a sustainable planet at large. Kautilya's Arthashastra says,

"The world is supported / looked after through ethics".

The root meaning of 'dharma' is 'that which supports'. An emphatic statement on 'how' is found in the Mahabharata 'Neither the Kingdom, nor the king; not law, nor the police, only through ethical behavior do all the people protect each other.

### Literature Review

Any topic/discussion with an Indian Ethos traces its origins to the Vedas. The Vedas are the very fountain-head of all that is great in Indian tradition and culture. Veda means knowledge. The word Upanishad literally means 'to sit near' (the Guru). It is the expression of a mind in which philosophy and

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religion does not end with a cult nor is limited to a religion-ethical aspiration, but rises to an infinite discovery of God, of Self... (Sri Aurobindo). The Bhagvad Gita or the song celestial, is not only the most widely read scripture in the whole of India, but perhaps it is also the most well-known scripture all over the world. The Gita is a book of sadhana, not merely to be read but practiced.

Several lessons in management and CSR can be explored from Kautilya's Arthashastra. A master strategist who was well-versed in the Vedas and adept at creating intrigues and devising political stratagems. The Arthashastra contains fifteen books which cover numerous topics that are of relevance even today: structure of the state, consumer protection, salaries of government servants, property laws, labour laws, criminal investigations, the penal system, welfare measures, foreign policy, prevention of confederacies and oligarchies, the duties of the king, and a complete code of law, among others.

### Methodology

This paper is based on a qualitative research methodology called hermeneutics. Hermeneutics is the theory and methodology of interpretation, especially the interpretation of ancient scriptures, religious texts and literature. It is also used in contemporary philosophy to denote the study of theories and methods of the interpretation of all texts and systems of meaning. The scope of hermeneutics also includes the investigation and interpretation not only of ancient texts, but also of human behavior generally, including languages and patterns of speech, social institutions and ritual behavior. Hermeneutics is widely applied to many fields of social sciences such as philosophy, religion and theology, law sociology and also international relations (<http://en.wikipedia.org/wiki/Hermeneutics>)

Kautilya's Arthashastra deals with the different aspects of managing a Kingdom including management of men. The principles contained in Kautilya's work have the unique distinction of being used successfully in practice to achieve good results on a sustainable basis.

The Veda (Sruti) is the most comprehensive doctrine on religion ever revealed to mankind that answers all man's queries on the here and now and the hereafter. Human objections can be broadly grouped under four categories; desire (Kama), material gain (artha), religious merits (dharma) and liberation (moksha). The Veda holds the key to fulfill all these aspirations. A study of the Vedas invite you to delve deep into it, for a healthy and prosperous life, interfaced with the values of brotherhood and tolerance, which is the need of the hour. The spiritual (Vedic) way of life advocated by Lord Krishna in the Bhagavad Gita, as given below, is the imperative milestone to follow.

'He who, casting aside the ordinances of the Scriptures, acts on impulse of desire, attains not perfection, nor happiness nor the supreme goal.'

--Bhagvad Gita 16.23

'Therefore, let the Scriptures be your authority in deciding what ought to be done and what ought not to be done. Having known what is said in the ordinance of the Scriptures you should act here'.

--Bhagvad Gita 16.24

The management principles used in the USA or in Japan are derived from their own cultural background. The principles in Kautilya's Arthashastra make sense in our own social and work culture and can help deliver better results for all concerned – the customers, the investors, the employees and the society.

### CSR : an overview

In a world of changing expectations companies must account for the way they impact the communities and environment where they will operate.

(will Bartels, KPGM 2008)

CSR encompasses the extent to which companies should promote human rights, democracy, community, improved and sustainable development objectives throughout the world. CSR has been used as an outlet for firms to build reputational capital with stakeholders. CSR is really a link between the world of business and the community at large. It is a concept which enables organizations to move beyond the extent of their normal

business operations, take initiatives that contribute to the betterment of the society. It could be described as strategic philanthropy.

Porter and Kramer outline four reasons why companies engage in CSR:

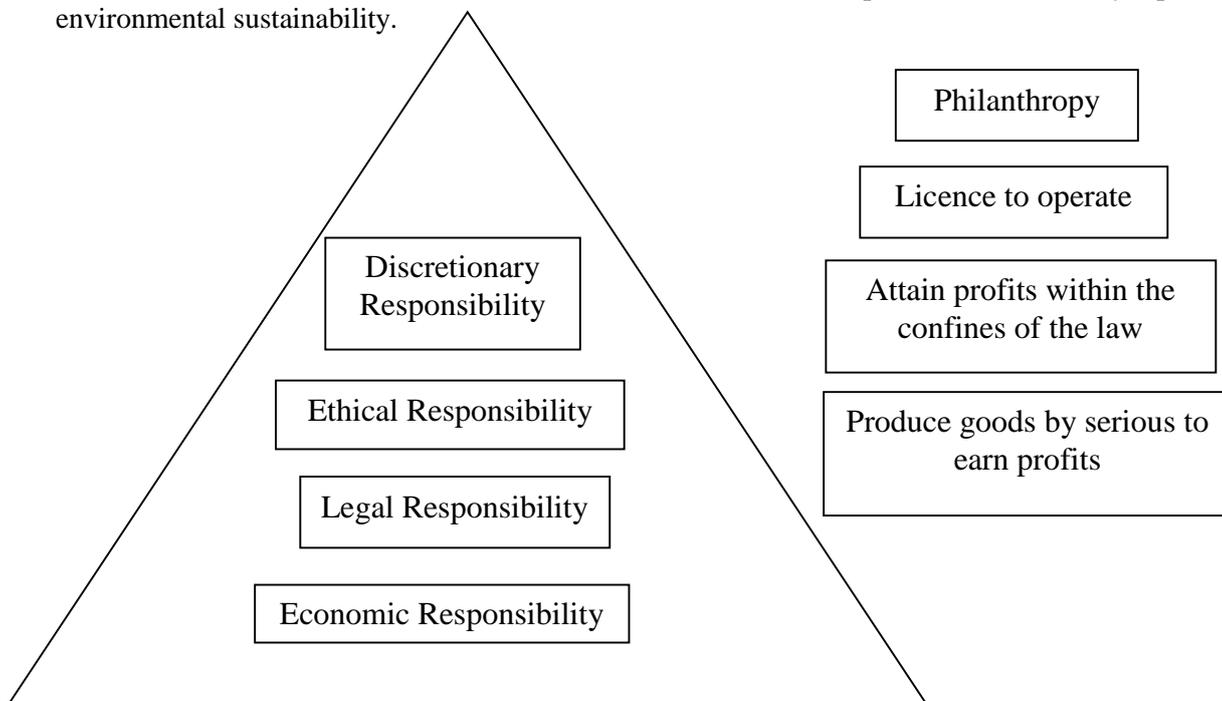
- **Moral Obligation**:- Companies engage in CSR because they think it is their duty to be a good corporate citizen.
- **Sustainability**:- firms participate in CSR in an attempt to ensure that there are sufficient resources, and customers in the future to allow the business to continue benefiting.
- **Licence to Operate**:- Organisations need to ensure that they fulfill the legal, moral and ethical codes that are necessary to operate in their various marketplaces.
- **Reputation**:- many firms hope to build their reputational capital by engaging in CSR. The company is portrayed as responsible and ethical, which leads to a higher reputation, higher profitability and an increased share price.

### Millennium Development Goals at the Heart of CSR

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a global partnership

Source: (United Nations Millennium Project)

CSR is an indispensable mechanism for both increased corporate accountability, profitability and environmental sustainability.

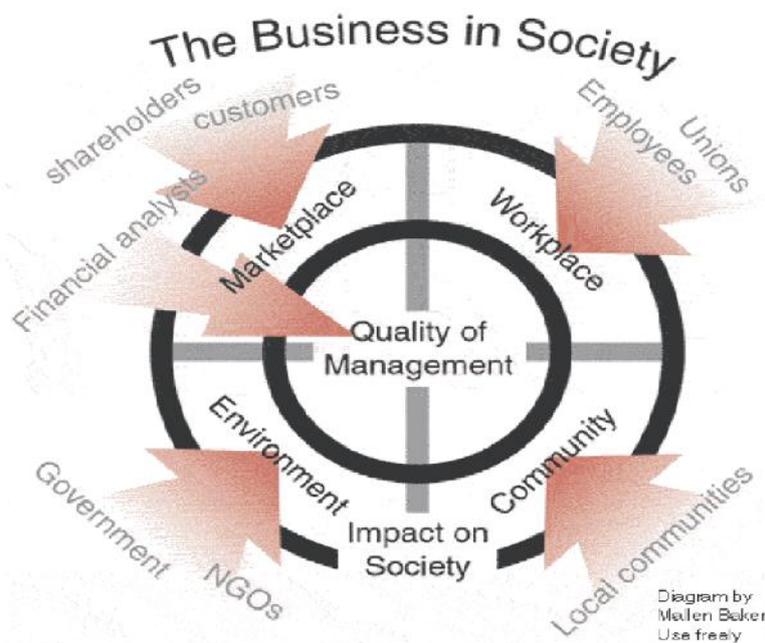


**Four Dimensions of CSR**

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### Further Dimension of CSR

- Business ethics, values & Principles
- Accountability and transparency (Legal compliance)
- Environmental concerns
- Human Rights
- Workers' rights and welfare
- Market relations
- Sustainability
- Corporate governance.



### CSR from the ancient Indian perspective:

#### The Vedas

The greatness of Vedic religion can be established by its magnanimity, since it does not look down upon any other discipline, but rather absorbs what it can into its fold.

‘Let noble thoughts come to us from energy side’.

-Rig Veda

The Vedas are also universal in its approach. ‘May all people enjoy the life of sufficiency and all wise persons be free from sorrow. May all be good with all, and may miseries never arise’.

‘Lets walk together, let’s talk together, let our minds be of one accord.’

Business is viewed as legitimate and an integral part of society according to Vedic philosophy. Vedic culture has always emphasized happiness for self and others results through ethical behavior.

The Vedas attach great importance to environmental protection and purity. They stress the need for protection and development of forests. Human beings have to safeguard the trees.

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‘One should not destroy trees’

(Rig Veda Samhita)

‘Plants are mothers and goddesses’

(Rig Veda Samhita)

The RigVeda treated the earth as mother and the sky as the father. The Vedas emphasize that wealth has to be earned only through fair means and one should put in his best efforts to acquire wealth through ethical and moral practices.

‘Wealth has to be won by deeds of glory’

(Rig Veda Samhita)

The social dimension of Vedas asserts that there shall be proper distribution of wealth, from the wealthy to the poor. They also condemn those who enjoy wealth without partaking it with others.

‘wealth accumulated through 100 hands should be distributed to 1000 hands’.

(Atharva Veda Samhita)

### **Prasthantrayi**

Vedant philosophy acknowledges the Prasthantrayi as its three authoritative primary sources. The texts comprising the Prasthantrayi are the Upanishads, the Bhagvadgita and the Brahma Sutra. The Upanishads are the sruti prasthan, the revealed texts (sruti-that which is heard.); the Bhagvadgita is the smriti prasthan (Smriti-that which is remembered; the Brahma Sutra is nyaya prasthan. O study of Vedanta is considered complete without a close examination of the Prasthantrayi.

The end portion of the Vedas are the Upanishads. The Upanishads form the Dnyankanda portion of the Vedas. Vedant unfolds the essential identity of the individual, the world and the lord.

### **(1) The Upanishads**

The Upanishads constitute the concluding portions of the Vedas, they are called Vedanta.

The Taittiriya Upanishads says –

Shardhya deyam, [When you give something to someone,] give with respects;

Ashraddhya adeyam, if you cannot give with respect, then don't give at all;

Shriya deyam, give gracefully;

Mriya deyam, give with modesty;

Bhiya deyam, give with fear [lest you offend];

India's national motto is the wonderful exhortation from the Brihadaranyaka Upanishad, “Satyam Jayate” – Truth alone triumphs. Another example is in the Taittiriya Upanishad –

“Satyam vada; dharmam char” is nearly without parallel in the sublimity and compact strength of the formulation.

The Ishavasya Upanishad says –

“Ma gridhah Kasyavid dhanam”

‘do not covet, for whose indeed is wealth’?

### **(2) Bhagvad Gita**

Literally “The Song of God” reserved across the plural world of Hinduism as one of the tradition's essential sacred texts. Bhagvad Gita covers the gist of the three main paths to salvation, namely Karma-yoga or the yoga of works, jnana – yoga or the yoga of knowledge, and bhakti-yoga or the yoga of devotion.

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The Bhagvad Gita's concept of loka-samgraham (bringing the world together) in CSR symbolizes the world together) in CSR symbolizes a persistent attempt by business to connect everything based on the principle of unity of existence or the vision that the entire human race as a family 'Vasudhaiva Kutumbakam'.

The Mahabharata states that 'big money', mahati shreehi cannot be acquired unless one tears the heart of others, unless one does hard things, unless one is prepared to kill as the fisherman kills his prey. Money or wealth is not to be earned by unfair means and practices.

### (3) **The Brahma Sutra**

In the Brahma Sutra, the teachings of Vendanta are set forth in a systematic and logical order.

The Brahma Sutra consists of 555 aphorisms or sutras, in 4 chapters. The first chapter (samanvaya: harmony) explains that all the Vedantic texts talk of Brahman, the ultimate reality, which is the goal of life. The second chapter (avirodh : non-conflict) discusses and refutes the possible objections against Vendanta philosophy. The third chapter (sadhana: the means) describes the process by which ultimate emancipation can be achieved. The fourth chapter (phala: the fruit) talks of the state that is achieved in final emancipation.

### (4) **Kautilya's Arthashastra**

'In the happiness of his subjects lies the King's happiness; in their welfare his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects.

[1.19.34]

The definitive work on artha-shastra is attributed to Kautilya, also known as Chanakya. It describes the primary source of state income as the revenue collected as tax from agriculture, cattle-tending and trade. Other sources of income include mining, manufacturing and other industries.

The subjects thoroughly described in ARthashastra are – "The education of the King", Appointment of ministers", "Duties of several department superintendents, "Measures to check artificial inflation", adulteration and the defective weight and measurement," "Peace & Industry" to name a few.

### **The Role of the King in protecting and promoting welfare.**

A king should be well trained and practice self-control. An ideal king is one who has the highest qualities of leadership, intellect, energy and personal attributes and behaves like a sage monarch, a rajarishi. Among other things a rajarishi is one 'who is ever active in promoting the yogakshema' of the people. A king should not only obey his own rajadharma but also ensure that his subjects obeyed their respective dharma. For, 'when adharma overwhelms dharma, the King himself will be destroyed [3.16.42]. In fact, Kautilya prefers an ignorant King to a wicked King who, in spite of his learning, deviates from it. [8.2.12]

The king's own dharma is to be just, impartial and lenient in protecting his people. The King's attitude to his people should be like that of a father towards his children, particularly when any danger threatened the population [4.3.43].

Protect of life and livelihood constituted in that order, the elements of securing the welfare of the people.

Protection of livelihood extended to protecting the major areas of economic activity. Agriculture was protected from being oppressed by onerous taxes, fines and demands for labour, herds of cattle from the depredations of thieves, and trade routes from harassment by courtiers, state officials, thieves and frontier officers [2.1.37,38]

### **The Weaker Sections:**

The list of the weaker sections of the society, who required special protection, occurs in a number of places: priority of audience before the King {1.19.29}, maintenance at state expense {2.1.26}, free travel on ferries {2.28.18} and the special responsibility of judges on matters concerning them {3.20.22}. The list, with

minor variations, always runs: Brahmins, ascetics, the minors, the aged, the sick, the handicapped, the helpless, and women. Social security was both a private and a state matter. Welfare of the consumer by control over merchants and weights and measures is mentioned. While government servants were always under suspicion of working to skim off government revenue into their own pockets [2.9.32-34], they were also rewarded for good work. 'An official who accomplishes a task as ordered or better shall be honoured with a promotion and rewards. (2.9.9).

The welfare of the prisoners was safeguarded by the following: having separate prisons for men and women, providing halls, water wells, latrines and bathrooms, putting restrictions on warders from harassing or torturing prisoners, prescribing severe punishments for rape of women prisoners and releasing prisoners periodically as well as by general and special amnesties.

#### Animal Welfare:

There is extensive evidence in Arthashastra on Kautilya's concern for the welfare of animals. Some animals, like deer, were given special treatment {4.10.5}. Riding or driving a temple animal, a stud bull or a pregnant cow was prohibited {4.13.20}. Animal fights between horned or tusked animals was also prohibited {4.13.19}.

#### In conclusion:

The ancient scriptures and the Kautilyas Arthashastra stressed the importance of happiness to all stake holders of an organisation. Dharmasya moolam artha (Basis of ethics is resources)

Arthasya moolam rajyam (Basis of resource is Kingdom / enterprise) Dharma-moolam satya (Truth and payment, both are rooted in ethics) The scriptures like Vedas, the prasthantrayi also advocate the same. Democracies governments including the businesses can adopt the welfare measures given in the ancient scriptures and literature to adopt CSR programs and activities per the betterment and welfare of all the stakeholders.

Sarve bhavantu sukhinah!

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