

Nishkam Karma: The Path For Corporate Social Responsibility

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INTRODUCTION

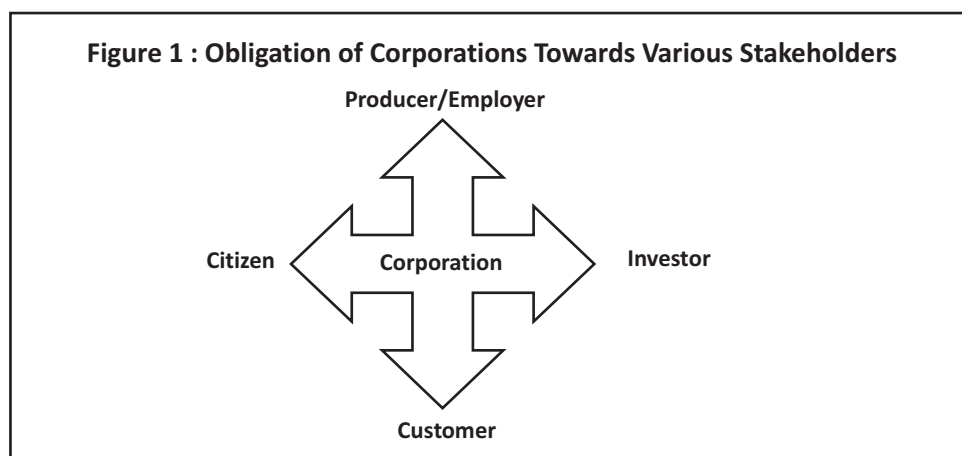
The tremendous changes which have taken place in the post liberalized era has posed many challenges and has simultaneously offered many opportunities in the domain of the corporate world. The recent economic meltdown and governance deficit across the globe has put the issues relating to CSR and good corporate governance in the centre stage of debate in the globalized regime. The Corporate sector, which is one of the significant sub-systems of the economy, enjoys some special privileges, exemptions, benefits, rights, powers, and protections from the government, with a view that they will help the government to attain the objectives of social welfare. During the economic recession, the governments of each country came to the rescue of the corporate sector by offering them economic packages of trillions of dollars. This help was extended out of the government exchequer, which not only profoundly affects the government's spending on the social sector, but also fosters the misappropriation of public money, which is collected by way of direct and indirect taxes. However, it is observed that in return, the corporate sector failed in fulfilling its commitment towards society and the environment. Businesses can survive and grow only by optimum utilization of the natural resources of the society, therefore, it becomes obligatory for the corporations to be sensitive regarding social and environmental concerns. A Corporation is not only an economic entity, but is also a social entity or national trust. As per the definition of the Company Act, 1956, "*A company is a legal or artificial natural person created by the process of law, having existence separate from its members.*"

Consequently, by virtue of this explanation, a company is the citizen of a nation, and it is expected from every citizen of a country to discharge some responsibilities and duties as a good citizen. In trying circumstances, it is obligatory on the part of a business to act as a good corporate citizen, and offer something in return to the society. Though the awareness regarding CSR is increasing, still there is difference of opinion among the management scientists and economists regarding the congruency between economic and social goal of a business. Some economists (Friedman) and businessmen consider profit making as only an economic function, and leave the social function to be performed by other institutions, such as the Government. The conflict between economic and social functions reflects the conflict of materialism and spiritualism. Mahatma Gandhi was in the favour of social responsibility of business and he suggested a way for the resolution of this conflict by developing a balance between the economic and real or moral progress. He was of the opinion that material progress above a given minimum point is in conflict with moral progress. The Gandhian economic thought is based on the highest ethical and moral standards of truth, non-violence, love, compassion, co-operation, non-attachment and equanimity.

According to Mahatma Gandhi, that development is untrue, which ignores the moral values. Elinor Ostrom (the Nobel Prize winner for Economics in 2009) admitted that there is a need to use the diverse set of indicators such as quality of education, health, etc. along with Gross Domestic Product to measure the real development of a country, and he recalled the relevance of the Gandhian economic philosophy in the modern context. The real progress thesis of M.K. Gandhi emphasizes that businesses should strive to maintain equilibrium between social and economic function, which will in turn, enhance the goodwill and market share and eventually lead corporations towards corporate sustainability. On the contrary, if social objectives are ignored, it will result in the degradation of the society, which may ultimately erode the prosperity and success of the business. For balanced socio-economic growth, there should be proper equilibrium between the social and economic function. Hence, Philosophy of CSR should be at the core of mission, vision, goal, objective, policy and strategy of the business. Corporate social responsibility is a concept whereby, corporations voluntarily and mandatorily under the prevailing laws integrate social, environmental and economic (people, planet and profit) concerns in their business practices. The emerging need of CSR manifests in the increasing expectations of stakeholders and society about the evolving roles of corporations and their response to the environmental, social and economic pressures. Lord Holme and Richard Watts in the publication, "*Making Good*

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Business Sense” of The World Business Council for Sustainable Development explains CSR as the continuing commitment by businesses 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. CSR can also be understood as the capacity-building measure for sustainable livelihood or what business is giving back to the society. In the United States, CSR has been comprehended as a '*philanthropic model*', whereas, the European model defines CSR as '*operating the core business in a socially responsible way*'. Ancient Indian scriptures define social responsibility as obligation (*Swadharma*) of an individual or an institution, which they should follow under the philosophy of *Nishkam Karma* (selfless action). Though there is confusion regarding the role of business in the society, yet it is the hard reality that a business is a sub system of the society, it comes out of society, grows within the society and exists for the society. As a constituent of the society, it has a specific role in the wealth creation. In the present scenario of corporate scams and frauds across the globe, it is the need of the hour that the corporations reiterate that they operate within the society with its sanctions and authority and for the welfare of the society. Without this understanding, there will be no cohesiveness among business, society and government. The following Figure 1 explains how a corporation as a responsible citizen of the society has to play various roles in the society in the process of wealth creation:



NEED AND SCOPE OF THE STUDY

The current corporate era has not only influenced the economic way of life, but has also left a profound impact on the socio-cultural, political, religious and other spheres of life. The concept of governance is as old as human evolution. Ancient Indian scriptures have elaborated in detail, the concept of social responsibility and recommended a model of trusteeship governance based on the fundamental of *Nishkam Karma*, which inherently discharges the CSR objective and promotes the good governance. The ancient seer authors believed in the holistic concept of governance, which includes both individual and institutional governance. Unfortunately, the philosophy and system of governance, which was evolved by our ancient sages through the practice of intense meditation has missed its link over the centuries. The modern concept of corporate governance has its roots in the industrial revolution, which is based on the philosophy of greed (i.e., exploitation of a nation by another nation, and exploitation of man by man), instead of the philosophy of need. The present system of governance has resulted in the scams, frauds, exploitation, corruption, bankruptcy and poor governance. Every culture and society has its own core competencies to gain competitive advantage in the international market. India's core competency is based on the development of society through the philosophy of spiritualism. When we will be able to harness this talent through our basic fundamentals, then it will help us in developing the core competencies to attain competitive edge in the global market. The objective of CSR will be inherently achieved when the decision making (collective wisdom) process will be empowered by the philosophy of *Nishkam Karma*. The scope of the present research is confined to the study of the concept of corporate governance, corporate social responsibility, the teachings of *The Bhagavad Gita* and more specifically, with reference to the *Karma Yoga*.

RESEARCH METHODOLOGY AND OBJECTIVES OF THE STUDY

This research work is fundamentally descriptive, qualitative and exploratory in nature. To carry out the present research work, books on corporate governance, strategic management, Indian philosophy, Various volumes on *The Bhagavad Gita*, journals, magazines, newspapers, internet sites and other relevant and significant literature were consulted. The tools and techniques used for the analysis and interpretation of information include SWOT analysis, expert opinion, and comprehensive evaluation method. In addition to these techniques, other statistical methods were considered as per the requirement of the research work. The following are the objectives of the present study:-

1. To analyze the subject of corporate social responsibility from the Vedic perspective;
2. To study the conceptual framework of CSR in the modern context;
3. To evaluate the dilemma of CSR in the contemporary globalized regime;
4. To Study the Philosophy of *Nishkam Karma* in the light of the teachings of *The Bhagavad Gita* and its relevance to CSR.

ANALYSIS AND INTERPRETATION OF THE STUDY

The analysis and interpretation of the present study has been made as under:-

CSR: THE HISTORICAL PERSPECTIVE

The concept of social responsibility is not new to the Indian society. It is as old as Indian culture and civilization. Ancient Indian literature elaborated this concept in detail and suggested the trusteeship model of governance, which can inherently perform the function of social responsibility. The following verse of *Ishopanishad* signifies that we are not the sovereign owner of resources, rather we are the custodian of the same and must discharge all obligations as a custodian:-

***“Aum isavasyamidam, sarvam yatkinch jagtyam jagat,
Ten tyakten bhunjeethah, ma gritha, kasya swidhanam,”.***

“All that is there in this world is pervaded by God or God's abode, enjoy this by renouncing, do not covet, for whose indeed is this wealth.”

Accordingly, everything of this universe belongs to the almighty and was from Him. It is for His people as a whole, not for an individual. When an individual had more than his proportionate need, then he must act as trustee of that extra portion, for God's people. It is obligatory on the part of human beings to surrender everything to God in the first instance and then, he may use only that which is necessary according to one's strict requirements. Consequently, it is our ethical and moral responsibility to perform each action with non-attachment, equanimity and wisdom towards oneself, society and the environment. Indian scriptures divided human action in two broad categories - material and spiritual actions. Material actions are performed for the attainment of selfish ends, and spiritual actions are performed as Obligation or *Yajana*. The material action creates the vicious cycle of misery, whereas the spiritual actions bring prosperity and peace in one's life. In *The Gita*, Lord Krishna asked Arjuna to surrender all his actions to the Almighty. The wisdom of *Vedanta* expressed that *Yajana* or sacrifice or non-attachment should be the spirit of all performances. The below mentioned verse expresses the nature of right action or performance of work as obligation or *yajana*:-

Worldly people are karmically bound by activities that differ from those performed as yajana (religious rite); O Son of Kunti (Arjuna), Labor thou, non-attached, in the spirit of yajana, offering action as oblations.

Verse 9, Karma Yoga, by Sri Parmahansa Yogananda, The Bhagavad Gita, pp. 347.

The afore mentioned verse emphasizes that worldly people work in the factory of life with selfish motives and desires to gain material profits and happiness. Due to this inclination, they are karmically bound to the miseries throughout their life. On the other hand, a wise man strives to perform the good actions in a spirit of selflessness and non-attachment; consequently, he quickly liberates himself from the sorrows of the mundane world. All these liberating divine duties are termed as *Yajana*. Indian philosophy positions human beings in society as a 'Debtor', not as a 'Creditor'. Hence, the theory of obligations or debts (RIN) maintained that there are certain obligations on the part of a

Table 1: Obligation (<i>Yajana</i>) Oriented Model of CSR			
Individual/ Organization: Fivefold Obligation (RIN)			
Sr. No	Obligation towards	In respect of	Form of Repayment
1	<i>Pitri</i> :- Oblation to parents and ancestors.	Legacy of heritage and wisdom which illumines human beings.	Service and remembrance.
2	<i>Nri</i> :- Responsibility towards humanity and the community at large.	Being here and gaining social identity and status.	Silent Charity and Sharing.
3	<i>Bhuta</i> :- Offering to less evolved form of creation such as animals, birds, trees etc.	Making human life comfortable and possible.	Caring with gratitude, love, compassion and non- violence.
4	<i>Rishi</i> :- Oblation towards seers and sages.	Individual enjoys right from birth.	Study of Scriptures with reverence and practice meditation.
5	<i>Deva</i> :- Rites to the almighty.	Light, air ,water, earth, ether etc.	Action without desire or attachment, equanimity, prayer and surrender.
Source: -B.K. Chatterjee, <i>Organizational Behaviour and Beyond</i> , Asian Books, Pvt. Ltd.,2004, p. 80.			
Parmahansa Yogananda, <i>The Bhagavad Gita</i> , YSS of India, 2007, pp. 347-348.			

human being, which are required to be discharged by him during the course of his life. As per the obligation model, a human being is required to make the repayment of five kinds of social responsibilities, which are explained in Table 1. The main aim of human life is the attainment of liberation from the vicious cycle of misery. Therefore, the *Purusawartha* theory reveals that there are four dominant values namely *Dharma*, *Artha*, *Kama* and *Moksha*, which must be imbibed by mankind to attain the ultimate aim of human life. These are the highest values of Indian culture, which means when the economic and material life is based on the righteous conduct, then it will lead mankind towards liberation, bliss, peace, prosperity and success. The concept of dharma describes the ethical way of performing actions, and decisions in order to fulfil one's obligations towards society. The business based on the fundamental of dharma or righteous conduct can, in the true sense, discharge social responsibility. Kautilya too preached and promoted the ethical principles and models while doing the business. Though he believed in the materialistic aspirations of man, yet this was not the sole aim or end of life. The chief objective of life according to him is the realization of *Trivarga* and discrimination between *Artha Trivarga* i.e. *Artha*, *Dharma* and *Kama* and *Anartha Trivarga* i.e. *Anartha*, *Adharma* and *Soka*. Kautilya described that it is not only will and reasoning, but ethics and discipline should also be taken into consideration while discriminating the *Artha* and *Anartha Trivarga*. Accordingly, man must live a happy life in the society, and in order to do that, he must regulate his conduct in such a way as others may not come to grief due to his state of happiness. To attain such a state of existence, an individual must abide by ethics and moral standards in his life. The ethics and moral standards consist of showing due respect and wishing for the prosperity of others, and refraining from injury to others or adopting such line of action, which may give rise to *Anarthas* to others. To fulfil the social responsibility, a business must abide by the principle of *Artha Trivarga*.

This entire discussion helps us to understand that from the ancient wisdom point of view, social responsibility is a philosophy of life for both the individual and the organization. Social responsibility is the ethical philosophy based on the principal of trusteeship, and its performance must be considered as repayment of debts with the spirit of dharma or righteous conduct. Any conflict with this concept will generate the state of sorrow and the individual or an organization will become a symbol of criticism.

In the global context, the CSR in the modern form has its roots in the industrial revolution of the 18th century, which took place in the U.K. and other European countries. In India, the industrialization and independence struggle went on side by side. Consequently, the idea of CSR worked with the Freedom Movement, which was mostly dominated by the Gandhian philosophy. The philanthropic activities were taken out of personnel savings, which did not constitute an integral part of the business. The idea of charity is also supported by several religions namely, the Muslims follow the tradition of '*Zakat*', the Sikhs follow the law of '*Dashant*'. Similarly, the Hindu law abides by the idea of 25 percent of the income to be contributed for charity. The activity of philanthropy is not considered as CSR, but it is only one aspect of CSR. In the modern context, the term CSR gained currency in the early 1970s, whereas by the 1990s, the concept was fully recognized. Individuals and organizations across the globe started supporting it. This can be

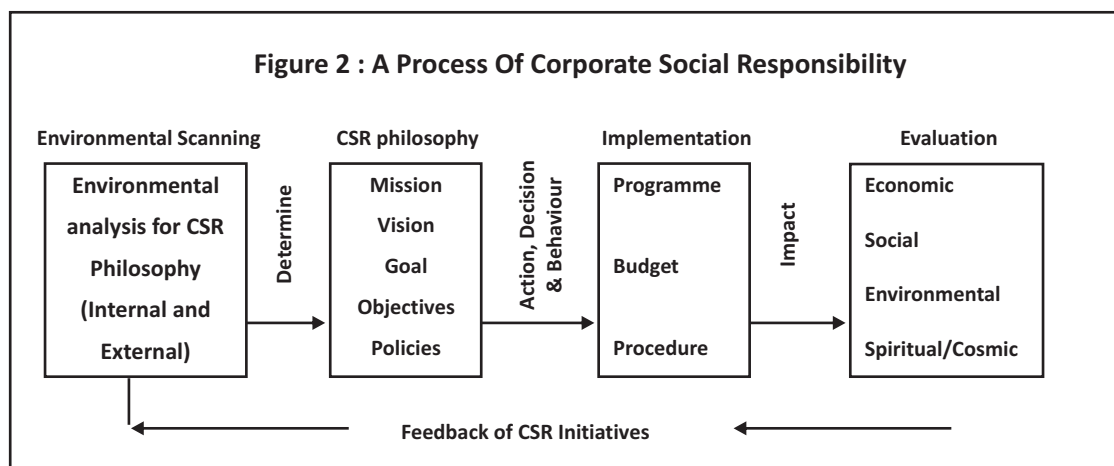
underpinned by the fact that in 1977, less than half of the Fortune 500 firms mentioned CSR in their annual reports, whereas by the end of 1990, approximately 90 percent of the Fortune 500 firms imbibed CSR as an essential component in their organizational goals, and actively supported their CSR initiatives in their annual reports. It was observed from a survey conducted by the Tata Energy Research Institute (TERI) that the evolution of the concept of CSR in the modern context developed through the four chronological approaches. First, the *Ethical Model* (1930-1950), which is based on the assumption that a corporation is a national trust. Under this approach, the businesses were motivated to manage their affairs as a trust held in the interest of the society. This model was revived and reinterpreted by Mahatma Gandhi during the freedom movement in his economic philosophy. The trusteeship principle decides the methods and techniques of CSR. Second, the *Statist Model* (1950-1970s) was developed under the leadership of Jawaharlal Nehru in the post-independence era. This era was dominated by the philosophy of mixed economy, in which the state ownership and legal requirements decided the CSR. The Third model is the *Liberal One* (1970s-1990s), which was encapsulated by noted economist, Milton Friedman. As per this model, business has only one social responsibility- that is to use its resources and engage in the activities designed to increase its profits, so long as it stays in the rules of the game, that too without deception and fraud. Four, the *Stakeholder Model* (1990s- Till date) of CSR came into being as a result of liberalization, privatization and globalization. It was realized that with the growing economic profits, businesses also have a certain social role to play. This approach expects companies to act according to the '*triple bottom line*' approach that is in the interest of the economy, society and environment with accountability and transparency through several mechanisms.

CONCEPTUAL FRAMEWORK OF CSR

The term "*Corporate Social Responsibility*" came into common use in the late 1960s and early 1970s. Until 1990s, the concept of CSR was dominated by the idea of philanthropy only. Considering the CSR initiative as an act of charity, the corporate houses mostly confined themselves to one time monetary grant, and never kept the interest of stakeholders in mind while planning for such CSR initiatives. This reduces the efficiency, effectiveness and efficacy of CSR practices. However, after the time period of LPG (Liberalization, Privatization and Globalization), the concept of CSR slowly moved away from philanthropy to *Triple Bottom Line*, i.e. profit, people and planet. In the modern era, the corporate houses treat CSR as a separate entity and have made it an essential part of their mission, vision, goal, objective, policy and strategy. This is manifested in their actions, behaviour and decisions. After the many corporate scams and frauds, companies today are increasingly becoming sensitive about their social role. The companies are not only concentrating on how they position their products of good quality in the market, but are also analyzing its impact on the society and the environment. Today, CSR is understood in terms of accountability, where corporates are responsible for the impact of their actions and decisions on the stakeholders. The core motive of CSR in the modern times is to enhance the overall influence of the company on the triple bottom line. Thus, the change has happened at the conceptual level, where charity oriented approach is now being seen as the stakeholder oriented approach. The World Business Council For Sustainable Development defines CSR as the continuing commitment by business to behave ethically and to contribute to the economic development, while improving the quality of life of the workforce and their families as well as of local communities and society at large.

According to Philip Kotler and Nancy Lee (2005), CSR is the commitment to improve community well-being through discretionary business practices and contributions of corporate resources. Whereas, Mallen Baker refers to CSR as a way companies manage the business processes to produce an overall positive impact on society. CSR is the awareness, acceptance and management of the implications and effects of all corporate decision making. It is a concept whereby organizations take responsibility of the impact of their decisions and actions on society and the environment. Milton Friedman referred to CSR as a fundamentally subversive doctrine and stated that there is only one social responsibility of business and that is to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free competition without deception or fraud. Archie Carroll in 1991 described CSR as a multi layered concept that can be differentiated into four interrelated aspects- economic, legal, ethical and philanthropic responsibilities. There are two dimensions of CSR, namely external CSR, which is usually manifested in the form of programmes and policies initiated by the companies in various sectors like education, health, charity, donation, etc. and internal or integral CSR, which requires the ethical orientations in the business practices and processes. The integral CSR is manifested in the ethical

and socially responsible behaviour of the corporation. CSR is a holistic approach for good corporate governance, which can be practiced at three levels such as social obligation, social responsiveness and social responsibility. When CSR practices are followed by the corporation only under legal compulsions or societal pressure, this is CSR of the first level. The Statutory warning on the cigarette packs by tobacco companies is the example of the first level of CSR. When corporations develop sensitivity for their external environment, and respond to the changes that are taking place, that is the second level of CSR. As compared to the first level of CSR, the second level of CSR is more active as there is a fear of negative repercussions attached to the responsibility of the latter level. In the third level of CSR, corporations go beyond the mandatory obligations and exhibit ethically responsible behaviour proactively. This level of CSR is a result of high ethical orientation of the people, who are a part of the corporation. In such corporations, ethics are at the core of the decision-making processes, and all decisions are taken keeping in mind the interest of stakeholders, society and environment. Azim H. Premji, Wipro's Chairman and Managing Director's observation regarding CSR is very significant in this discussion, he says, *"Businesses focusing solely on profits reduce their chance of long-term survival by ignoring the ecological and social costs, this is the popular view. While agreeing with this, we also believe that addressing ecological and social challenges provide us with profitable business opportunities, not only in long run, but also in the short run. We believe this idea has rightly gained momentum."* On the basis of the above mentioned observations, CSR is comprehended as an intangible asset, which imbibes the ethics and values in its decision-making processes and has an overall positive impact of the company's actions, decisions and behaviour on the triple bottom line. It is a process of environmental scanning, developing CSR philosophy, implementation of CSR initiatives, evaluation and reporting of CSR activities for the further improvement in CSR policy formulation, which can well be understood by the following Figure 2 :-



It is evident from the Figure 2 that CSR as a process involves four consequent stages. The first stage of the CSR process is environmental scanning, which provides the base for the determination of CSR philosophy. The next stage of progression is CSR philosophy, which is manifested in the mission, vision, goal, objectives and policies of a corporation. The next milestone is reached when a company implements the CSR philosophy in practice through the programme, budget and procedure. The final stage is proactive engagement, where a corporation constantly evaluates and reports the impact of CSR performance on *"Tetra Bottom Line"*. Until now, only three dimensions such as economic, social and environmental are considered, but it is realized on the basis of philosophy of *Nishkam Karma*, that one of the important dimensions - that is spiritual/cosmic is missing. The presence of spiritual/cosmic dimension as the fourth leg will make this concept normal. The CSR reporting is based on four dimensions. The first is the economics dimension, where a corporation has to ensure the best input-output ratios, which is most commonly manifested in the financial and economic profitability. In the second dimension, its impact relating to social issues is evaluated, in terms of employment generation, equal opportunities, inclusive development, community regeneration and other societal issues. The third dimension deals with its impact on environmental matters such as pollution, emission, energy conservation, climate change and so on. The final dimension evaluates its impact in terms of spiritual/cosmic considerations, which will make a person a spiritual human being namely veneration to *Devas*,

straightforwardness, non-attachment, equanimity, non-violence, truthfulness, fearlessness, purity of heart, steadfastness, sacrifice, self-restraint, self-disciplined, compassion, kindness, gratitude, integrity, forgiveness, patience, transparency, simplicity, contentment, sincerity, resilience, humbleness, charitableness, non-covetousness, modesty, etc. This is a state of "*Corporate Nirvana*" (bliss), which is difficult to achieve, but is more sustainable.

DILEMMA OF CSR IN THE GLOBALIZED ORDER

The concept of CSR is still in the evolving state. Until now, corporate philanthropy is considered as corporate social responsibility, whereas, it is only one aspect of CSR. CSR is a philosophy of the business which shapes the mission, vision, goal, objectives, policies and strategy and determines corporate actions, decisions and behaviours for good corporate governance. Corporate governance is the manifestation of CSR policy and initiatives. Ancient Indian Knowledge describes responsibility as one's ethical behaviour and duty (*Niskam Karma*) to care for the society and environment. Therefore, the philosophy of CSR should be based on the ethical behaviour of business with an objective to render the apt care for triple bottom line, i.e. profit, people and the planet. In the neo liberal era, as the corporates grow in size and influence, it became obligatory on their part to serve the society in which they operate. The higher CSR is not '*undiluted socialism*', as Milton Friedman explained in his thesis, rather, it is also harmonious with the concept of '*compassionate capitalism*'. The greed of market and economic gain of the present globalized regime aggravated the financial crisis around the world and pushed the global economy into economic recession, which was the worst economic depression after the Great Depression of the 1930s. Greed has become the dominating philosophy of the corporate world, and gain is the only tool for cost-benefit analysis, which puts CSR on the back seat. Hence, the requirement of ethical behaviour is essential for the promotion of the true spirit of CSR.

The corporate scams, frauds and failures around the world have raised the concern for CSR and good corporate governance. The bad governance was one of the dominating causes for the recent economic meltdown. The governments of various nations provided the bailout packages of trillions of dollars out of the government exchequer, along with tax concession for the corporate sector as the recovery measure. Generally, the corporate sector pleads the case for free market principle and least government intervention, but in case of the bailout packages, these principles are adulterated and capitalism is compromised. Since, in the time of adversity, society comes to the rescue of the corporate sector, similarly, the corporate sector should not ignore its responsibility towards the society. Business attains raw material, labour, customers, resources, infrastructure, tax concessions, aids and grants from the society. Society works on the fundamental of give and take for its sustainable existence. Therefore, business as a creative integral part of the social system, should consider CSR as an investment which will promote the goodwill, employees' commitment, customer loyalty and improved financial performance.

The unholy nexus between politicians-bureaucrats-corporate houses are also responsible for the CSR deficit in India. The unethical behaviour of the corporate sector, politicians and bureaucrats in the case of the 2G spectrum allocation scam caused the nation the ever biggest loss of ₹ 176000 crore, as estimated by CAG in the Indian history. The report of Global Financial Integrity indicates that the process of mal-governance has gathered momentum after the process of economic reforms in 1991. It is evident from the report that 68 percent of illicit siphoning of money since independence has happened in the post reform era. It is also estimated that in real terms, outflow of illicit capital was 9.1 percent before 1991, which accelerated to 16.4 percent in the post reform regime. It is distressing that rising India has become notorious for its corruption scandals and as per one estimate, the state exchequer is believed to have lost a whopping of ₹ 73 lakh crore. This scenario of corruption has pushed the CSR initiatives in the back seat in our country. Another issue of CSR is the role of government in ensuring that corporations are prevented from harming the people and the planet. The government should set an agenda for social good by way of laws and regulations that will allow a business to conduct itself accordingly. Denmark has a law for CSR, making it mandatory for the 1100 largest Danish companies, investors and state-owned companies, which became effective from 1st January, 2009. This law includes information on the companies' policies for CSR, how such policies are implemented in practice, and what results have been achieved so far. Though CSR is still voluntary in Denmark, but if the company has no policy on this, then it must state its positioning on CSR in their annual financial report. In India, most industrial units are harming people and the planet by releasing their industrial wastes in the river waters. A case study of Malwa region of Punjab is the live example of this corporate nuisance, where most of the population is facing health problems due to the

presence of arsenal in drinking water. Therefore, the government intervention is sought on CSR, and any violation should be treated as a heinous crime.

Recently, the Parliamentary Standing Committee on Finance proposed in the New Company Law Bill, 2009 to make it mandatory for companies to spend 2 percent of their profits on CSR. The law provides that every company having a net worth of ₹ 500 crore or more, or a turnover of ₹1000 crore or more, or a net profit of ₹ 5 crore or more during a year shall be required to spend every year at least 2 percent of the company's average net profit during the three immediately- preceding financial years, on CSR activities. Even the former Union Minister of Company Affairs, Milind Deora said that he was in the favour of this law. However, the ministry diluted the proposal following the intense lobbying from the industry. In the philanthropic donation, India lags behind the developed economies and contributes only 0.6 percent of the country's GDP. Indians gave away about \$ 7.5 billion to charity in 2010, compared with \$ 300 billion contributed by the US in 2009. The issue of good corporate citizenship is also very pertinent in a country like India, where the gap between the haves and the have nots is very wide. The dilemma of CSR is deeper in the Private Sector, as compared to the Public Sector Corporations. The public sector corporations are already considering the issues relating to social good, whereas the private sector has some reservations on this issue. The public sector enterprises have expressed the strong support for mandatory CSR as they have already adopted the mandatory CSR component, allocating a certain percentage of their profit after tax for different areas like health, sanitation, education, drinking water, skill development, adoption of villages, etc. It is observed that in a country like India, where near about 70 percent people are living in villages and are confronted with abject poverty, CSR by the corporate sector can be the most important tool for poverty alleviation and upliftment of the deprived classes of the society. Though the contribution of the industry, manufacturing sector and agriculture has a substantial positive contribution to the GDP, but if mandatory CSR is followed, there is a likelihood of further growth of GDP by 2-3 percent. Therefore, the mandatory provision for CSR is a must, at least until the last person is brought above the poverty line in India.

DOCTRINE OF NISHKAM KARMA AND ITS RELEVANCE TO CSR

There are four paths of salvation which are described in *The Gita* namely; *Jnana Yoga*, *Bhakti Yoga*, *Dhayan Yoga* and *Karma Yoga*. *Jnana* refers to valid knowledge or wisdom and includes spiritual realization too. The objective of *Jnana* is to do away with ignorance (*avidya*) and attain an identity with the *Brahman* (Truth). *Jnana Yoga* has four dominant ingredients such as the *Brahman*, which is the ultimate reality; Self (*Jiva*) and *Brahman* are identical, *Brahman* can be realized by the wisdom alone, and by becoming completely unattached from the inside, while living in this material world. A *Jnani's* mind and senses are under control and because of total detachment, he is always satisfied. *Bhakti yoga* means devotion and surrender to the almighty. Unconditional love for Him and for His creation is the core of the *Bhakti path*. The true devotee will neither be indifferent towards the society, nor immoral nor unsocial. Service to the being (*Jiva*) is a service to God (*Shiva*) for him. *Dhayan yoga* is yoga by meditation, which is also called as *Raja Yoga*, and is a proximate means to wisdom. It is a practical and scientifically worked out psycho-physical method of concentration and meditation. It disciplines our body and mind by the practice of the eight-fold steps. *Karma yoga-Nishkam Karma Yoga* is the art and skill of performance of action and duty without attachment and equanimity for the realization of the highest goal of man's life. Non-attachment, equanimity and *Swadharma* are essential constituents of *Nishkam Karma* Philosophy. The Table 2 presents the comparative study of these four paths.

It is evident from the comparative analysis that *The Gita* bestows four paths for the attainment of the highest good in

Table 2: Comparative Analysis of Various Paths of Yoga				
Philosophy	Dhayan Yoga	Jnana Yoga	Bhakti Yoga	Nishkam Karma Yoga
Approach	Faith	Analysis	Love	Duty
Basis	Psycho-physical	Intellect	Devotion	Action
concern	Conscience	Vision	Passion	Discipline
Orientation	Meditation	Wisdom	Emotional	Practical
Technique	Eightfold Path	Study of Scriptures	Surrender	Non-Attachment
Outcome	Spiritual Quotient	Intellectual Quotient	Emotional Quotient	Physical Quotient

the life. These four ways deal with *Jnana Yoga* - wisdom; *Bhakti Yoga* - emotional; *Dhayan Yoga* - psycho-physical; and *Karma Yoga* - activity aspect of life. It is observed that among these four paths, *Nishkam Karma Yoga* is important from the CSR point of view, as it emphasizes on the practical aspect of the life. CSR is a process of continuous commitment of business towards the triple bottom line for the attainment of good governance; similarly, *Nishkam Karma* is the discharge of '*Swadharma*' without attachment, recognition, reward or appreciation for the attainment of the supreme good in the life. Therefore, the philosophy of *Nishkam Karma* is well suited for the attainment of CSR objectives. The another argument in the favour of *Nishkam Karma* is that the basic nature of each human being is different, for instance, some people are heart oriented; some are mind oriented; while others are action oriented. Business is an action-oriented institution, therefore, the thesis of *Nishkam Karma* is suitable for the discharge of social responsibility and attainment of the stage of good governance. Though all these paths seem different from each other, but ultimately, they merge at the same point, that is a blissful state.

The philosophy of *Nishkam Karma* and the concept of CSR finds expression in the following verses of the *The Bhagavad Gita*:-

“The human right is for activity only, never for the resultant fruits of actions. Do not consider thyself the creator of the fruits of thy activities; neither allow thyself attachment to inactivity. O Dhananjanaya (Arjuna), remaining immersed in yoga, perform all actions, forsaking attachment (to their fruits), being indifferent to success and failure. This mental evenness is termed as yoga.”

2nd chapter/47-48 verse, by Sri Parmahansa Yogananda, The Bhagavad Gita, pp. 281,287.

INGREDIENTS OF NISHKAM KARMA

1. You have a right to action alone, not to the fruit of action;
2. Let not the fruit of action be your motive (non-attachment);
3. Do not consider yourself the creator of the fruit;
4. Let there not be in you the attachment to inaction;
5. Insist on the cultivation of an attitude of equanimity.

The *swadharma*, non-attachment and mental equilibrium are core constituents of *Nishkam Karma*. The *swadharma* (duty) of a human being is to devote his actions for the infinite alone, not to impress the mankind, nor to satisfy his own material desires. Our right is to action alone, as occurrence of results depend upon many other factors, which are in the control of nature. CSR in itself is an obligation of business towards the society and the environment. Corporations should discharge their '*swadharma*' (cause) with full mental equilibrium, and without attachment to results (Effect). As per the law of nature, each cause has its own effect. Consequently, the right cause has the right effect or vice-versa. CSR is the '*Swadharma*', or philosophy of every business organization, and it should be discharged with mental evenness and without non-attachment for the attainment of highest good in the business world. A Corporation is a trust which is managed by professional managers; therefore, it is the natural responsibility of the management to perform each action with the spirit of '*yajana*' (selfless act or sacrifice offered to the triple bottom line). The concept of CSR finds the philosophical expression in the following verse:

“The devas communed with by yajana will grant thee the craved-for gifts of life. He who enjoys benefactions of the universal deities without due offerings to them is indeed a thief.”

3rd Chapter/12th verse by Sri Parmahansa Yogananda, The Bhagavad Gita, pp. 360.

The action or decision or behaviour of business should be attuned to the *Devas*. *Devas* are the astral forces, divine souls who act as cosmic agents and are instrumental in governing the world. Corporations cannot survive in a vacuum, and they owe their success, growth and prosperity to ancestors, customers, farmers, employees, society, investors, Government, management, creditors, natural resources, environment and the cosmos, etc. All these constituents contribute towards the smooth functioning of the business. Corporations also function as one of the players in this world, which are affected by the behaviour of others and simultaneously, affect others. Further, it is mentioned in *The Gita* that those who enjoy the benefits from these universal deities without fulfilling their respective obligations are indeed thieves and deserve punishment. '*CSR is a devas attuned yajana*' and the corporation which does not fulfil this

responsibility is considered as a thief and deserves severe punishment. Therefore, it is expected from the corporations to behave as good corporate citizens by discharging their respective universal responsibilities in order to be free from all sins (binding effects).

THREE GRADES OF ACTIONS

The actions of human beings are governed by the three attributes of nature such as *Sattva*, *Rajas* And *Tamas*. Qualitatively, *Sattva* is the best; *Tamas* is the worst; while *Rajas* is the intermediate. *Rajas* is required, to some extent, but under the proper guidance of *Sattva*. The Table 3 explains the three grades of actions based on the three innate qualities :

Table 3 : Three Grades Of Actions Based On The Three Innate Qualities	
Action	Interpretation
<i>Sattvic</i>	<i>That yajna (sacrifice or performance of duty) is sattvic which is offered by men who desire no fruit of action; and which is done in accordance with the scriptures, for the sake of righteousness only.</i>
<i>Rajasic</i>	<i>Know thou, O Best of the Bharta (Arjuna)! That the yajna performed in the hope of reward and in an ostentatious spirit is rajasic in nature.</i>
<i>Tamsic</i>	<i>That yajna is condemned as tamsic, which is without regard for the scriptural injunctions, without offerings of food and gifts of appreciation, without scared prayers and chants and without devotion.</i>
17 th Chapter/ 11,12&13 Verse by Sri Parmahansa Yogananda, <i>The Bhagavad Gita</i> , p.997, p.998.	

It is observed from the above-mentioned verses that the *Sattvic* actions are performed with the spirit of '*Yajana*', therefore, these actions inherently fulfil the requirements of the CSR philosophy. As per the teachings of *The Gita*, those who have established themselves in the *Sattvic* philosophy need not perform any extra obligations. Corporations strive to address the social and environmental obligations on their own initiative, and without the desire of rewards and recognitions, and need not to go for mandatory CSR practices. Though this status is difficult to achieve, but once attained, it provides the status of a polar star to that corporation. In India, Tata, Wipro and Infosys are striving towards this direction. The *Rajasic* actions are performed with the desire of fruits. The corporations reactively engage in discharging social responsibility under the legislative or regulatory requirements or even under the pressure of societal protest or activism. The *Tamsic* nature denies the performance of action as any obligation towards society and environment. A *Tamsic* corporation strives only for the attainment of economic goals as Milton Friedman stated that the business has only one objective, and that is the maximization of the owner's wealth. The case of Enron, Anderson and Anderson, Lehman Brothers, Satyam and corporations involved in the 2G spectrum allocations, etc. are the examples of *Tamsic* action, where corporations openly violated the laws for the attainment of their selfish ends. Therefore, in the case of organizations possessing the *Rajasic* nature, the CSR policy should be mandatory , and in the case of *Tamsic* performance, the CSR policy should not only be mandatory, but any violation of the policy should be considered as a crime, and that corporation should be asked to make the loss good. Hence, for the attainment of the state of corporate sustainability in terms of CSR and good governance, the corporations should perform all actions and duties without attachment. The following verse from *The Gita* is relevant in this regard:

“Therefore, always conscientiously perform good material actions (karyam) and spiritual actions (karman) without attachment. By doing all actions without attachment, one attains the highest.”

2nd chapter/ 19th verse by Sri Parmahansa Yogananda, The Bhagavad Gita, pp. 210.

Hence, to attain the highest good, the corporate world should perform all the material and spiritual actions without attachment, in order to imbibe the philosophy of CSR in the truest sense. The philosophy of *Nishkam Karma* explains that one should not consider oneself as the doer, because it will make that person egoistic.

“All action is universally engendered by the attributes (gunas) of primordial nature (Prakriti). A man whose Self is deluded by the egoity thinks, “I am the doer”.

3rd Chapter/ 27th verse by Sri Parmahansa Yogananda, The Bhagavad Gita, pp. 389.

This verse of the Gita explains that all actions of human beings are governed by the three attributes of nature. The actions discharged for the realization of common good are guided by the *sattvic* attributes, not by *rajasic* and *tamsic* attributes. When an individual or an institution performs an action with the spirit of the *sattvic* sense, then he becomes interested in only the means in attainment of the ends. On the contrary, he wrongly considers himself as the doer when the action is performed under the impression of *rajasic* and *tamsic* attributes. The delusion-drunk egotist deems himself the doer of action and by performing evil actions, he gets trapped in the meshes of misery, for instance, in case of Enron, Satyam, etc. A Corporation is a socio-economic national trust, and its actions, decisions and behaviour should be performed under the guidance of *sattvic* attributes for good corporate governance.

The corporation should discharge the CSR with the spirit of *Nishkam Karma* and should realize that it is the '*Swadharma*' of a corporation. The discussion on CSR and *Nishkam Karma* emphasizes that the first and the highest step towards social responsibility is to follow one's own duty (*Swadharma*), and this has been rightly signified in the following verse:

"One's own duty (Swadharma), though deficient in quality, is superior to duty other than one's own (paradharma), though well accomplished. Better it is to die in Swadharma; paradharma is fraught with fear and danger."

3rd Chapter/35th verse by Sri Parmahansa Yogananda, The Bhagavad Gita, pp. 402.

This verse signifies that *swadharma* is far superior to *paradharma*. *Swadharma* means duty performed with the spirit of *Nishkam Karma* for the realization of soul self, whereas, *paradharma* is action performed for the satisfaction of the ego self. The philosophy of *Nishkam Karma* is at the core of *Swadharma*. The teachings of *The Gita* offer guidelines for righteous principles and actions, that human beings should strive to follow for the development of *Swadharma*.

It is better to die with good actions of spiritual efforts, than to spend life in egoistic bondage that caters only to sensory satisfaction such as, greed, avarice, attachment, desire for name and fame, etc. Hence, CSR as tetra bottom line (*swadharma*) is far superior to only economic responsibility (*paradharma*). Therefore, CSR is the *Swadharma* of corporations, which they should follow in the light of principles of *Nishkam Karma* for the achievement of milestones of good corporate governance.

CONCLUSION AND SUGGESTIONS

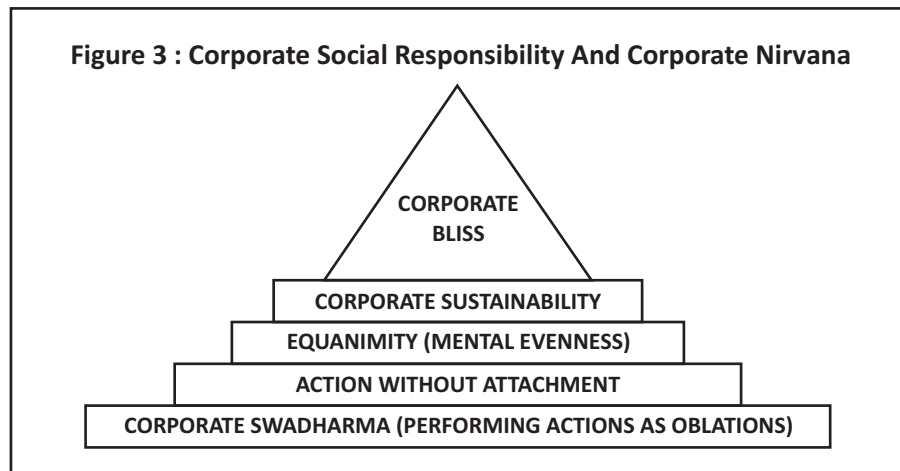
***"Salvation is found by both renunciation and performance of action.
But of these two, the yoga of works is better than renunciation of works."***

As per the teachings of *The Gita*, there are two ways of salvation i.e., the renunciation of actions and performance of actions. Of these two, the path of performance of actions without desire for the fruit of the actions, plus meditation is a better way. The path of action is based on the cosmic law of creation, which means one who is part of creation has an obligation towards creation. Therefore, Corporate Social Responsibility is the dutiful action of a corporation to create the wealth for social good. In other words, CSR in its true sense can be understood as what business puts back- in return, for the benefits it receives from the society. It has been observed in the present research that CSR is not a new concept in the Indian context.

It is a *Swadharma* of every individual or a group of individuals, which they must discharge during the course of their life. But in the contemporary scenario, the viewpoint regarding CSR comes under two broad categories; one who argue that the only responsibility of business is to make profits within the boundaries of the legal and ethical framework, and the second category who have suggested that meeting the societal expectation is a responsibility of the corporation.

The recent approach regarding the CSR is to address the triple bottom line, i.e., economic, social and environmental concern. In the present research work, a CSR model has been developed, which explains CSR to be a process aimed at achieving the '*tetra bottom line*' that includes economic, social, environmental and spiritual or cosmic concerns. On the basis of the philosophy of *Nishkam Karma*, the following model of CSR has been developed (Figure 3). This model (presented in Figure 3) describes CSR as a *Swadharma* or dutiful action (*sattvic* action) of a corporation, which should be discharged without the desire of the fruit of actions, and with mental evenness for the realization of

corporate sustainability and corporate bliss (*Nirvana*).



It is a philosophy of righteous action. Therefore, CSR is *Swadharma* of a corporation, which should be pursued under the guidelines of the philosophy of *Nishkam Karma* for the achievement of the milestones of good corporate governance. Gandhiji observed that though it seems difficult to pursue this path, but it is not impossible. For long term corporate sustainability, this is the only panacea.

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