Governance And Trusteeship Philosophy In The 2 G Saga

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"Lust, anger and greed- these three constitute the threefold gate of hell leading to the destruction of the soul's welfare. These three, man should abandon. O, Son of Kunti(Arjuna) ! By turning away from these three entrances to the realm of darkness, man behaves according to his own highest good and thereafter, reaches the supreme."

(21-22 verse of 16th Chapter of the Gita by Parmahansa Yogananda PP-977)

INTRODUCTION

The Indian ancient scriptures have cited the six faults(*doshas*) which are responsible for the generation of state of suffering, sorrow, misery, chaos, destruction of one's soul and eventually poor governance; namely Lust(*kama*); Anger(*krodha*); Greed(*lobha*); Delusion(*moha*); Arrogance(*mada*); and Envy or Jealousy(*matsrya*).[1] An Individual has to overcome all these obstacles to acquire the wisdom, which will support him in the discharge of his responsibility towards good governance. Similarly, keeping in view the healthy tradition of Indian philosophy Gandhiji also refers to six *"deadly enemies"* which lead people astray and cause poor governance; lust, hatred, greed, error, pride and injustice[2]. It is evident from the analysis of Indian scriptures that all these faults have been responsible for the dissolution of social life and a consequent revival of anarchy. *Ravana*, a powerful king, warrior and spiritual leader, caused his own downfall due to his extreme arrogance; *Kansa and Hirnakashyup* perished due to ignorance and hatred respectively. *Duryodhana,* another mighty king of *Hastinapur* ultimately died in the battle of *Kurukshetra* as a result of greed and envy. Along with him, all other silent spectators such as *Bhishama, Daronacharya, Karna* and other great warriors who were the part of *adharma* died ultimately. All these characters of Indian history failed to act upon the good advice of their well wishers. Therefore, our politicians, bureaucrats, army officers, judges, businessman and other powerful people should imbibe the lessons from the teaching of ancient scriptures that those individuals who will be part of *adharma* will sooner or later be exposed or perish. It is evident from the contemporary socio-political-economic environment that all these six deadly enemies of human soul, peace and prosperity have completely occupied the nature of human beings.

Bharat, which was once known as the vibrating land of wisdom, service, sacrifice, surrender and sovereign governance has now metamorphosed into an India that is a republic of scams, scandals, frauds, embezzlements, crime, corruption, black marketing and ruthless exploitation. In ancient India, it was a common practice for rulers to seek enlightenment on techniques of sovereign and ethical governance from a prefect spiritual teacher. Such Gurus were the treasures and carriers of great wisdom and learning, which they have developed through the practice of deep meditation. They used to provide guidance and advice to the kings from time to time regarding the issues relating to good governance. The governance paradigm of ancient India was founded on the fundamental of *dharma, satya, ahimsa, non-attachment, love and the philosophy of trusteeship.* In the era of *Ramayana, Bharat* acted as the trustee of *Rama* for 14 years and it is observed that no act of mal-governance, violence and corruption was reported during that period. Though a few acts of domestic violence occurred during Lord *Ram's* rule, yet by following *Rajdharma, Rama* took exemplary steps to maintain the significance of *Rajdharma.*

Unfortunately, in the present scenario of governance, our Prime Minister remains silent and inactive for 15 months regarding the allegations of corruption in the 2G spectrum allocation scam. In fact, extraordinary lenience was shown to A. Raja impelled even the Supreme Court to raise question about the conduct of the Prime Minister. In spite of taking immediate action against the corrupt minister and officials, an affidavit was filed from the Prime Minister's Office in Supreme Court stating that PMO merely followed the advice from Union Law Ministry to wait for the CBI to complete its investigation into the 2G scam case before deciding to provide sanction to prosecute A. Raja[3]. Not only this, the appointment of tainted bureaucrat as Chief Vigilance Commissioner and denial of opposition's demand for

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JPC to probe the 2G scam raised many doubts about the present system of governance. It has been observed that the present system of governance including corporate governance has lost its credibility and requires harking back the great spirit of ancient India. The model of governance, which we have borrowed from the western countries is not suitable for our ancient socio-cultural-economic-political philosophy of holistic development. It is the need of the moment in the present scenario of value crisis, corruption and malgovernance that we should seriously think to develop our own model of governance on the basis of fundamental and principles of our ancient scriptures.

India has always been plundered, first by medieval warlords; then by European; and now by our own people of specific class, which includes big corporate houses, feudal lords, politicians, bureaucrats, judges, army officers, broker cum corporate lobbyists and others with the collaboration of multinational corporations in the neoliberal regime.[4]

In the present scenario of poor governance, the incidents of scams, embezzlements and frauds are increasing in the neoliberal regime, but the year 2010 has been extraordinary in this connection. Even the Supreme Court of India had to intervene in the 2G scam, which is one of largest scams of Independent India. Starting with the Bofors gun deal, which involved ₹ 63 crore, marketing of MLA's and MP's for the formation of government, fodder scam, urea scam, Harshad Metha scam, UTI scam, manipulations in IPL, disposal of land and mining resources (in Karnataka), Adarsh Housing Society scam, Commonwealth games scam (Worth $1.5 billion), housing loans scam (land for Kargil war widows and war hereos) , the recent ones are among the largest scams of Independent India - the 2G Spectrum allocation scam (worth $38.6 billion) and the recent City Bank scam (₹ 300 crores). India's black economy is huge- at 50 percent of the gross domestic product. Corruption is second dominating nature of minority of one million people and it can be concluded with the same amount of accuracy that the majority of 999 million people of this country still exhibit the spirit of ancient India.[5]

The great principles of sovereign governance are clearly envisaged in the ancient Indian scriptures, which can help the policy makers to adopt the right course of action in the present era of mal-governance. Corruption, even more than fraud, is the national malaise[6]. There is a consensus amongst economists that India could add as much as 2 percent in its growth rate, if it improves the governance at government level[7]. Crony capitalism, nepotism and opaque process of governance are turning states into gravy trains fuelled by embezzlement and frauds[8] . India is not only plundered through the ages, but the wide spread corruption in the present scenario has adversely affected the socio-cultural-economic-political development on the nation. In Vineet Narayan's case, the Supreme Court took serious judicial note of N.N. Vohara Committee's report expressing the powerful nexus between bureaucracy and politicians with mafia gang, smugglers and the underworld[9] .This intervention of the corporate sector and criminals in the functioning of the Government mars efficiency, effectiveness and productivity on one side and creates threat to the national security on the other side. It is evident from the various studies that corruption stalls development, undermines socio-economic progress, undercuts confidence of citizens in the fairness and impartiality of public administration, impedes good governance, erodes rule of law, distorts competitive conditions in the business transactions, discourages domestic and foreign investment, promotes black market economy and raises new security threats. In a nutshell, it can be concluded that corruption obstructs the nation from attaining its economic and social targets and undercuts national security[10].

NEED AND SCOPE OF THE PROPOSED RESEARCH WORK

India is passing through an unprecedented turmoil due to the present system of governance in many ways. The Poor governance and corruption has adversely affected the socio-cultural, economic and political environment on one side and corporate environment on the other side. This is time for soul searching introspection and coming-up with a suitable strategy that can effectively deal with the major challenges of the present system of mal-governance. The focus, unfortunately, is on rules and regulations, whereas, essential requirement is to change the ethos. It is the men behind the corporate scams and not the scams that only matter. Companies are national assets (trust) and are playing dominating roles in the economic development; therefore, the need of the good corporate governance is of paramount national importance. In such circumstances, the concern for ethical governance becomes important and the role of Indian ancient wisdom comes to the forefront. India is one of the oldest civilizations which has its own treasure of literature, cultural heritage and own system of governance. It is evident from the various studies that the system of capitalism and socialism is unable to address the grievances of the community. In such turbulent circumstances, the Gandhian concept of trusteeship form of governance is the only viable solution for the present day problem of mal-governance. The present research work is of great significance in current scenario of 2G spectrum allocation and other cases of scams, scandals, frauds and corruption, which has exposed the political-corporate-bureaucrat-lobbyist-media links. The scope of the study under consideration will be confined to study the concept of governance, especially corporate governance, the teachings of the *Gita*; Gandhian economic thought of trusteeship. To make the study relevant in the contemporary era, a case study of 2 G spectrum allocation and dubious role played by the corporate sector has also been discussed in the present research work.

RESEARCH METHODOLOGY AND OBJECTIVES OF THE STUDY

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

1. To study corporate governance and its dimension in the neoliberal era.
2. To examine the role of corporate sector in the 2G spectrum allocation scam.
3. To study Gandhian philosophy of trusteeship.
4. To study the significance of trusteeship in the neoliberal regime.

ANALYSIS AND INTERPRETATION

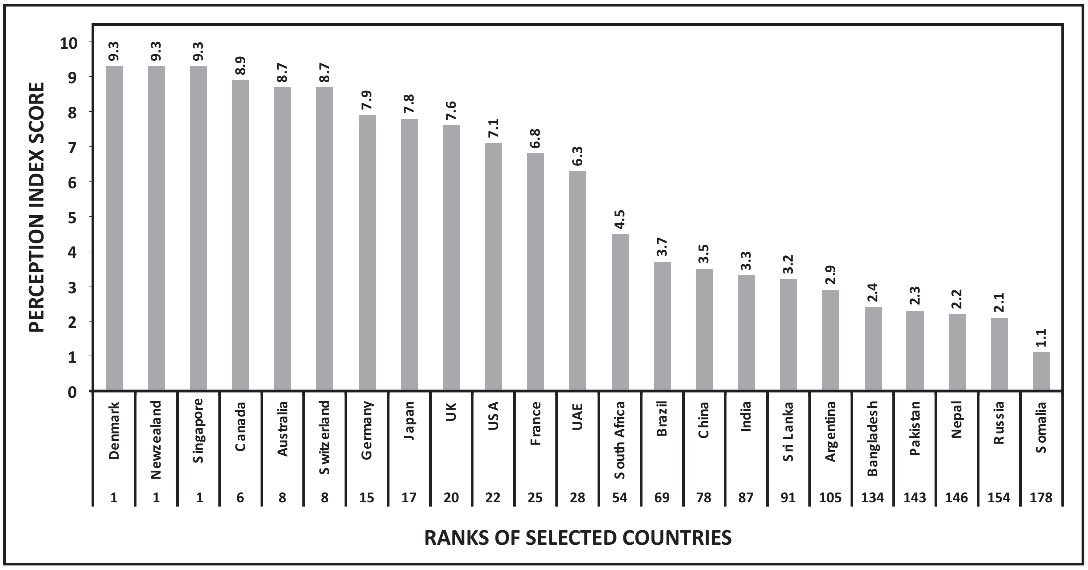
The following are the analysis and interpretation of the present research work:-

CORPORATE GOVERNANCE AND ITS DIMENSIONS

It is evident from the Global Financial Integrity (GFI) report that the process of malfunctioning and malgovernance has gathered momentum after the process of economic reforms in 1991. The report indicates that 68 percent of the total illicit siphoning of money from India since Independence happened in the neoliberal era. It also points out that in real terms, outflow of illicit capital was 9.1 percent before 1991, which accelerated to 16.4 percent in post reform regime. India lost, on an average, $16 billion a year between 2002-2006[11]. Even corruption has increased in the age of coalition governments as every partner in the coalition system is a party to mal-governance[12]. As per recent data, India's growth rate is near about 9 percent, but trickle- down effect of a high growth rate is hampered by certain obstacles -such as lack of leadership deficit and governance deficit. Recently, IMF ranked India at 127th position in relation to per capita GDP income on the basis of purchasing power parity[12]. Further, according to Transparency International (Germany), which compiled Global Corruption Index, ranked India at 87th position out of 178 countries in 2010. Whereas India's rank was 84th in 2004[13]. The 2010 Corruption Perception Index shows that nearly three quarters of the 178 countries in the index were below five on the scale from ten (very clean) to zero (highly corrupt). The position of India along with other countries of the world has been explained in the Figure 1.

The current corporate era has not only influenced the economic way of life, but has also left a profound impact on 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 governance and suggested certain principles and a model of trusteeship for good governance. The ancient spiritual authors believed in the holistic concept of governance, which includes both individual and institutional governance. The ancient Sanskrit word *'Shasan'* is associated with modern concept of governance. The Greek word for governance is *'Kubernau'* which means to steer and rule. Both of these two words indicate a common key note for 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 motivated by the goal of profit through the exploitation of natural resources, market and masses. In modern India, Gandhiji revived the ancient system of governance, which is based upon the philosophy of trusteeship. 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

Figure 1 : The Corruption Index - 2010



to harness this talent through our basic fundamentals, then it will help us in the developing the core competencies to gain competitive advantage in the global market.

In the present scenario of turbulent business environment, the demand for good corporate governance has become of utmost concern. There are two aspects that ensure the good governance i.e. legal compliance and ethical compliance. The legal compliance constitutes rules, regulations, law and all other legal frameworks enacted by the government. The ethical compliance constitutes of values, ethics, morality, virtues and wisdom. The overemphasis on the enforcement of rules and regulations is sought when the system of ethical compliance is weak. The one thing that is common in all corporate scams and failure is the crisis of wisdom, ethics, values and morality. This global crisis of corporate degeneration calls for a fresh thinking regarding the system of governance in light of Gandhian principle of trusteeship. Though the significance of the study on corporate governance was always there, yet its relevance came to the fore only after the failure of big corporations such as Enron, WorldCom, Anderson and Anderson, Satyam and involvement of some corporations in the 2G scam. Even the condition of governance at government level is also not appreciable. Many politicians, judges, bureaucrats, army officers and other government employees are involved in corrupt practices and have more assets than their income. Recently, Indian bureaucracy has been repeatedly rated as the worst and most corrupt bureaucracy in Asia. Globally, India continues to be ranked poorly, securing the 85th position out of 179 nations in the Transparency International's latest corruption perception index (The Tribune, 14th March 2010). Therefore, governance based on wisdom, values and ethics is the need of the hour.

The fundamental objective of governance is enhancement of long-term shareholder value and protection of the interests of other stakeholders. Governance is the process of making decisions and the process by which decisions are implemented or not implemented. Governance can be used in several contexts **-** such as International, national, local, government and corporate governance. Corporate governance is all about governing a company with transparency, honesty, openness and conscience. The fundamental objective of governance is enhancement of long term shareholder value and at the same time, protecting the interests of other stakeholders. The concept of governance can be narrowly defined as the relationship of its shareholders (shareholder's democracy) or more broadly, its relationship to all stakeholders (stakeholder's democracy). The experts of OECD have defined corporate governance as a system of processes, practices, customs, policies, laws and institutions by which business corporations are directed and controlled. Sir Adrian Cadbury has defined it as a mechanism of holding balance between economic and social goal. The role of Board of Directors and their committees such as remuneration committee, compensation committee and audit committee comes in the purview of the study of corporate governance. The corporate governance includes; **(1)** Some focus on structures and mechanism that ensures the proper internal structure and rules of board of directors, **(2)** Creations of independent committees, **(3)** Rules for disclosure of information to stakeholders, **(4)** Transparency of operation and **(5)** An impeccable process of decision-making and control of management.

The corporate governance system is not same in all countries of the world. Generally, there are two systems of governance namely, market based system which is shareholder oriented and bank based system, which is stakeholder oriented. The former system of governance is prevailing in America, Britain, Canada, Australia and some other common wealth countries including India, whereas, the latter is followed by Germany, Japan, Holland and to some extent, by France. The corporate sector is governed by the Company Act 1956, which is highly influenced by the US and UK model of Governance. It is observed that the dominating countries of the world have developed the model of governance in accordance with requirement of their socio- cultural-economic- political needs of the system. It is evident that India is still following the colonial and imperialist model, which fulfills the goals and expectations of these rulers ,which is contrary to our ancient socio-culture-philosophical-economic-political system of governance . The governance model of India is *'trusteeship'* , which is based on the spiritual philosophy of India. Since, we have borrowed the system of governance from other countries, which is not as per needs of our basic fundamentals, that is why it is producing the results in the form of mal-governance, corruption, malfunctioning, black money, scams, scandals, frauds, embezzlements and criminalization of politics. According to the data analyzed by National Election watch (NEW) and Association of Democratic Reform (ADR) regarding the Bihar assembly election, it was concluded that 141 out of 241 MLAs, which is 59 percent of the newly elected MLAs, have a criminal background[14]. Whereas there is no information regarding those MLAs who are funded and supported by criminals. This data exposes the status of governance in our country. Therefore, in the present scenario, policy makers in collaboration with academicians should come forward to develop the trusteeship model of corporate governance, which has also been put forward by Gandhiji in modern India.

ROLE OF THE CORPORATE SECTOR IN THE 2G SPECTRUM ALLOCATION SCAM

2G spectrum allocation scam occurred in the Ministry Of Communication And Information Technology is one of the unique types of example of mal-governance in independent India, in which all rules, regulations, policies, procedures and recommendations of various ministries and commissions were cleverly flouted to help certain ineligible corporate houses. Spectrum is a section of electromagnetic scale, a lobe of natural channels used by cell phones. Spectrum is the national property and resource of the present and future generation and the Government is the only custodian and trustee of this resource. No one has a right to sell, plunder and auction the legendry wealth of the nation as personal property like this. It a matter of surprise that even the advice of the Prime minister was not heeded to by the concerned minister. Among the total 575 companies that applied for the licence, only 122 companies were issued the letter of intent on January, 10, 2008. 85, out of the 122, licences were issued to ineligible applicants who did not have requisite paid up capital and 45 out of 85 companies failed to satisfy the conditions of memorandum of understanding. TRAI has recommended the cancellation of licences of 69companies who still do not fulfil the conditions [15].

It is evident from the analysis of the following information that how some of the companies of corporate sector manipulated the information and submitted false certificates and affidavits to attain the benefits by openly flouting the norms to attain the benefit from 2 G spectrum allocations. In this context, the role of the concerned minister, bureaucrats and corporate lobbyist has also been very dubious. This scam has exposed the plight of governance in our country.

IMPACT OF 2 G SPECTRUM SCAM

The impact of mal- governance can be analyzed from the fact that as per the recent study by Washington based think tank, Global Financial Integrity(GFI) on India's underground economy, within 60 years from 1948-2008, Indians have illegally stashed away more than $ 460 billion overseas and another $ 178 billion is hidden within the country. In addition to it, in the post reform era, the avenues to salt money away grew wider. It reckons that the size of underground economy was about 27 percent of the economy in the pre reform era from 1948 to 1990. Thereafter, the things got a boost and the in post reform era, from 1991 to 2008, the underground economy bloats to about 43 percent of the economy[16]. Therefore, scams like 2 G Spectrum helps the beneficiary to amass the black money, which has widened the gulf between the poor and rich. It is evident from this analysis that the mal-governance and the cases of corruptions have increased by many folds in the neoliberal era. The following is the impact of the 2 G Spectrum scam:-

Table 1 : Violation of Eligibility Norms By The Corporate Sector

SWAN TELECOM:

☸ Company was ineligible to get a licence on several counts.
☸ It is seen as front company for Reliance Telecom.
☸ Reliance Telecom's equity in Swan was ₹ 1002.79 crore against Tiger Trader's ₹ 98.22 crore.
☸ In terms of shareholding, Reliance held a 10.71 percent stake in Swan at the time of application for UAS licence, with Tiger holding the remaining 89.29 percent. Rules do not allow an entity to hold over 10 percent stake in two ventures operating in the same circle.
☸ Reliance Telecom was operating in the same circle area for which Swan had sought licences, and this was not in conformity with the guidelines.
☸ It suppressed non-registration of alteration in memorandum and articles of association regarding an increase in the share capital.
☸ Submitted false certificate from company secretary regarding paid-up capital.

UNITECH GROUP:

☸ Six group companies, which now offer services under the Uninor brand, were ineligible to get unified access licences.
☸ The group of association were only altered in May 2008, while the date of application was September 24, 2007. The company suppressed this fact.
☸ Had lower than the prescribed authorised capital.
☸ Submitted false certificate from company secretary regarding authorised capital.

LOOP TELECOM:

☸ Shipping Stoop Dotcom (SSDC), Loop's earlier name, was ineligible for grant of licence on the day it submitted its application.
☸ When SSDC Submitted an application for UAS licences on September 3, 2007, it did not disclose that the registration of articles of association had not been taken place.
☸ Authorised share capital was ₹ 5 lakh against the prescribed limit ₹ 8 crore.
☸ Submitted false certificate from company secretary regarding authorised capital.

S TEL:

☸ Suppressed the non-registration of alteration of memorandum and articles of association regarding increase in authorised capital.
☸ Had authorised capital of ₹ 10 lakh against prescribed level of ₹ 18 crore.
☸ Submitted false certificate from company secretary.

VIDEOCON TELECOMMUNICATION:

☸ Datacom Solutions, which originally applied for licence, suppressed the non-registration of the resolution effecting alteration in the memorandum of association, effecting increase in the authorised capital.
☸ The authorised capital was ₹ 1 lakh against the requirement of ₹ 138 crore.
☸ Increase in authorised capital was done through a resolution the day before the application was submitted.
☸ Company submitted false certificate from company secretary.

Source: Times of India, November 18, 2010, PP-11.

☸ The loss to Government exchequer occurred by ₹ 176379 ($ 38.6 billion) crores.
☸ This is close to10 percent of Gross Fixed Capital Formation in the economy in 2008-09.
☸ Loss is eight times of Indian health budget.
☸ Loss is three times of education budget.
☸ 2 G spectrum scam has its shadow on 3 G auction also, as it has been done under the leadership of the same minister.
☸ This is equivalent to three percent of our Gross Domestic Product.
☸ Loss is equal to our defence budget.
☸ The amount of loss is equal to 14.3 percent of our external debt.
☸ This will have deep impact on social sector investment.
☸ Loss is one third of our tax revenue.
☸ Loss of ₹ 172 crore (₹1.72 billion) occurred over the demand for JPC to prove into the 2Gmega scam*.
☸ The flight of capital is another dimension of increasing corruption in the country. The GFI economists concluded that the increasing corruption resulted in tax evasion, violation of other laws and illegal siphoning of money to destinations outside the country.

(Source: India Today, 29 November, 2010, PP- 23.* The Tribune, 14 December, 2010, PP-1.)

There is ample evidence that after the process of economic reforms, deregulation, trade liberalization and reduction of state intervention in the economic activity has helped the private sector to garner the windfall gains which give rise to private profits, capital accumulation, corporate savings and private wealth especially during this decade. The are other many instances which permit the private sector to garner huge profits by unfair business practices and state patronage at the cost of Government exchequer. It is observed from this research work that 2 G spectrum scam is only the tip of the iceberg. As per an estimate, if the whole amount earned out of mal-governance practices is brought back into the economy, then it will help to present tax free budget for the next five years, all roads to rural areas will be developed into four lane roads, every individual can be given rupees 2000 allowance per month, 60 crore jobs can be created and no loan would be required to be taken from the IMF. Hence, the emerging scenario of economic renaissance in India demands fresh look on the governance practices in the light of Indian traditional wisdom, ethics, values and philosophy.

GANDHIAN PHILOSOPHY OF TRUSTEESHIP

Gandhiji made distinction between economic and real progress. Real progress is moral progress which is based on the pursuit of truth, love, non-violence and on the idea of trusteeship. He did not agree that all material progress spells moral progress, whereas an unlimited material progress beyond certain limit paved the way for moral degeneration. He was of opinion that economic development above a given minimum limit is in conflict with real progress. Morality is nothing but the standards of truth, non-violence and renunciation. He reached at a conclusion that the true progress is moral progress, and that moral progress and material progress is often in conflict. There is a direct and positive correlation between happiness and moral or real progress, whereas material progress and collective happiness are mostly in conflict. In practice, however, extremes of poverty and wealth result in moral degeneration[17] . The recent report of International Food Policy Research Institute, Washington, US, presented in the 93rd annual conference of Indian Economic Association concluded that there is no link between economic progress, hunger and poverty. India's Global Hunger Index 2008 score was 23.7, which gave India a rank of 66th out of 88 countries [18]. This analysis supports the Gandhian concept of moral progress. Mahatma Gandhi was of the opinion that when material progress will be based on the philosophy of trusteeship, only then it can result in moral progress and good governance.

Indian ancient scriptures believe in such system of governance in which every creature of this universe should lead a healthy, harmonious, peaceful and prosperous life. No society can remain healthy and prosperous if the good of collective (as trustee) is undermined by the greed of a few. Apart from being enemy of progress, ethics and morality, corruption also endangers good governance. Indian spiritual philosophy is of the opinion that wisdom, action and devotion are prerequisites for good governance in any sphere of life and when we pray for the welfare of others, all our petty and selfish feelings go away and our intellect expands. The following Vedic prayer[19] signifies the relevance of trusteeship philosophy for the good governance:-

"Sarve bhavantu sukhinah, sarve santu nirmayah;
Sarve bhadarani pashyantu, ma kashchid dukhbhag bhavet"

"May all be happy,
may all be free from disease,
may all realize what is good,
may none be subject to misery".

The above mentioned Vedic prayer rejects the materialistic system of governance which is merely based on the goal of profit through exploitation of masses and natural resources ruthlessly. Karl Marx has also propounded the doctrine of governance, which is based on the fundamentals of scientific socialism, to provide the justice to the exploited class and also favored the collective ownership of factors of production as a remedy for inequality of capitalist system. As per his doctrine, *"From each according to his ability, to each according to his needs"* reflects idealism of no lesser order than one implicit in the philosophy of trusteeship. Gandhiji wanted to achieve the state of socialism through the means of non-violence, non cooperation and civil disobedience. Hence, the Gandhian socialism becomes trusteeship socialism. Even the spirit of thesis of Marxist socialism is based on the materialistic philosophy, which is also not holistic system of governance. The ancient Indian system of governance is based on the philosophy of trusteeship, which provides the holistic and effective approach of governance. As per the teachings of the *Gita*, we have not been given the sovereign right over the resources, but we are only custodians of the same. The system of trusteeship is based upon the principles of non-possession, non-attachment, non-violence, love, equanimity, wisdom, action and devotion. The aim of human life as per Indian scriptures is Dharma- Righteous conduct, Artha- Worldly prosperity, Kama- Worldly enjoyment and Moksha-Emancipation. Dharma is the supreme value and the foundation of rest of the three. The ancient Indian system of governance, which is trusteeship, is fundamentally based on the supreme values of dharma.

The concept of trusteeship cannot be called a new concept. It has its roots in ancient Indian scriptures. The Gandhian idea of trusteeship is based on the teachings of the *Upanishads* and the *Gita*. Gandhiji drew the idea of trusteeship from the first verse of the *Upanishads*, yet he clearly understood the meaning of the word *'trustee'* in the light of the teachings of the *Gita*. *Gandhiji* as a lawyer found the idea of trusteeship in the books of jurisprudence too. His conviction relating to jurisprudence increased when he discovered the concept of trusteeship in the ancient scriptures. The idea of trusteeship developed in the mind of Gandhiji in 1903. The following first of verse of the *Ishopanished* helped Gandhiji to develop the philosophy of trusteeship[20]:-

"Aum Isavasyamidam, sarvam yatkinch jagtyam jagat,
Ten tyaktena bhunjeethah, ma gridha, kasya swidhanam"

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

Accordingly, everything belonged to God and was from God. Therefore, it was for His people as a whole, not for a particular individual. When an individual had more than his proportionate portion, he became a trustee of that portion for God's people. In other words, everything must be surrendered to God in the first instance, then out of it, one may use only that which is necessary according to one's strict requirements[21].

As per the above mentioned verse, the spirit of the concept of trusteeship is based on two virtues of non-possession *(Aprigraha)* and equanimity *(sambhava)*. In the absence of these two virtues, it is impossible to obey the command *"ma gridha- do not covet others wealth"*. Trusteeship is a means, not in the true sense an end. If the owning class does not accept the trusteeship basis voluntarily, its conversion must come under the pressure of public opinion by using the method of non-violence, non-cooperation and civil disobedience. Gandhiji called rich people as drag and parasites as they cannot accumulate wealth without the cooperation of poor in the society. He was strictly against inherited riches and unearned income. The philosophy of trusteeship provides a means of transforming the present capitalistic order of society into an egalitarian one. Under the trusteeship order of governance, the character of production should be determined by social necessity and not by personal whim or greed[22].

This makes it clear that the philosophy of trusteeship is not only applicable to the business sector, but important in all spectrum of human life. Gandhiji says, *"All have not the same capacity and talent. It is in the nature of things, impossible. Therefore, some will have ability to earn more and other less. People with talents will have more, and they should utilize their talents for this purpose. If they utilize their talents kindly, they will perform the work of the society. Such person exists as trustee, on no other terms. I would allow the man of intellect to earn more; I would not cramp his talent. But the bulk of his greater earnings must be used for the good of the community, just as the income of all earning sons of the father goes to the common family fund. They would have their earning as trustees[23.]"*

Gandhiji felt that trusteeship concept will not be implemented by parliamentary activity alone, but his reliance for this was on public opinion, as conversion must precede reform. When people will understand the positive aspect of trusteeship and environment will be mature for it, the masses themselves will begin to introduce the concept of trusteeship from Gram Panchayat level. Gandhiji believed that when Panchayati Raj will be established in the right spirit, then public opinion will do what violence can never do. Such a thing coming from below is easy to swallow, whereas coming from above, it is liable to prove a dead weight[24].

For the present owning class, there is option between class war and voluntarily transforming themselves into trustees of their property. They will be allowed to retain the stewardship of their possession and use their talent and capacity to increase the wealth not for their own self interest but for the sake of nation as a whole, without the exploitation of others. The government will regulate the rate of commission, which trustee will get in lieu of service rendered and its value to community. Their children will inherit the stewardship only if they prove their fitness. Regarding the role of state - Gandhiji believes that he personally prefers not centralization of power in hands of state, but an extension of sense of trusteeship; as in his opinion, the violence of private ownership is less injurious than the violence of the state. However, if it is unavoidable, he said that he would support a minimum of state- ownership[25].

RELEVANCE OF TRUSTEESHIP IN THE NEOLIBERAL REGIME

To reject the Gandhian concept of trusteeship outrightly by designating it as utopian philosophy would be a big mistake. The philosophy of trusteeship is backed by spiritual thought of great sages and ancient scriptures. The ancient Indian scriptures is like an ocean full of diamonds, one has to dive deep in this ocean to fish for the pearls of wisdom. In modern times, Gandhiji was one who dived deep and came out with the gems of truth, non-violence and the concept of trusteeship. It was a time when his idea of trusteeship was considered as a utopian philosophy like the Marxist concept of classless society, but in the modern era of mal-governance, the relevance of trusteeship concept has increased more. The greatest drawback of present capitalistic and socialistic system of governance is a consistent tension between these two ideologies. The Gandhian theory of trusteeship provides a salvation and a way to eradicate economic disparity, mal-governance and elimination of unjust system of distribution of power and wealth, in a non-violent manner.

The governance concept of trusteeship is backed by truth, non-violence, non-cooperation and harmonious relationship among people of all spectrums of human beings. The core of this concept is the urge of justice and equity and this has been the demand of all human beings throughout the centuries. The social, political and economic revolutions that are raised from time to time are motivated by these two factors. This proves beyond doubt the relevance of trusteeship in modern times also. Though the Gandhian concept of trusteeship does not seek to destroy any particular class, yet, it offers a system of governance of how to narrow down the gap between rich and poor to a minimum with non-violent methods. Recently, the Gandhian idea of *sarvodaya* was implemented by Dr. A. T. Ariyaratne in 15000 villages out of 38000 villages in Sri Lanka along with the ideas of Jayprakash Narayan and Buddhist philosophy of political, economic, spiritual , morality and culture. Dr. Ariyaratne says it is a method through which the community, nation and world can attain collective happiness[26].

Silence and inaction on the part of Prime Minister also causes the violation of principle of trusteeship. Gandhiji was not in favour of concentration of power in the hands of the state, but an extension of the sense of trusteeship; as per his opinion, the violence of private ownership is less injurious than the violence of state. This is true in the present scenario of corruption and abysmal governance. The three organs of the Government namely; legislature, executive and judiciary are the trustees of billions of people, but they are working as absolute owner and are breaching the trust of the masses, which they have bestowed upon them. The role of the Prime minister in the 2G scams is doubtful. As a trustee of people, his silence and inaction in the 2G spectrum scam raises many questions. Being the trustee of people and the Parliament, he has violated the trusteeship principle in the following manners[27] :-

- Since the constitution of the cabinet is the prerogative of the Prime Minister, but appointment of A. Raja as telecommunication minister on the recommendation of DMK head means that he succumbed to the pressure of coalition politics.
- Silence and inaction of Prime Minister over the allegation of corruption in 2G spectrum Allocation scam.
- Since Prime Minister is empowered to reshuffle the Department Of Ministers, so why did he not change the portfolio of A. Raja, after the allegation of corruption against him?
- The government has failed to justice - how could it auction 2G licences in 2008 at the prices that prevailed in 2001?
- Extraordinary lenience has been shown by delaying the probe against A. Raja for as long as 15 months.
- Timely sanction to prosecute A. Raja was not cleared by the government.
- Affidavit was filed from Prime Minister's side, which also helped in postponing the action against the corrupt Minister.
- Appointment of P. J. Thomas as Chief Vigilance Commissioner, against whom the charge sheet is already pending in Palm Oil Import Case, which caused loss to Kerala Government exchequer.
- In a democratic system, denial to constitute Joint Parliamentary Committee to prove the 2G Scam.
- Breach of trust which a billion people and Indian parliamentarians bestowed upon the Prime Minister.
- Minister of Telecommunication also violated the principle of trusteeship and caused a huge loss to the government exchequer. Quoting the Comptroller and Auditor General of India, he said: *" The entire procedure of allotment of licences is vitiated in as much as the same has been subverted: there have been gaps in the policy implementation; the high power Telecom Commission was not consulted; the views and concerns of the Ministry Of Finance were overruled; the advice of Ministry of Law and Justice was ignored; The Prime Minister's suggestions were not followed; there was arbitrary change by DoT in the cut-off date; even the first come and first serve policy was not*

followed; 85 out of the 122 licences were issued to ineligible applicants and there was huge loss to the exchequer, perhaps as high as ₹ 1,76,000 crores[28]"

Therefore, the unhealthy nexus between politicians-bureaucrats- corporate sector-media has been exposed by the recent 2G scam. Many bureaucrats such as Nira Yadav, B. S. Lalli, P. J. Thomas are the many names and judges such as former Chief Justice of Supreme Court -K. G. Balakrishanan, presently Chairman, National Human Right Commissioner, Justice V. Ramaswamy, Justice Sen , Justice Dipanker are among many other names. Article 311 of the Indian Constitution protects the civil servants from prosecution and punishment , as under this article, sanction to prosecute an officer above the rank of Joint Secretary requires the sanction from the Government. Though the Supreme Court has rejected this anomaly, yet Government is not still making a law to overcome this anomaly. Hence, the Indian system of governance is at crossroads. The present scenario of governance can be well explained by the ancient proverb, *"a fish rot from the head down[29] "*. In such unjust and unequal system of governance, the relevance of philosophy of trusteeship comes to the forefront as a powerful system of governance for solution to the present day problems.

The problem of silence is at core of the Indian political system. The anger of Indian masses is over an honest Prime Minister who is heading one of the most corrupt government in the recent Indian history. The position of the Prime Minister is that of *Bhishma* in *Mahabharta*, who remained silent when *Draupadi* was disrobed by *the Kaurvas*. When *Draupadi* insistently questioned the *'Dharma of the Ruler' ,* everyone remained silent. Then *Vidura* scornfully came out of the immorality of silence: *"When a crime occurs, he said, half of the punishment goes to the guilty; a quarter to his ally; and another quarter falls on the silent [30]"*.

CONCLUSION AND SUGGESTIONS

"Na Karmanaa Na Prajayaa Dhanena
Tyaagenaike Amrutatwamaanasuhu"

This verse helps us to understand that neither by means of action, nor by means of manpower, nor by means of wealth, but by sacrifice alone can immorality be attained. In other words, it means that we can obtain peace, prosperity, happiness and liberation through the act of non-possession and equanimity. These two are essential elements of philosophy of trusteeship. Therefore, every individual and the institution (corporation) should perform all activities with selfless desire, non- attachment, meditation, wisdom, service, devotion, morality, and divine love as their observance to purify all the actions, which makes the person eligible of enjoying bounties of life, health, knowledge, prosperity and success. Worldly or selfish people enjoy or exploit the gifts of nature without conveying any sacrifice *(yajana)* to the giver are ingrate or thieves indeed and such persons mostly receive sorrows, pain, suffering and untimely demise. Therefore, the teachings of the ancient scriptures indicate that corporations should fulfil their moral, social and ethical responsibilities towards all stakeholders truly, sincerely, honestly, transparently and in a selfless manner. The various thesis of management talks of *'Management by Objectives'* and *'Management by Exceptions'* but till date, there is no concept like "*Management by Responsibility"* . It is the need of the time to act according the concept of management by responsibility. This requires the system of trusteeship for governance. The following are certain suggestions to restructure the present system of governance:-

There is a proverb in the Rig Veda that let noble thoughts come from all side. Our policy makers should imbibe the lessons from other countries of the world to improve the system of governance. The success story of Singapore and Hong Kong has shown that it is possible to reduce the corruption by concerted efforts of the Government. They proposed the roadmap that deals with both the supply- side and demand- side of corruption. It calls for creation of two new institutions - namely an Integrity Commission and a Centre of Integrity Study.

Annual deceleration of assets and property can be made by the all employees of both the public and private sector, politicians, Trusts, and by all institutions. Recently, Nitish Kumar Government in Bihar has taken positive step in this direction by declaring their assets.

Accountability and responsibility should be fixed immediately in a fast track court and the amount of loss that has occurred to national exchequer should be recovered with no delay. Since after Independence, many cases of frauds, scams, corruption and mal-governance have taken place, but ended with no result, even the money of poor masses is wasted for the conduct of investigation.

Corruption should be declared a criminal act by the law and all those who are found to indulge in corruption, his or her property should be confiscated and should be used for public good.

The retirement age of all employees including bureaucrats and judges should be same as no one is highly indispensable. No employment should be given after the age of retirement and this should include the Chairman Of Commission and Members of any inquiry committee.

The solution to the problem of governance does not lie in spelling out an impressive code of conduct only. Let us not forget Swami Vivekananda's warning that man cannot be made moral by an Act Of Parliament. The only way to change a man for the better is through imparting education, that is , education by which character is formed, strength of mind is increased and by which one can stand on one's own feet and education should not be merely limited to collecting degrees.

For appointment, the method suggested by *Kautilya* should taken into consideration. According to him, a young man of respectable family (honest), wisdom, purity and who is loyal should be recruited into government offices. In ancient times, persons who were to be the King's aids were tested by putting them in work and tempting them by means of allurements. Those who were above temptation of lust were made officers of the royal places. Those who did not care for money or bribes were placed in charge of The Collecting Department. Those who proved themselves to have been endowed with high moral ideals were placed in judicial offices. Finally, those who were endowed with the highest virtues and were above all sorts of allurements were appointed as Ministers in the King's court.

SCOPE FOR FURTHER RESEARCH

The present study on governance has been pursued with only one aspect of Gandhian philosophy -that is concept of trusteeship. There are many other aspects of Gandhian philosophy such as truth, non-violence, non-cooperation, civil disobedience, *Satyagarha*, supremacy of man- full employment, Simple living and high thinking, dignity of labour, *Swadeshi*, decentralisation of economy, village community, self sufficiency, co-operation, the evil of industrialization, the place of machinery, *Khadi* and hand spinning, village industry etc. Hence, there is further scope of research on governance and various aspects of Gandhian economic philosophy.

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