A Research on
Corporate Social Responsibility and
Its Impact on the Society: A Philosophical Study

(Based on the selected Industries in Pune for the period 2005 to 2012)

A Thesis Submitted
for the Degree of Vidyawachaspati
(Doctor of Philosophy) in Interdisciplinary

Under the Faculty of Moral and Social Sciences
by

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Under the Guidance of
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September 2013

C E R T I F I C A T E

This is to certify that the thesis entitled "Corporate Social Responsibility and its impact on the Society: A Philosophical Study based on the selected industries in Pune for the period 2005 to 2012" which is being submitted for the award of the Degree of Vidyavachaspati (Ph.D) in Interdisciplinary of Tilak Maharashtra Vidyapeeth, Pune is the result of original research work completed by Shri. Valliamthadathil Jogy Joseph under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any Degree or similar title of this or any other University or examining body.

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Date: 25/09/2013

D E C L A R A T I O N

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A C K N O W L E D G E M E N T S

As I reach the end of my research on "Corporate Social Responsibility and Its Impact on the Society: A Philosophical Study based on the selected industries in Pune for the period 2005 to 2012" I would like to thank many seen and unseen hands who have been instrumental directly or indirectly. I would like to thank Dr. Deepak Tilak who has been a source of continuous inspiration for me. I also want to thank Dr. Umesh Keskar, the ever helpful Registrar and Mr. Jagdish Salve, the encouraging Asst. Registrar. I am also immensely grateful to Prof. Vijay Karekar, the Dean of the faculty for being such an understanding, helpful and inspiring person during this research.

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Valliamthadathil Jogy Joseph

September 25, 2013

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Abstract

This research explores Corporate Social Responsibility (hereafter CSR) and its impact on the society from a purely philosophical perspective. In recent years, numerous researches have been conducted on CSR from various perspectives by several scholars. From survey of CSR literatures and from the inter-disciplinary perspectives, there have been some studies done on different inter-disciplinary nature by some scholars. However, a philosophical study from inter-disciplinary, expect for a few articles; is yet to be explored in the context of CSR as it is gaining relevance in India with the amendment in Companies Act 1956 making it mandatory for the Indian companies to share small portion of their profits with the larger society. This research is therefore timely and fills the gap in the CSR literature as it helps to establish the philosophical basis and philosophical legitimacy for CSR.

This philosophical study employs a descriptive research methodology which involves a retracing of the age old philosophical wisdom of great personalities and religions from East and West. In a nutshell, the philosophical basis and legitimacy provides an inside-out approach to CSR, which is development of the individual's self-conscience in the fulfillment of their self and corporate. Thus, it will enrich individuals with awareness and understanding to ensure transparency, good conduct and responsibility towards the ultimate aim of achieving CSR to keep the equilibrium for the progress in the society.

General Introduction

Background and Research Objectives

1. Introduction

The phenomenon of global village waves have conquered the world bringing time and space on the finger tips with a gentle touch. Technological advancements and internet have crossed the boundaries of caste, color, creed, race and gender, making the world into a global village. Though the technology has progressed there is hardly any difference in the poverty index as about 75% of the world population still live in poverty (live on less than $10 a day). Perhaps, to be more precise about 50% of world population live in less than $2.50 dollars a day.[1] In the words of Manuel Castells, author of the famous trilogy on the information age: "The dream of the Enlightenment, that reason and science would solve the problems of humankind, is within reach. Yet there is an extraordinary gap between our technical over development and our social underdevelopment."[2] And the story of progress is not complete unless the global financial crisis is mentioned. The recent years of financial meltdown and uncertainty across the globe has triggered a great amount of pressure to the whole world to feel unanimously for a new world order. Every ethical and responsible human being must feel the pinch and must ask why this crisis? Why the crisis and uncertainty prevailing amidst the so called technological advancement and globalization? Thus the current global scenario forces us to look seriously into the concept of CSR which is an off-shoot of the Law of Nature.

Law of Nature is nothing but our gratitude and responsibility as human beings to contribute selflessly and positively to the nature and to the society at large. Simply because, we are not paying any tax for sun light, rain, wonderful weather, the air we breathe etc... It is all given free, for our survival to keep the momentum and equilibrium of the nature. So, we have a moral responsibility to give back to the nature, to the society, to the less privileged or marginalized to bring happiness, love, peace and harmony in the

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[1] "World Poverty Statistics" <http://www.statisticbrain.com/world-poverty-statistics/>, Retrieved on 17-01-13.(Source: Global Issues, The Human Development Report).

[2] Angela Lacerda Nobre, *Rethinking Management...,* Jose Esteves(ed.), *Proceedings of the 9th European Conference on Research Methods in Business and Management Studies,* (Academic Conferences Limited, Madrid, 2010), 398.

world. And I think, that is the new world order probably everyone around the globe aspires and is dreaming about. The fact is that a dream can only be materialized if it touches the grass root realities of the world. Otherwise, a dream always remains virgin. The new world order or the so called dream is manifested only if the gap between rich and poor is lessened. The rich becomes rich not by building castles in the air, instead they engage in lucrative business and find their opportunities even when the ship is sinking. And today business has transformed itself from traditional industries to the concept of knowledge economy. Knowledge economy has many inter-related notions such as network economy, information economy, post-industrial society, post-modern society, information society, and network society. These terms 'information society' is probably the most encompassing because an economy is a subset of a society.[3]

Business is a part and parcel of society where it exists, nurtures and matures. It draws resources from the society and hence, has a legitimate responsibility to give 'something in return' to the society that the gap between the rich and poor can be narrowed. Society has a legitimate claim on business resources because: Power+wealth=responsibility. Society provides enormous benefits that contribute to the business success and in return expects business to work for social betterment. Thus, the social investing rationale is that philanthropy is a business opportunity which simply upholds the shared fate rationale that if society gains, business gains.[4] Therefore, there is a *symbiotic* relationship between business and society in a reciprocal manner. Every corporation or firm is supposed to be a good *corporate citizen*, acting for enlightened societal interest without resorting to lawlessness. As the famous management expert Keith Davis puts it, "there is an iron law of responsibility which states that in the long run those who do not use the power in a manner that society considers responsible will tend to lose it."[5] So it may be that it is in the enlightened self-interest of organizations to be socially responsible — or at least responsive to social forces.

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[3] Ibid., 397.

[4] Terry L. Besser, *The Conscience of Capitalism: Business Social Responsibility to Communities*, (Greenwood Publishing Group, Westport, 2002), 56.

[5] Banerjee, S.B. *Corporate Social Responsibility: The Good, the Bad and the Ugly. (*Edward Elgar Publishing, Cheltenham, 2007), 178.

Yes. Now the question is: could this dream be achieved amidst this prevailing turmoil and chaos? Every time in the history when human race was faced with a crisis, it led to inventions, emergence of new ideas and brought more awareness, to be humane and to have concern for the society. Therefore, I think it is a wakeup call for the whole world, to eliminate evil and uphold the righteousness by unanimously and seriously looking into the concept of CSR as the need of the times. Today's world is ruled not by kings, dictators, muscle power or financial power of the developed nations instead by multi-national corporations or with the power of knowledge economy. Modern corporations wield enormous power over the life of the individuals through their diverse strategic decisions and actions. In every nook and corner of the world, multi-national corporations have made their presence felt by penetrating at the grass root levels. I would call it as *neo-colonization* by the corporations. Thus, the corporations have a moral responsibility to look into the welfare of the society by embodying the concept of *social conscience and consciousness* through conducting responsible business for the welfare and well-being of the society. Ethics and responsibility are getting increasing importance in building a society for both today as well as for the future generations to experience a life of abundance and happiness here on earth.

2. Rationale and Significance of the Study

According to the Greek philosopher Heraclitus, "you cannot step twice in the same river." Change is the synonym of twenty first century, storming with rapid technological advancement and modernization. Internet has revolutionized the business to a different level of operations and strategy. Globalization of business is gaining massive attention as the strategy for survival, competence, competitiveness and growth. Success of a business firm depends on its ability to cope with the changes in the environment. Globalization has necessitated academic enquiry into CSR introducing the triple bottom line principle which calls for integration of the environmental, social and economic responsibilities in order to maintain a sustainable growth and development of a modern corporation in the globalization era.

George A. Steiner defines CSR as "the recognition and understanding of the aspirations of the society and determination to contribute to its achievement."[6] Thus, the concept of CSR has caused the emergence of *Corporate Conscience*.

Most of the philosophical positions and scientific attitudes that we recognize today, have their germ in ancient Greece. Like pragmatism, humanism is usually said to spring from the sophist philosopher Protagoras and his dictum: "Man is the measure of all things, of things that they are, and of things that are not that they are not."[7] Thus, we see that CSR has its roots deeply in 'Humanism.' In its modern context 'humanism' originates from about 1860, derived, it seems, from Auguste Comte's 'Religion of Humanity'. The declaration of the congress in Amsterdam which inaugurated the International Humanist and Ethical Union on 26 August, 1952 lists five 'fundamentals of modern ethical Humanism' in which the fourth insists that "personal liberty is an end that must be combined with social responsibility."[8] Since 1966 side by side with the Amsterdam Declaration there exists a manifesto. I would like to illustrate a few relevant points in the ascending order from the manifesto to explicate the connection of Humanism to CSR.

> "1. Ethical Humanism expresses a moral conviction; it is acceptance of responsibility for human life in the world.
> 3. Humanist morality starts with an acknowledgment of human interdependence and the need for mutual respect.
> 4. Ethical Humanism calls for a significant existence made worthwhile through human commitment and acceptance, as a basis for enjoyment and fulfillment.
> 5. Man becomes human in society; society should provide conditions for the fullest possible development of each man.
> 6. Human development requires continuous improvement of the conditions of free inquiry and of an open society.
> 7. Scientific knowledge progressively established and applied is the most reliable means of improving welfare.
> 8. Human progress is progress in freedom of choice; human justice is the progressive realization of equality.

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[6] Ortiz Martinez E & Crowther D, *Corporate Social Responsibility creates an environment for business success*, in D Crowther & R Jatana (eds), Representations of Social Responsibility Vol 1, (ICFAI University Press, Hyderabad, 2005), 125.

[7] Tribe, David H. *100 Years of Freethought*,(Philosophical Outlook, section on humanism), (Elek, London, 1967), 46.

[8] Ibid., 49.

10. Ethical Humanism affirms the unity of man and a common responsibility of all men for all men."[9]

This research aims to investigate and come up with a philosophical critique on how the socio-economic value of profit making businesses are responsible and successful in considering the corporate social responsibility utilizing *Corporate Conscience* as the yardstick. This approach calls the corporate for a paradigm shift from mere profit making enterprise to a socially responsible participative mechanism to build the society in the global village phenomenon devoid of the basic human nature of greed, self-interest, selfishness, jealousy, ego etc...

Nevertheless, CSR is an independent and objective concern for the welfare of the society that restrains individual and corporate behavior from ultimate destructive activities and leads in the direction of positive contribution to human betterment. It has become the hallmark of a mature, global civilization.

CSR was also added in the equation to show and implement responsible programs that would benefit in promoting positive social face of the corporations to the media and their stakeholders. Regardless of how CSR had arrived on the world stage, it is becoming an integral part of organizations; more and more companies are integrating CSR into their corporate vision, mission statements and strategies.

From a purely business point of view, successful CSR is interlinked with corporate branding and implies a shared set of statements about the company's values towards its external and internal stakeholders. The general public looking at a company that claims to be a CSR friendly organization and has CSR relevant programs on ground will surely evoke public trust and confidence, resulting in registering higher sales of company products and services. For instance, I would like to illustrate with the example of two rich persons. One is really a miser and the other is generous and rises to the needs of the situation and helps people. General public would certainly have high opinion and be with the latter. That is exactly what I mean with the corporations who have ingrained themselves into CSR.

[9] Ibid., 51. (I have skipped couple of points which are not relevant to my research).

3. A Survey of pervious work done in the research area and the need for further research (Review of Literature)

Corporate Social Responsibility, for instance, shares an interface with the philosophy of harmonious living. A number of corporations today realize that CSR is not only a tool to develop corporate image but an earnest attempt to build the nation and for self-actualization. This has become an important topic in contemporary international debates. In the past two decades, CSR appears to have gained more importance being more central to the activity of corporations all over the world. It is widely accepted that the impact of corporate activity upon society and its citizens, as well as all stakeholders including the environment, has considerable impact not just upon the present but also upon the future.

It is recognized that each organization has an impact upon society far in excess of its planned activity. This behavior represents the new age of globalization. Because resources are scarce while needs are close to infinity, then corporations need to play an important role in fostering social responsibility but, of course, this is not a new concept which needs to be promoted. Social responsibility involves a host of complex, contradictory and competing needs from within and without the corporation, which influence its ability to respond to social needs.[10]

Notwithstanding the conspicuous differences between the accounts of the concept and definitions of CSR offered by the literatures, there is wide agreement on the central features of what is commonly called the doctrine of CSR. In sum, CSR addresses some of the following areas: (1) the environmental dimension, (2) the human resource dimension, (3) the philanthropic dimension, and (4) the human rights dimension. Thus, the main thrust of the CSR is defined and refined as per the need of the time and situations. However, my intention in this research is to probe into the philosophical undertone of the eastern and western philosophers whose ideas have given flesh and bone to the concept of CSR to contribute positively to the development of the society at large.

With my research and reading, as I have found not many studies and researches have been conducted on this topic, I am prompted and excited to venture into a philosophical

[10] Güler Aras, David Crowther, *The Durable Corporation: Strategies for Sustainable Development*, (Gower Publishing, Ltd., Farnham, 2009), 194.

critique on CSR and its impact on the society. Influence of the eastern and western philosophers and philosophies have contributed to a great extent in shaping up CSR as a driving force to motivate corporations to use part of their profits to the benefit of the less privileged in the society.

If the famous Aristotelian dictum, "Man is a social animal,"[11] is true, then his development depends upon not only on the development of his individual life but it also includes the social life. De Soto points out that even though men may be created free, they are endowed with a powerful instinct to congregate, so that they are in fact always to be found living together in a communal life.[12] Now let me take a glance at the early eastern or rather Indian philosophers whose philosophies gave remarkable roots to the ideology of CSR practices today. Business practices based on moral principles were advocated by the Indian statesman and philosopher Kautilya in the 4th century B.C gives as an early account of CSR. *NiskhkamaKarma* (selfless service) is the guiding star that makes us realize to do something for the well-being of the community. Just as every drop of rainwater flows ultimately to the ocean, the very tear of one's sweat should finally flow into the reservoir of common good, love, truth, compassion, protection and worldly prosperity to light the path of one's duty.[13]

Let me now quickly give a glance to the ancient Indian philosophy which has laid down foundation for CSR in the second millennium B.C. The ancient Indian philosophy has 6 systems which are known as *sadarshanas*.[14] All the 6 systems of Indian philosophy aim at individual liberation through cessation of pain and suffering. And the Indian philosophers believe that the root cause of all pain and suffering is ignorance (*ajnana*). Therefore removing ignorance and finding the right knowledge of reality (*tattvajnana*) is the right way for liberation. I strongly feel that this itself is the strongest philosophical foundation for the CSR activities as we see it today.

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[11] Quentin Skinner, *The Foundations of Modern Political Thought: Volume 2, The Age of Reformation*, (Cambridge University Press, Cambridge, 1978), 158.

[12] Ibid.

[13] "Dr. Tabassum Sheikh, Influence of Indian Philosophy on Gandhi's struggle for Secular India" <www.vpmthane.org>, Retrieved on 17-01-2013.

[14] Sadarshanas are Samkhya, Yoga, Nyaya, Vaisheshika, Vedanta and Mimamsa. Each of these schools gave their own frameworks for understanding life.

The yoga scheme for self-realization provides a solid foundation for the corporate to maximize profit at the same time involve themselves — keeping the selfishness and egoism apart for the welfare of the society as a responsible citizen. Glimpse of these deeper realities of the society have been caught not only by the seers and saints of different countries, but also by some great philosophers like Plato and Aristotle; Spinoza and Leibniz; Kant and Hegel etc…

When a corporation attains liberation (realizes the responsibility to the society), other than the prime motive of making profit, and profit maximization — the corporation thinks of entering into CSR. Thus, the corporate attains the true knowledge of reality by removing ignorance. Then they realize the maximized profit should be shared for the well-being of the society.

Thus the pain and suffering in the society calls the corporations for *vivekajnana*. Which means knowledge is not merely an intellectual understanding of the truth instead a clear realization of the reality. And as the corporations are aware of the reality around and voluntarily be responsible for liberating the society from its pain and suffering through CSR. This may be called as a *jivanmukti* (emancipating the society through CSR while maximizing the profit) by the corporate.

The root-cause of today's plight is poverty or deprivation not only in the economic sense but also in the emotional, intellectual and spiritual sense. It is the *Gita-Rahasya* that provides the nourishment in all of these spheres. The ideal of *Lokasamgraha* (Public Good) promotes goodness in all these aspects. This path will uphold the family as well as organizational and the social fabric.

Moreover, as mentioned above, it promotes not only individual good but also social good. There are no compartments or narrow considerations of my family, my state or nation. We work for the harmony and prosperity of ALL. It is the utilization of one's powers and capacities for the benefit of all. Cooperation is, thus, the clarion call of the *Gita* and *Gita-Rahasya*. In an age, where an individual is becoming more and more insignificant, due to the impacts of political, economic and social forces, *Bhagavad-Gita* and *Gita-Rahasya* bring us the message of hope and cheer. They expose the way that leads to our

worthlessness and indicate the path of creative living. The message is required for refreshing and revitalizing life.

Thus, *Gita-Rahasya*[15] presents us radical reorientation of *Bhagavad-Gita* to suit the contemporary needs of the society at large. Providing global perspective with global consciousness of *Vedantic* spirit, it manages to transcend the barriers between self-interest and public interest. The oft-quoted goal of 'peace, progress and shared prosperity', is set by Tilak almost a century ago.

Mahatma Gandhi advocates *Sarvodaya* which means service to all and not the services to the maximum number. Also this philosophical critique of CSR forces me to look into his ideals of *trusteeship*.

It is difficult to conduct any philosophical enquiry about the concept of CSR without referring to the Greek philosophers. A robust account of the virtues, such as the one offered by Aristotle, requires clearly identifiable goods connected with the norms and practices of human beings who identify themselves as members of communities that are culturally and historically situated. Aristotle argues that *eudemonia*, a particularly deep form of happiness, is the prime example of the common good: something we can only achieve in collaboration with others. *Koinonia* is a complex, rich and thoroughly fascinating Greek approach to building community or team work.

Values play an important role in life as well as in philosophical enquiry. Abraham Maslow (1968) declared the five basic needs[16] of human individuals, implying that individuals would strive for the next need as soon as the former had been fulfilled. His contemporary Clair Graves concluded that there are many ways of achieving these needs. Individual persons, as well as companies and societies, undergo a natural sequence of orientations (Survival, Security, Energy & Power, Order, Success, Community, Synergy and Holistic Life System). These orientations brighten or dim as life conditions (consisting of historical *Times*, geographical *Place*, existential *Problems* and societal *Circumstances*) change. The orientations impact their worldview, their value system, belief structure, organizing principles and mode of adjustment.

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[15] Srimad Bhagavad Gita Rahasya is a classic and well known work of Bal Gangadhar Tilak on Gita. This book is also known as *Karmayoga Sastra*.

[16] The five basic needs in the hierarchal theory according to Maslow are physiological, safety, love/belonging, esteem, self-actualization.

Utilitarianism is a moral theory proposed by Jeremy Bentham and John Stuart Mill. It states that all action should be directed towards achieving the greatest happiness for greatest number of people. The corporation is to be managed under Kant's principle of respect for (all) persons as ends in themselves. Paul Ricoeur's moral philosophy for one has this positive sense of freedom contributing to a fundamental openness to others, to an understanding of the *other's* need for freedom and consequently, to any ethical intention.

4. Research Problem

In the current scenario I see that CSR lacks a kind of philosophical basis and philosophical legitimacy. So I think that by undertaking a research on "Corporate Social Responsibility and its impact on the Society: A Philosophical Study" I am certain that the lacuna can be filled to certain extent and give a scope for existing research and further research in the related fields.

5. Aims and Objectives

1. To study philosophical implication and undertone of CSR.
2. To encourage more corporate to undertake CSR practices to bring about better standard of living in the society.
3. To evolve a model which can be universally followed.
4. To provide inputs to corporations to embrace best CSR practices.

5.1 What are my personal interests in this research and where does it take me?

I personally hold the philosophy of mutual growth through sharing whatever we have in life for the growth and development of the society. This research will open avenues for me to share my knowledge, skills and services for the humanity as an individual. My interests in CSR for long time have encouraged me to undertake this venture to contribute positively for the growth of the society. The proposed research, it is hoped, will evolve a model of corporate social responsibility which finds universal application leading to a 'wealth defusing growth' rather than a 'wealth concentrating growth,' which assumes the

prime significance in a responsible business for the overall development of all segments of the society.

I think, I can be instrumental in realizing the pronounced goals of proposed research on CSR by lending my expertise to educate and initiate the modern corporations as a consultant or associate to undertake CSR. Eventually it is hoped, it will enable me in actualizing my dreams of excelling in the area of consultancy, extension and research in the field of CSR. It will undoubtedly give me global exposure and openings in the area of CSR.

6. Research Questions

1. Does CSR have a philosophical background?
2. Is CSR a practical aspect in this modern competitive, profit making scenario?
3. How relevant is CSR for the progress and the development of the society?
4. Does CSR justify corporation's role of contributing to the wellbeing and development of the nation and world at large devoid of basic human nature of greed, self-interest, self-centeredness, selfishness, jealousy, egoism etc.?
5. As a human being in this world what is my responsibility to me and to the society?

7. Hypothesis

The most important issue in this project is that governance of business ethics and application of corporate conscience versus profit making business in creating value as the ethical capital. In the rat race of profit maximization corporate forget the application of corporate conscience. But the mere concept of CSR reminds them to uphold the ethical values and create the ethical capital. Ethical organizations are successful organizations in the hypothesis which will enable value creation in any successful and responsible business. It also hypothesizes that such propositions will enable the society to benefit at large and thereby solving the complexities of life from a holistic perspective of a globalized economy catering "the greatest happiness for the greatest number" according to Bentham. The study attempts to test the following hypotheses:

1. CSR practices followed by corporations make an impact on the society.
2. A responsible human being positively contributes towards progress of the society.
3. Corporations are successful in returning progress to the society.
4. Philosophical systems have positively contributed towards the better functioning of CSR practices in making its impact in the society.

How can the businesses create value without losing ethical capital? How can the corporations make profit and still contribute to the growth of the society? How can we avoid scams, corruptions and scandals, which not only vandalize the society but also tarnish the image of corporations, by operating a responsible business?

Global corruption is the manifestation of self-interest and greed. Corporate world has witnessed umpteen instances of vanishing companies ever in the history. Today also we are simply blinded with the gymnastics of corporate world with the vanishing or paparazzi saga of numerous financial institutions like Lehman brothers, Merrill lynch and individuals like Bernard Madoff endangering the society and faith of the people. Satyam episode where thousands of people lost their jobs and millions of investors lost their hard earned money which shocked the Indian society and Industry in the recent past is again saga of mis-governance, greed, self-interest which again tarnished the image of the industry under our own nose. Such anti-socio-economic forces are axing the foundation of business ethics and resulting financial instability and uncertainty in the world.

As we are undergoing a global financial crisis due to mis-governance and mis-functioning of socially irresponsible businesses, this research is significant and very relevant to cope with the demands of the time. In short, it is all about balancing the self-interest and societal interest to keep balance of the society. According to Mahatma Gandhi it is the *trusteeship* concept which states that management is the custodian of funds for the broader interest of all stakeholders. Universal application and acceptance of the proposed research findings envisage a concept of corporate socialism (delivering higher standards of living and enlarging its absorptive capacity for broader community) which would lead to a new world order of happiness, peace, harmony and prosperity.

8. Research Methodology and Techniques

Our hypothesis is that philosophical systems have positively contributed towards the better functioning of CSR practices in making its impact on the society. As the research is more of theoretical in design and based on desk research comprising a literature review and secondary empirical data to prove my hypothesis.

9. Detailed Research Plan

Introduction

The first chapter will give a brief of my research topic and what inspires me to venture into a topic like this from a very personal perspective considering my personal philosophy and future goals and to contribute positively to the betterment of the society. Then it will give lead to the current need for setting out on a research of this particular topic, the issues, problems involved and limitations of the study. Here I will also bring out the research methodology, construction of hypothesis and literature review.

Chapter 1 Corporate Social Responsibility: Towards a Definition

What is meant by Corporate Social Responsibility? Responsibility for what, to whom and who is calling for firms to be socially responsible? This Chapter examines the broad development of the ideas behind CSR within the literature and some of the current attempts to define the social responsibilities of business. The chapter concludes by pointing out the philosophical impetus behind CSR.

Chapter 2 CSR and its Relation to Other Disciplines

This chapter deals with CSR's relation to other disciplines like sociology, management, ethics, philosophy etc. and how CSR binds all other disciplines together to work for the betterment of the society. This chapter makes the research a very special one as CSR interconnects other disciplines and poses to look like this research as an inter-disciplinary one. And the chapter ends by giving philosophical overtones and making it a purely philosophical research.

Chapter 3 Influence of Eastern and Western Philosophies on CSR

This chapter probes into the eastern and western philosophical trends that helped the emergence of the concept called CSR. How these concepts or ideals emerged in shaping CSR for the betterment of the society. How CSR today is an emerging trend which was influenced by those age old concepts and its relevance even today to keep the balance of the society intact. And the chapter ends by giving a philosophical critique of that age old wealth diffusion techniques (philosophical concepts or ideals) like *ashramas* in which *grihastha ashrama* reminds the householder to carry out selflessly one's duties to family and society, serving the saints, and gainful labor thereby maintaining the Laws of Nature here on earth.

Chapter 4 Some Philosophers Giving Impetus CSR

In this chapter, I would like to discuss a few eastern and western existential and pragmatic philosophers who have influenced me in my life and gave meaning and depth to my life and triggered the interest to undertake this philosophical study on CSR and its impact on the society.

Chapter 5 Philosophical Basis for CSR

This chapter continues previous as it substantiates with strong philosophical basis and legitimacy for CSR. Nevertheless, this chapter will give solid historical backing or grounding to the concept of CSR. How CSR was propagated in different cultures by philosophers through their awareness of the needs of society and their aspirations and ideas for a welfare society where social responsibility was considered as the responsibility of every human being.

Chapter 6 Significance CSR for the Progress of the Society: Mediation between Individualism and Altruism

This chapter trails the previous by illuminating why we need to engage in CSR? How do I benefit? What am I going to gain? Then the chapter takes to an ethical sphere by concluding it as a responsibility to oneself and to the society which is the cosmic law or law of nature. This forces me to delve into a philosophical question which is a million dollar question for philosophers as well as theologians from the time immemorial.

Chapter 7 Purpose of Life as a Human Being: A Philosophical Critique

In this final chapter I will try to arrive at a plausible philosophical answer putting forth my hypothesis either for or against. And will try to illustrate the purpose of life as human being and the responsibility to oneself and to the society underlining the need for CSR not only for the corporate but also for the individuals.

Chapter 8 Findings, Contributions and Future Directions

This chapter winds up the research by giving a broad understanding of what is meant by corporate social responsibility and how and why corporations might undertake such behavior. Whether actions by corporations that provide business benefits are ultimately regarded as socially responsible by the society is a question that remains open. Nevertheless, there is an increasing focus both by corporations on CSR and also by society on the actions of business. As a final note I will also come with my suggestions and recommendations based on the philosophical research findings for more and more corporations to diffuse part of their profit for the self-actualization of *Tatvamasi* (That You Are!) or *Aham Brahmashmi* (I Am Brahman!).

Chapter 9 Indian CSR Bill: A Critical Analysis

This chapter probes into the CSR bill that is likely to be passed in the near future. It makes it mandatory for corporations which earns profit above 5 crores for the last three financial years to dedicate 2% of their profit exclusively for CSR activities and thereby shouldering the social development as their responsibility.

10. General Conclusion and Remarks

The proposed research having contemporary relevance, can supplement existing research and lead to further research in related fields.

This research can immensely help the scientific development of the society in the socio-economic field by developing such measures which are conducive for maintaining the equilibrium of the society. Similarly, increasing demands for corporate social responsiveness can build trust and confidence in the business which is governed by a code of ethicality and mutual progress.

Chapter 1

Corporate Social Responsibility: Towards a Definition

Introduction

Human beings' aspirations to be a catalyst for a positive social change are not necessarily a new phenomenon. Questions regarding the impact of human interventions have been present in various forms for centuries, ranging across the ancient, classical, medieval, mercantile, industrial and corporate eras in some or other forms.

Until, last few decades of twentieth century, there was no explicit mention of the term Corporate Social Responsibility or CSR anywhere, though it was present. So this chapter will give in-depth overview of the theoretical aspects such as definitions, evolution, and philosophical impetus of the term CSR.

1.1 Historical Evolution of CSR

Hinduism speaks about *nishkama karma*.[17] Buddha speaks about living in the community, being part of it and helping the other attaining enlightenment. Bible speaks about loving one another and supporting the needy. Gandhi propagates the ideal of '*swaraj' — with which he advocates love for one's own State*.[18] According to Tilak, '*swaraj'* meant *Dharma Rajya* in the sense that together with the love for the State, each one has also a moral duty towards one's own State.[19] Thus we see that from the very outset of the civilization, there has been appeal to be concerned for the common good, for the community, for uplifting the weaker section etc. In the later chapters of this work we shall deal in detail the evolution of CSR in Hinduism, in Indian philosophy and other major religious and cultural backgrounds.

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[17] Eknath Easwaran, *The Bhagavad Gita*, (Nilgiri Press, California, 2008), 52.
See also: George Joseph M., *A Gandhian Prospective Paradigm for Culture*, Kuruvilla Pandikattu (ed.), *Gandhi: The Meaning of Mahatma for the Millennium, Cultural Heritage and contemporary change series,* IIIB, South Asia, Vol.5, (CRVP, Washington, 2001), 141.

[18] Ibid., 19.

[19] Urmila Sharma, S.K. Sharma, *Indian Political Thought*, (Atlantic Publishers & Dist, New Delhi, 2001), 113.

Certainly, there may have been a time when social responsibility meant truly caring in both symbolic and material ways for one's fellow human beings.[20] All of them spoke about supporting other human beings in their own way. However, this support was more of private or exclusive in nature which became uneven and unstable as societies were hit with the waves of modernity and individualization. Bellah et al., describe in their book, "…latest phase of that process of separation and individualization that modernity seems to entail."[21] This modern scenario created weakness in the modern societies. In the words of Bellah et al., "every social obligation was vulnerable, and every tie between individuals fragile."[22] So, there arose an urgent need for a structured concept for the notion of social obligations. Though this notion of social obligation existed for centuries, the term CSR as we have it today was not coined. This research is oriented to delve more into the philosophical foundation of the term from a multi-faceted, multi-religious, multi-cultural view points, that made a paradigm shift to the modernized society, christening all of it as CSR — the good work for "the greatest happiness of the greatest number"[23] articulated by Jeremy Bentham who was more a social reformer than a sociologist.

"Happiness depends on ourselves."[24] More than anybody else, Aristotle enshrines happiness as a central purpose of human life and a goal in itself. One of Aristotle's most influential works is the *Nicomachean Ethics*,[25] where he presents a theory of happiness that is still relevant today, over 2300 years later. The key question Aristotle seeks to answer in these lectures is: what is the ultimate purpose of human existence? What is that end or goal for which we should direct all of our activities? Everywhere we see people seeking pleasure, wealth, and a good reputation. But while each of these has some value, none of them can occupy the place of the chief good for which humanity should aim. To be an ultimate end, an act must be self-sufficient and final, "that which is always

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[20] Jill J. Mcmillan, *Why Corporate Social Responsibility?,* Steve May, George Cheney & Juliet Roper (eds.), *The debate over corporate social responsibility*, (Oxford University Press, New York, 2007), 15.
[21] R.N. Bellah, R. Madsen, Sullivan, W.M., Swidler, A., & Tipton, S.M., *Habits of the heart: Individualism and commitment in American life,* (University of California Press, Berkeley, CA, 1985), 275.
[22] Ibid., 276.
[23] Jeremy Bentham, *An Introduction to the principles of morals and legislation,* (Calredon Press, Oxford, 1789), 24.
[24] Ackrill, J., *Aristotle the Philosopher*, (Oxford University Press, Oxford, 1981), 56.
[25] Aristotle, *Nichomachean Ethics,* Robert Williams (trans.), (Longmans Green & Co., London, 1869), 134.

desirable in itself and never for the sake of something else,"[26] and it must be attainable by every human being. Aristotle claims that nearly everyone would agree that happiness is the end which meets all these requirements. It is easy enough to see that we desire money, pleasure, and honor only because we believe that these will make us happy. Everything else is a means towards obtaining happiness, while happiness is always an end in itself. As Aristotle says, "for as it is not one swallow or one fine day that makes a spring, so it is not one day or a short time that makes a man blessed and happy."[27] In the midst of everlasting quest for happiness, former US Army General Omar N. Bradley's words would enlighten us back to our core human nature to reinvent and regenerate the forgotten and unwritten natural laws that governs the concept of CSR which we are trying to investigate.

> The world has achieved brilliance without wisdom, power without conscience, ours is a world of nuclear giants and ethical infants. We know more about war than we know about peace, more about killing than we know about living.[28]

For our research in CSR, happiness has a vital role as the corporations try to make the society happier through their welfare activities. So we cannot by ignore the great philosophers as the study delves into the philosophical foundations of CSR and its impact on the society. Every act of CSR enhances happiness waves in the society for those who benefit from it. As Aristotle clearly viewed that, happiness is a final end or goal that encompasses the totality of one's life. If, it is one's life, there is no doubt that it is the totality of the society too. Because, man is a social animal and he lives and acts in the society.[29] Thus, we can agree with Aristotle and say that happiness is the ultimate end and purpose of human existence — CSR is trying to achieve that ultimate end of human existence through individuals and corporations. Theoretically speaking, CSR is a corporate entity or terminology but in this research I would equate individual as an equal entity to corporate because,

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[26] Cited in Aristotle, *Nichomachean Ethics*, ed. Hugh Treddenick. (Penguin, London, 2004), 344.
[27] Cited in Bartlett, Robert C.; Collins, Susan D, *Nicomachean Ethics*. (University of Chicago Press, Chicago, 2011), 31. (*Nichomachean Ethics*,1098a18).
[28] Statement of General Omar N. Bradley. Chief of Staff, United States Army, on 10 November, 1948. Quoted by Louis Disher, *The Life of Mahatma Gandhi* (Granada Publishing Ltd, Great Britain, 1982), 437.
[29] Aristotle, *Politics,* Trans. Benjamin Jowett, (Forgottenbooks, London, 2007), 214.

> the corporation is an idea, an imaginary entity, without substance or sensibility and therefore incapable of anything like responsibility. Instead, corporate responsibility will always depend upon people using their frail and vital sentience and following the path that this assigns.[30]

Obviously, the above passage manifests that individuals are indispensible as they are the decision makers even in the corporate scenario. CSR is similar to individual social responsibility except that the group or organization is the actor.[31] Thus, the bottom-line of responsibility falls onto the individuals who act for the corporate. Thus, individuals are vested with the moral responsibility to oversee the construction of the 'good life' for the planet and its inhabitants.[32] Good life or well-being of the society calls for an altruistic approach both at individual and corporate levels which can bridge the philosophical disconnect between the corporate and social good.

So, we need to have a closer observation of what CSR is! Or let us see how professionals have defined it, though we know its meaning in the language of heart. In order to do that, we need to pose some of the most frequently asked and answered questions — and probably for all those individuals and organizations dealing with CSR issues is the obvious — just what does 'Corporate Social Responsibility' mean anyway? Responsibility for what, to whom and who is forcing firms to be socially responsible? Is it a stalking horse for an anti-corporate agenda? Something which, like original sin, you can never escape? or What?

1.2. No Universal Definition but a Working Definition of CSR

A group of seven blind mice encountered an elephant.

Someone asked: "What does an elephant look like?"

"Like a pillar," said the mouse who had been grabbing the elephant by one of its legs; "like a snake," said the one who had taken the tail; "like a fan," said the one who had

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[30] Roberts J., *The manufacture of corporate social responsibility: Constructing corporate sensibility*. *Organization*, 10(2), 263.

[31] Sherrod R. Lonnie, *Youth activism: an international encyclopedia,* Volume 2, (Greenwood Publishing Group, Westport, 2006), 601.

[32] Steve May, George Cheney, Juliet Roper, *The debate over corporate social responsibility*, (Oxford University Press, New York, 2007), 16.

touched the ear; "like a hose," said the one who had grabbed the trunk; and so on and so forth.

Something similar happens with CSR too.

While there is no universal definition of Corporate Social Responsibility, it generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet.[33]

Different organizations have framed different definitions — although there is considerable common ground between them. So why is there a common ground? What is that ground? Is it happiness which is the ultimate end of human life? I think that can be detailed only when we know the common ground of it which is the philosophy or ideology behind it. To know the ideology behind it, we need to inspect the term from different perspectives through the philosophies and philosophers as we are dealing with a pretty corporate term of the modern era.

CSR is purely a business or management terminology which gained relevance during the last two decades of twentieth century or so. Milton Friedman, a Nobel Laureate economist famously argued that the "social responsibility is a governmental function."[34] He further argues that the government is responsible for correcting acknowledged social ills by allotting funds and setting up institutions to deal with them. In addition, people are responsible for voting for the political leaders whose agenda includes the social ills they wish to be corrected.[35] This argument of Friedman raises a clear dichotomy of whether it is a management term or a general term. In fact, a clear paradox of charity versus profit which is pretty alien to the business world. We are of the opinion that only by taking a closer look at the term and its philosophical origin we will be able to make the wedding of 'charity and profit' under one umbrella.

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[33] Michael Stohl, Cynthia Stohl & Nikki C. Townsley, *A new generation of global corporate responsibility*. In Steve May, George Cheney & Juliet Roper (Eds.), *The debate over corporate social responsibility*, (Oxford University Press, New York, 2007), 30.

[34] Fritz Allhoff, Anand J. Vaidya, *Business in Ethical Focus: An Anthology*,(Broadview Press, Toronto, 2008), 63.

[35] Ibid.

However, before we delve deeper into the definitions of CSR I prefer to give a working definition of CSR which makes the concept a more general topic for the convenience of the nature of my research. Basically, we understand that, what CSR does is nothing but a philanthropic activity which is the offshoot of the Law of nature which reminds each of us to keep balance in the society and nature for achieving happiness or making the life happier. Thus we think that CSR is nothing but the old wine in the new bottle with the advent of modernization and technological development of the last decades of twenty first century to the present. For me the essence of CSR is nothing but as it is said in the Bible "love your neighbor as yourself."[36] It simply means that you cannot be ignorant to the sufferings, poverty and miseries of the people around. We have a moral responsibility towards our fellow beings.

Finding a generally acceptable definition for CSR has been a major challenge across disciplines. It has been observed that companies, consultants, lawyers, NGOs and other interest groups have separate definitions for the concept.[37] However, quite apart from different definitions, it has also been observed that institutions and individuals change their definition of the concept over time. At this point we are not giving any documentary definition of CSR as it would be dealt separately and in depth later on in the study. Thus, at this point we would go with a working definition from an inter-disciplinary research perspective for better understanding of the salient features of this research. Hence, **"**CSR is the human efforts here on earth to make a positive impact in the society through sharing the wealth and resource acquired from the society for the growth, progress, and well-being for achieving happiness which is the goal of human life."The above working definition is pretty much in line with a widely often quoted definition by the World Business Council for Sustainable Development states that: "Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."[38] Some

[36] Mark 12:31.

[37] "*The Importance of Corporate Responsibility*" A While Paper from Economist Intelligence Unit sponsored by Oracle, 2005.

[38] "CSR Definition" <http://www.wbcsd.org/DocRoot/RGk80O49q8ErwmWXIwtF/CSRmeeting.pdf>, Retrieved on 03-03-2011.

definitions require that CSR reaches beyond the legal and economic obligations of the company and therefore imply that voluntarism is a characteristic feature of CSR.[39] This simply means that"...social responsibility begins where the laws ends. And first is not being socially responsible if it merely complies with the minimum requirement of the law, because this is what any good citizen would do."[40] Thus, CSR starts where the law ends indicate clearly that everyone's responsibility in achieving happiness which is the goal of human life.

However, the dynamics of business has crossed its boundaries set decades back and have introduced strong motifs of societal well-beings in dispensing business and fiduciary duties. Today's globally Trans-National Corporations (TNC) or so called Multi-National Corporations (MNC) are turning increasingly sensitive to the needs and aspirations of society at large not perhaps for the love of the society but for selfish self-sustainability. According to Deepak Alse "the world of business … is an unbounded system!… The 'Corporation' is in effect an acceptance of the idea that profit seeking should happen through indirect approaches."[41]The business of business is longer driven by the myopic vision of satisfying its owners, the shareholders or its own employees. Therefore, the premise of the existence of corporations is to make profits only has had a fundamental and philosophical shift.

Much academic and practical corporate interest has spawned over the last decade, especially during the fierce battles over putting the environment above the greed of uncontrolled productivity and industrial growth. With spurious and unrelenting growth in world trade and commerce the need for industrialization had been the natural logical consequence, however at the cost of destroying global ecology. Globalization, having all its merits and advantages, had to wrestle with rising currents of societal and political unrests by bringing forth a novel idea of integrating society and business under one equation called Corporate Social Responsibility.

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[39] Clarkson (1995), 102, Cited in Philipp Schreck, *The Business Case for Corporate Social Responsibility: Understanding and Measuring Economic Impacts of Corporate Social Performance,* (Springer, Munich, 2009), 10.

[40] Davis (1973), 312, cited in Ibid.

[41] "Is Profit as a "Direct Goal" Overrated?" <http://hbswk.hbs.edu/item/6454.html>, Retrieved on 26-02-2011.

The wind of globalization has also touched *India* and CSR is being interwoven into the psyche of local businesses and individuals. Obviously, the change process is slow and only in its infancy due to not having the proper acceptance at the senior professionals. CSR and organizational sustainability have crossed intellectual boundaries of reason and now are firmly in place, affirming the concept that local and global corporations and individuals need to change their skins on how businesses must be run for continuing to keep clients happy, building future client relations, and being responsible for the societal welfare and environmental safety.

1.3 Some Definitions of CSR and its Evolution

Many definitions abound on CSR. The definition of CSR by the World Business Council for Sustainable Development offers an acceptable one definition in its publication *Making Good Business Sense*[42] by Lord Holme and Richard Watts. They state that "corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large to improve their quality of life."[43]

It is also good to look at different perceptions of what CSR mean from a different societies across the world. There are definitions as different as: "CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government"[44] is the perception from Ghana."CSR is about business giving back to society"[45] is the view from the Philippines.

The UN Sub-Commission on the Promotion and Protection of Human Rights recognizes CSR as:

> Corporations and other business enterprises have the capacity to foster economic well-being, development, technological improvement and wealth, as well as the capacity to cause harmful impacts on the human

[42] Holme, R and Watts, P, *Corporate Social Responsibility: Making Good Business Sense*, (World Business Council for Sustainable Development, Switzerland, 2000), 10.
[43] Ibid.
[44] Ibid.
[45] Ibid.

> rights and lives of individuals through their core business practices and operations, including employment practices, environmental policies, relationships with suppliers and consumers, interactions with Governments and other activities.[46]

The Canadian Centre for Philanthropy defines CSR as "a set of management practices that ensure that the company minimizes the negative impacts of its operations on society while maximizing its positive impacts."[47] This definition therefore provides the link between the decisions tied to the social responsibility and 'the business' derived from the respect of the lawyer instruments, the population, the communities, and the environment. However, Social Responsibility is not an economic exchange, not the cost associated with some potential benefit. Nor is it a price that has to be paid in order to receive a reward. Rather, it is based on the acknowledgement of the social bond, the fact that we are all in this together and that many social goods cannot be attained without working together.[48] We need to feel a sense of obligation to each other. Individuals in positions of power and privilege need to assist those who are less fortunate. Corporations and individuals need to be responsible for how their actions impact on the welfare of others. Thus, citizenship requires social responsibility, especially within a democracy in which the members of a polity rule themselves.[49] This feeling of oneness or togetherness is what CSR fosters all through its history, be it, whatever name it occupied from time to time.

Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.[50]

According to the Corporate Social Responsibility Newswire Service the CSR is "the integration of business operations and values whereby the interests of all stakeholders

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[46] Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights, UN Doc E/CN.4/Sub.2/2003/12/Rev.2 (2003).
[47] Sherrod R. Lonnie, *Youth activism,* 601.
[48] Ibid., 602.
[49] Ibid.
[50] Keyes, C. "Social Civility in the United States." *Sociological-Inquiry,* Journal of Drug Education (2002), 72(3), 394.

including customers, employees, investors and the environment are reflected in the company's policies and actions."[51]

Similarly, the UNI (Ente NazionaleItaliano di Unificazione) in Italy enumerates the principles on which the CSR is based which can be summarized as:

> first, its voluntary nature, in fact, there are no constraints forcing companies to adopt policies and strategies of social responsibility other than the awareness that being socially responsible creates a competitive advantage; second, CSR involves the stakeholders and is viewed as a set of policies, practices and programs which are integrated into all economic operations and decision-making processes. This means that all the individuals involved in the company's activities — in other words the stakeholders — become the beneficiaries of the company's activities as well as its reference points.[52]

The following definition in July 2001, by the European Commission with the Green Paper — "Promoting a European framework for Corporate Social Responsibility" better defines the concept of CSR as:

> A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' into human capital, the environment and the relations with stakeholders.[53]

The word 'more' is highlighted also in the original version of the document: In this way the European Commission wants to emphasize the lack of consideration for the different cooperating actors highlighting, for the future, the urgency of a severe increase of the sensibility and the cures and, at the same time, encouraging the enterprises to the investment in social responsibility as a vehicle for the best competitiveness and enlargement.

The Green Paper also provides the guidelines on how the European Union could promote the involvement process: a voluntary adhesion to a set of management practices to make

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[51] "Corporate Social Responsibility" <http://www.csrwire.com/corporate_social_responsibility>, Retrieved on 03-03-2011.

[52] "Corporate Social Responsibility" <http://www.mallenbaker.net/csr/definition.php>, Retrieved on 03-03-2011.

[53] Aras Güler, Crowther David, *A handbook of corporate governance and social responsibility*, (Gower Publishing ltd., Wey Court East, England, 2010), 22. (Cited from Commission of European Communities, 2001:6).

the most of existing experiences, to encourage the development of the society in general, and of the internal dimension of the company itself. It suggests that all the citizens that are implied or related in some ways with the enterprise's affairs are defined as stakeholders.

The European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons. This model is more appealing and sustainable both at individual and corporate levels because:

1. Social responsibility becomes an integral part of the wealth creation process — which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society.
2. When times get hard, there is the incentive to practice CSR more and better — if it is a philanthropic exercise which is peripheral to the main business, it will always be the first thing to go when push comes to shove.

But as with any process based on the collective activities of communities of human beings (as companies are) there is no "one size fits all." In different countries, there will be different priorities, and values that will shape how business act. And even the observations above are changing over time.

For instance, the CSR definition used by Business for Social Responsibility is:"Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business."[54]

On the other hand, the European Commission hedges its bets with two definitions wrapped into one:

> A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.[55]

When reviewed each of these, they broadly agree that the definition now focuses on the impact of how to manage the core business. Some go further than others in prescribing

[54] "Business Library, CSR" <http://findarticles.com/p/articles/mi_m4422/is_6_18/ai_80227334/>, Retrieved on 04-03-2011.

[55] "CSR European Commission Definition" <http://www.essaycoursework.com/essay/global-business-council-sustainable/58513>, Retrieved on 06-03-2011.

how far companies go beyond managing their own impact into the terrain of acting specifically outside of that focus to make a contribution to the achievement of broader societal goals. It is a key difference, when many business leaders feel that their companies are ill equipped to pursue broader societal goals, and activists such as Friedman argues that companies have no democratic legitimacy to take such roles. Such debates will continue.

Amongst other things, this definition helps to emphasize that:

- CSR covers social and environmental issues, in spite of the limitation in the English term corporate social responsibility;
- CSR is not or should not be separate from business strategy and operations: it is about integrating social and environmental concerns into business strategy and operations;
- CSR is a voluntary concept;
- An important aspect of CSR is how enterprises interact with their internal and external stakeholders (employees, customers, neighbors, non-governmental organizations, public authorities, etc.).[56]

1.3.1 Global Compact — A UN Global CSR Initiative

In 2000, the United Nations (UN) launched the Global Compact international initiative which everyone (Governments, Organizations, and Companies) can join to. The Global Compact is formed by ten principles in the areas of human rights, labor, the environment and anticorruption.[57] The Global Compact is a voluntary international corporate citizenship network initiated to support the participation of both the private sector and other social actors to advance responsible corporate citizenship and universal social and environmental principles to meet the challenges of globalization. UN Secretary-General Ban Ki-Moon describes the relation between markets and societies as "markets can flourish only in societies that are healthy. And societies need healthy markets to flourish."[58]

The Global Compact asks individuals and corporate to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor

[56] "European Commission on CSR" <http://europa.eu.int/comm/enterprise/csr/index_en.htm>, Retrieved on 30-02-2011.

[57] Andreas Rasche, Georg Kell, The *United Nations Global Compact: Achievements, Trends and Challenges*, (Cambridge University Press, Cambridge, 2010), xxxi.

[58] Ibid., 2.

standards, the environment, and anti-corruption.[59] Considering the important of Global Compact initiated by UN, it is worth having a close look at each of the ten principles to bring more light into the CSR awareness and historical relevance. The UN Universal Declaration of Human Rights (UDHR) urged that

> ...every individual and every organ of society ...shall strive by teaching and education to promote respect for these rights and freedom and by progressive measures...to secure their universal and effective recognition and observance.[60]

1.3.1.1 Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.[61]

Human Rights has a much longer and more formal history than CSR. For one thing, it has a global framework that is universally agreed upon. The Universal Declaration of Human Rights, which was adopted by the U.N. General Assembly in 1948 after the Nazi genocide drove the international community to articulate a set of inalienable rights and freedoms.[62]

Human rights violations are an area for caution for many companies all over the world. Every worker should have at his disposal a method by which compensation and justice can be demanded if human rights violation takes place. This is something that corporations can definitely facilitate for better CSR and labor practices.[63]

1.3.1.2 Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

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[59] Ibid., xxxi.
[60] Quoted in Ramón Mullerat, *International Corporate Social Responsibility: The Role of Corporations in the Economic Order of the 21st Century,* (Kluwer Law International, Netherlands, 2010), 388.
[61] Andreas Rasche, Georg Kell, *The United Nations Global Compact,* xxxi.
[62] "Human Rights and CSR" <http://www.triplepundit.com/2011/06/human-rights-bigger-csr/>, Retrieved on 30-02-2011.
[63] Ibid.

Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.[64]

Today CSR brings an important dimension to the global economy. The term "labor rights or labor standards", however, is more precise. Since 1948, when the Universal Declaration of Human Rights was promulgated, core labor rights and standards have been recognized by international lawyers as not mere articulations of economic interests but as full-fledged human rights. Workers have the right to "…form and join trade unions…", and to "…just and favorable conditions of work [and] remuneration..." precisely because establishing such rights pertaining to employment is essential to maintaining an "…existence worthy of human dignity…" It was also understood in 1949 that these substantive human rights entailed, necessarily, concomitant rights to "…an effective remedy…for acts violating…" such fundamental rights.[65] And Global Compact reinforced it later in the beginning of 21st century.

1.3.1.3 Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.[66]

In order to maintain the equilibrium of the nature individuals and corporate have a stake in future generations and the ability of the environment to support life. Collective action is often required to solve environmental problems, and responsible individuals and corporate remain the key venue for most collective action to protect the environment. The term 'sustainable development' began popping up prominently in public policy, and

[64] Andreas Rasche, Georg Kell, *The United Nations Global Compact,* xxxi.

[65] Articles 8; 23, Universal Declaration of Human Rights, G.A. Res. 217A (III), 10 Dec. 1948, 3 U.N. GOAR Supp. (No. 11A) 71, U.N. Doc.A/810, 7 (1948).

[66] Andreas Rasche, Georg Kell, *The United Nations Global Compact,* xxxi.

especially environmental debates, beginning with the publication in 1987 of the report *'Our Common Future*,' by the World Commission on Environment and Development.[67]

1.3.1.4 Anti-Corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.[68]

In the field of CSR anti-corruption standards have received considerably less attention than the issues of labor rights, the environment or human rights. This is understandable, but unfortunate. It is understandable, because at first sight, the negative consequences of corruption on the living conditions of individuals or society are not self-evident. Corruption is still seen by many as a problem pertaining exclusively to government officials and white-collar workers. On the contrary, mainly due to the direct impact that labor rights, the environment and human rights have on our everyday lives, CSR advocates have generally given priority to the advancement of such rights. However, transparent business transactions and ethical dealings guarantee a certain degree of fairness and permit the participation of different interested parties. In turn, these parties, such as civil society, the media, and labor unions, will each strive for their own interests, which will consequently result in better CSR conditions on the whole.[69]

During the August 2003, the UN Sub-Commission on the Promotion and Protection of Human Rights launched the "Norms on the responsibilities of trans-national corporations and other business enterprises with regard to human rights."[70]

In this document, for the first time, the CSR is defined with regards to Human Rights, proclaiming rules and monitoring policies.

However, after all the previous definitions about the CSR, the following five topics emerged as priority areas:

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[67] Bruce L. Hay, Robert N. Stavins, Richard H. K. Vietor (Eds.), *Environmental Protection And The Social Responsibility Of Firms: Perspectives From Law, Economics, And Business,* (RFF Press, Washington, 2005), 107.

[68] Andreas Rasche, Georg Kell, *The United Nations Global Compact,* xxxi.

[69] M. Buckley, "*Anti-Corruption Initiatives and Human Rights: the Potentials*", in H.O. Sanno and G. Alfredsson (eds.), *Human Rights and Good Governance*, (Kluwer Law International, Netherlands , 2002), 176.

[70] Ibid., 177.

a. Enterprise's ethics
b. Social environment
c. Loyalty
d. Corporate citizenship
e. Sustainable development

In other words, all the above definitions of the CSR are focused on the Triple Bottom Line (TBL) Approach[71]which underscores the fact that companies and other organizations create value in multiple dimensions. This concept captures an expanded spectrum of values and criteria for measuring organizational (and societal) success — economic, environmental and social. The term TBL was introduced in 1994 by John Elkington.[72] The TBL approach was discussed in detail by Elkington in *Cannibals with Forks of the 21st Century Business*[73] and has been elaborated in thousands of company reports and in growing number of books. A linked phrase, 'People, Planet, and Profit' (alternatively People, Planet, and Prosperity), is based on the same concept.[74]

CSR often seem to integrate elements of both values based and cost benefit analysis indicators. This mixed approach often asserts that the most important assessment of a corporation's performance is not only economic and share value enhancement, but also environmental and social performance indicators. The so called triple bottom line approach to CSR adopts such an approach. The indicators include:

- Enhancement of corporate reputation and brand equity
- Maintaining the license to operate
- Enhancing shareholder, investor and community relations
- Enhancing customer relations and market share
- Enhancing employee loyalty and productivity[75]

CSR definitions differ from company to company and many use other terms such as sustainable growth, corporate responsibility, social responsibility or corporate citizenship. No matter how it is described, CSR considers the human being as the centre of the economic system. Neither, money nor profit can measure human happiness and well-

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[71] Ramón Mullerat, *International Corporate Social Responsibility: The Role of Corporations in the Economic Order of the 21st Century,* (Kluwer Law International, Netherlands , 2010), 150.
[72] Ibid.
[73] John. Elkington, *Cannibals with Forks: Triple Bottom Line of the 21st Century Business,* (Caspston, Oxford, 1997), 84.
[74] Ramón Mullerat, *International Corporate Social Responsibility,* 150.
[75] Paul Gordon Lauren, *The Evolution of International Human Rights*, (University of Pennsylvania Press, Pennsylvania, 1998), 245.

being.[76] The universal values of the individuals and their needs are seen as fundamental and unrepeatable resources. And not just paying attention to what has monetary value; economic analysis misses much of what is happening in the society.[77] Hence, CSR is the business contribution to sustainable development, meaning the way a company balances its economic, environmental and social objectives while addressing stakeholder expectations and enhancing shareholder value.

It is almost impossible to give CSR a universal definition. CSR frequently involves creating innovative and proactive solutions to societal and environmental challenges, as well as collaborating with both internal and external stakeholders to improve CSR performance. CSR basically is an attitude[78] and not a rule, it is a way of life, a multidimensional philosophy of *global governance* which one can voluntary subscribe to. CSR in a general context, the following considerations can be drawn:

1. There is an action of recovery inside the CSR concept, i.e. the will and the hope to give back to the society and to the profit-category (from the Latin word *proficere* = to progress) a positive meaning. Because basically, the CSR acknowledges the *debt* that the corporate owe to the community within which they operate.[79]
2. The welfare idea has to be considered. There is an intimate relationship between economic welfare and happiness of both the individuals and the communities. This relationship not merely depends on fetching a salary, but also from the functions, motivations, conditions and circumstances of the organizational culture. Thus, man's individual rights to self-respect, dignity, self-determination, and equal opportunities are connected with his social responsibilities toward himself, his family and his society.[80] This promotes a give-and-take relationship between society and human beings which ensures opportunities for growth and for human happiness.
3. The last consideration aims to show how the Triple Bottom Line approach is considered only as a marginal phase of a process started several years ago and still progressing. The CSR concept explains what is seen as a company's obligation to be sensitive to the needs of all of its stakeholders in its business operations, taking account not only of the financial/economic dimension in decision making but also

[76] David Crowther, Nicholas Capaldi (Eds.), *The Ashgate Research Companion to Corporate Social Responsibility,* (Ashgate Publishing Ltd., England, 2008), 104.
[77] Ibid.
[78] Ramón Mullerat, *International Corporate Social Responsibility*, 3.
[79] Ramesh Singh, *Indian Economy*, (Tata McGraw-Hill, New Delhi, 2008), 24.
[80] Walter A. Friedländer, *Concepts and Methods of Social Work,* (Prentice-Hall, New Jersey, 1976), 6.

> of the social and environmental consequences of the Sustainable Development.[81]

Therefore, CSR could be configured as a new model of economic democracy (with regards to States, local agencies, enterprises, organizations, citizens), joining together with freedom and responsibility to bring about welfare and happiness which ensures the Triple Bottom Line approach.

As we have fair idea of what CSR is about I would like to conclude with one more definition from the Wikipedia, the most used online and free encyclopedia which defines CSR as follows:

> Corporate Social Responsibility is a form of corporate self regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal is to embrace responsibility, encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: people, planet, profit.[82]

1.4 Advent of the Term — CSR

The term 'corporate social responsibility' was originally coined in the 1930s by Harvard professors A.A. Berle and C.G. Means.[83] Although this historical fact is a clue to its meaning, the term has undergone a number of shifts in usage since then. The term corporate social responsibility expresses three key ideas: the idea of ethical responsibility, the idea that corporations as well as individuals can be held responsible, and the idea of obligations towards society at large.

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[81] David Crowther, Nicholas Capaldi (Eds.), *The Ashgate Research Companion to Corporate Social Responsibility,* 110-111.

[82] "CSR Definition" <http://en.wikipedia.org/wiki/Corporate_social_responsibility>, Retrieved on 06-03-2011.

[83] "Philosophy of CSR by Geoffrey Klempner" <http://www.isfp.co.uk/businesspathways/issue27.html>, Retrieved on 06-03-2011.

Although most of the formal writings on CSR emerged in the twentieth century, the modern discussion of CSR is said to have started in the 1950s with the work of the Howard R. Bowen, the 'Father of Corporate Social Responsibility.'[84] Bowen stated that "by virtue of their strategic position and their considerable decision-making power' the social responsibility of businessmen is to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society."[85]

The term 'corporate social responsibility' came in to common use in the early 1970s, after many multinational corporations were formed.[86] During the 1980s and 1990s corporations and academia came into the scene with interest in business ethics. And today the ever growing interest has contributed much relevance for the corporations and society.

The term stakeholder is very broad in terms of CSR.[87] A stake holder is "any group or individual who can affect or is affected by the achievement of the organization's objectives."[88] The term stakeholder, meaning those on whom an organization's activities have an impact, was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic management: a stakeholder approach* in 1984. Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.[89]

CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers.[90] Development business ethics is one of the

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[84] Segerlund, Lisbeth, *Making Corporate Social Responsibility a Global Concern: Norm Construction in a Globalizing World*, (Ashgate Publishing Ltd. England, 2010), 40.
[85] Ibid.
[86] Laurie Young, *The Marketer's Handbook: Reassessing Marketing Techniques for Modern Business,* (John Wiley & Sons, West Sussex: UK, 2011), 82.
[87] Mehran Nejati, *Global Business and Management Research*: An International Journal, Vol.1, No. 3 & 4, (Universal-Publishers, Florida, 2010), 30.
[88] R. Edward Freeman, *Strategic Management: A Stakeholder Approach*, (Pitman, Boston, 1984), 46.
[89] Jakki Mohr, *Marketing of High-Technology Products and Innovations*, (Dorling Kindersely, Noida, 2011), 434.
[25] "CSR Mission" <http://en.wikipedia.org/wiki/Corporate_social_responsibility>, Retrieved on 09-03-2011.

forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR (currently a Draft International Standard).[91] Public sector organizations (the United Nations for example) adhere to the triple bottom line (TBL). It is widely accepted that with no formal act of legislation CSR adheres to similar principles. The UN has also formulated the Principles for Responsible Investment as guidelines for investing entities.

1.4.1 CSR: A Multipurpose Concept

Social Responsibility as a concept has been described in a number of ways by different writers. Most of these descriptions are inescapably guided by educational background, exposure, interest, as well as values embodied in the writer's frame of reference. The concept of social responsibility proposes that business organizations have responsibilities to society that extend beyond profit maximization.[92] There are as many definitions of CSR as there are writers, leaving the concept fuzzy and open to conflicting interpretations. Some writers have equated CSR to morality, environmental responsibility, stakeholders' engagement, corporate citizenship, social responsible investment, sustainability etc. All these render CSR a multipurpose concept.

1.4.2 CSR: A Catalyst for the Emergence of Corporate Conscience

Despite this surge in definition, Luttans and Hodget (1976) noted that a classic discussion of social responsibility is the obligation of the businessmen to pursue these policies, to make decisions or to follow those lines of actions, which are desirable in terms of objectives and values of the society. In the words of Jones and George (2003) the term social responsibility refers to a manager's duty or obligation to make decision that nurture, protect, enhance, and promote the welfare and well-being of stakeholders and

[91] Andreas Rasche, Georg Kell, *The United Nations Global Compact,* 304.
[92] J. David Hunger, Thomas L.Wheelen, *Essentials of strategic management*, (Pearson Prentice Hall, New Jersey, 2007), 26.

society as a whole.[93] The European Union (EU) defines CSR as "a concept whereby a company integrates social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"[94] as they are increasingly aware that responsible behavior leads to sustainable business success. At the heart of this definition are McWilliams and Siegel's (2001) explanation of CSR as "… actions that appear to further some social good, beyond the interests of the firm…"[95] George A. Steiner defines CSR as "the recognition and understanding of the aspirations of the society and determination to contribute to its achievement."[96] Thus the concept of CSR has caused the emergence of *Corporate Conscience*.

As straight forward as these definitions seem, social responsibility can be a difficult concept to understand and practice. This is because different people have different organization to undertake its social responsibility can lead to regulation by government and an opposition by the society.[97] The ability of an organization to make meaningful positive impact and reduce deliberately, its negative influence on the society is an integral part of its social responsibility. However, an action must be voluntary to qualify as a socially responsible action.[98]

1.5 Turning Point in the Evolution of CSR

The idea of social responsibility appeared in the United States around the start of the 20th century.[99] According to Carroll (1989),[100] there have been three critical turning points in the evolution of the social responsibility.

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[93] Greth R. Jones, Mary Mathew, *Organizational Theory, Design, And Change, 5/E,* (Dorling Kindersley, Noida, 2009), 203.

[94] A.C. Fernando, *Corporate Governance: Principles, Polices and Practices, 2/E,* (Dorling Kindersley, Noida, 2012), 311.

[95] Banerjee Bobby Subhabrata, *Corporate social responsibility: the good, the bad and the ugly*, (Edward Elgar Publishing, Massachusetts, 2011), 16.

[96] Ortiz Martinez E & Crowther D, *Corporate Social Responsibility creates an environment for business success;* in D Crowther& R Jatana (eds), *Representations of Social Responsibility Vol 1*; (Hyderabad; ICFAI University Press, 2005), 125.

[97] DaftL. Richard, Marcic Dorothy, *Understanding Management*, (Cengage Learning, Mason, Ohio, 2008), 130.

[98] Kreitner Robert, *Management*, (Houghton Mifflin, Boston, 1995), 46.

[99] Anne T. Lawrence, James Weber, *Business and Society: Stakeholders, Ethics, Public Policy,* (Tata McGraw-Hill, New Delhi, 2010), 60.

1. *Entrepreneurial Era*

The first one he called Entrepreneurial era. This was the time in which American business magnates like John Rockefeller, Cornelius Vanderbilt, J.P. Morgan, and Andrew Carnegie were amazing wealth and building industrial empires.

Unfortunately, some of them abused their power and were found guilty of antisocial and anticompetitive practices such as labor lockouts, discriminatory pricing policies, kickbacks, blackmail, and tax evasion. There were public outcries against them and government was forced to outlaw some business practices and restrict others. The laws also defined the relationship among business, the government, and society and specified that business had a role to play in society beyond profit maximization.

2. *Depression Era*

The next turning point occurred during Depression era of 1929 through the 1930s. And this time, the economy of the United States was dominated by large organizations, and many people criticized them for sharp financial practices. This made government to pass more laws to protect investors and smaller businesses. And by extension, the social responsibility of the organization was more clearly defined.

3. *Social Era*

The third landmark in the social responsibility came during the Social era of 1960s. This period was characterized by social unrest in the United States. This made government to take a close look at organizational practices. At this time it was clearly defined whom the business is responsible to and who in an organization is responsible for the organizational practices.

The last turning point in the evolution of CSR, according to Goddard (2005) came in 1953 with the publication of Bowen's book: *Social Responsibilities of Businessmen*. At that time, the emphasis was placed on people's conscience rather than on the company itself. A number of factors such as managerial revolution, a growing hostility of people who experience social problems demanding changes in business led to the shift in focus. Thus, the term 'CSR' is used to connect business activities to broader social

[100] Cited in AB Carroll, The Pyramid of Corporate Social Responsibility: Towards the Moral Management of Organizational Stakeholders, *Business Horizons*,(July-August, 1991) 34(4):39-48.

accountability and successful benefits for the welfare and happiness of the society as a whole.

"Are you a good corporate citizen?" That rhetorical question was asked by Ben W. Heineman Jr., senior vice president for law and public affairs at General Electric Corporation, writing in the *Wall Street Journal* (6/28/2005).[101] His question helps to set the tone for the topic of corporate social responsibility as a vital part of the Essential Knowledge Project which trigger a spell of responsibility to every corporate and individuals.

1.6 Corporate Involvement in CSR and their Benefits

Today, more and more companies are realizing that in order to stay productive, competitive, and relevant amidst modernization and globalization, they have to become socially responsible. The corporate conscience of being a responsible citizen is triggering the realization. Perhaps, Adam Smith, the father of Economics, would say it bit differently:

> It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.[102]

In the last decade, globalization has blurred national borders, and technology has accelerated time and masked distance. Given this sea change in the corporate environment, companies want to increase their ability to manage their profits and risks, and to protect the reputation of their brands. Because of globalization, there is also fierce competition for skilled employees, investors, and consumer loyalty. CSR helps in building a reputation as a responsible business and a good corporate citizen.[103] How a company relates with its workers, its host communities, and the marketplace can greatly contribute to the sustainability of its business success. Similarly, corporations with good CSR attract skilled and highly professional hands as compared to their peers. Investors

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[101] "CSR" <http://www.instituteforpr.org/topics/corporate-social-responsibility/>, Retrieved on 12-03-2011.
[102] Adam Smith, *The Wealth of Nations,* (Methuen & Co, London, 1776), 26-27.
[103] Ramón Mullerat, *International Corporate Social Responsibility*, 140.

also prefer to part their stake in companies with social sensibility and concern for environment.

High performance and high integrity are good for the bottom line — for successful companies and, indeed, for 21st-century capitalism. It blends strict adherence to capital performance with integrity to never allow that commitment to corrode those principles.[104] On the whole, corporate involvement in the socially sensible activities mutually benefit society and the company thereby promoting growth and progress.

1.7 Role of CSR in Local and Global Development

Scholar Heike Fabig and consultant Richard Boele observe that, the majority of today's debates regarding the practices of CSR "are conducted at the intersections of development, environment and human rights, and are more global in outlook than in the last part of twentieth century or even in the 1960s."[105] Today CSR has penetrated even into the psyche of the local community as the corporate began speaking their language. Increasing vernacularization of CSR rhetoric in the public sphere. Terms germane to CSR — such as 'community stakeholders,' 'socially responsible investing,' 'fair trade,' 'green design,' 'sustainable development,' 'compassionate capitalism,' and 'long-range social return' are not strange anymore. The wave of CSR's vernacularization has taken place just in the past several years, as corporations have adopted the language of citizenship to express their commitment to social responsibility.[106]

The business community can make tremendous contributions in promoting good health and well-being, especially if innovative CSR initiatives are undertaken in partnership with government and civil society. In all but the most remote areas or closed societies, business has massive reach and influence. For decades, business has been engaged in charity, philanthropy, and civic activities including social investments in health.[107]

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[104] "CSR" <http://www.instituteforpr.org/topics/corporate-social-responsibility/>, Retrieved on 12-03-2011.

[105] D. Robert De Chaine, *Ethos in a Bottle,* in Rebecca Dingo, J. Blake Scott (Eds.), *The Megarhetorics of Global Development,* (University of Pittsburgh Press, Pittsburgh, 2012), 82.

[106] Ibid.

[107] In the 1870s steel baron Andrew Carnegie earned a reputation as an "enlightened industrialist" by building model communities for his workers and prescribing eight-hour workdays before such became law. In the 1930s the Rockefeller Foundation, before the establishment of the UN and WHO, functioned

However, oftentimes these investments were less than strategic, and were not directed to real social change. Today, business understands that viewed through lenses of 'doing well by doing good,' CSR can be a revolutionary way of contributing to systemic social changes in which investments can produce lasting social benefits in the food, shelter and cloth arena and beyond.

Since the advent of the 21st century, governments from all over the world, the UN and IFIs(International Financial Institutions), have increasingly begun to speak with one voice on the question of how to balance the economic and social objectives of development.

> To some extent this convergence reflect the renewed ascendancy of the UN in development think and policy, and the fact that its concerns with the application of neo-liberal ideas and economism in developing countries were being taken seriously after nearly two decades of having been side-lined both discursively and in policy arenas by the World band and the IMF. Key in this process were the global UN Summits of the 1990s, the work of commissions such as the World Commission on the Social Dimensions of Globalization, the renewed attention to human rights and right-based development, led in particular by Mary Robinson, and the Millennium Declaration, which re-asserted poverty reduction as a top development priority.[108]

Convergence is also evident in widespread agreement on contemporary development and institutional priority and objectives, notably poverty reduction. In this field there is an implicitly compromise that involves a commitment to selected poverty reduction targets whilst keeping largely off-limits questions of structural change related to the power relations, distribution, and inequalities that perpetuate poverty.[109]

CSR is thought to play a key role in this new development and governance approach both locally and globally. This was stated explicitly by the former UN Secretary-General, Kofi-Annan, in an address at the World Economic Forum in 1999 when he proposed a new 'global compact':

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as the world's unofficial public health directorate, using its enormous philanthropic resources to fight diseases, from yellow fever in Colombia to hookworm in Thailand. In the 1970s corporations started investing in social causes for public relations, marketing, and crisis management.

[108] Crouch Colin, Maclean Camilla, *The Responsible Corporation in a Global Economy*, (Oxford University Press, Oxford, 2011), 177.

[109] Ibid.

> There is enormous pressure... to load the trade regime and investment agreement with restrictions aimed at reaching adequate standards in human rights, labor and the environment. These are legitimate concerns. But restrictions on the trade and impediments to investment flow are not the best means to use when tackling them. Instead, we should find a way to achieve our proclaimed standards by other means. And this is precisely what the compact I am proposing to you is meant to do... [Y]ou can promote these values... by tackling them directly, by taking action in your own corporate sphere... You can uphold human rights and decent labor and environmental standards directly, by your own conduct of your business... But what, you may be asking yourselves, am I offering in exchange? The United Nations agencies... all stand ready to assist you, if you need help in incorporating these agreed values and principles into your mission statements and corporate practices. And we are ready to facilitate a dialogue between you and other social groups, to help find visible solutions to the genuine concerns that they have raised... More importantly, perhaps, is what we can do in the political arena, to help make the case for maintaining an environment that favors trade and open markets.[110]

Thus, the key role of CSR in the local and global development in alleviating poverty and bringing about progress in the society is evident.

1.8 Philosophical Impetus

According to the Greek philosopher Heraclitus, "you cannot step twice in the same river."[111] Change is the synonym of twenty first century, storming with rapid technological advancement and modernization. Internet has revolutionized the business to a different level of operations and strategy. Globalization of business is gaining massive attention as the strategy for survival, competence, competitiveness and growth. Success of a business firm depends on its ability to cope with the changes in the environment. An organization is a part of a larger continuum which is the society. Everything in the society other than the organization itself, is the environment of the organization.[112] Changing conditions in the environment can very much influence the operations and plans of the firm both locally and globally. Globalization has necessitated academic enquiry into Corporate Social Responsibility introducing the triple bottom line principle which calls

[110] Ibid., 178.
[111] "Heraclitus" <http://en.wikipedia.org/wiki/Heraclitus>, Retrieved on 13-03-2011.
[112] Pathak Harsh, *Organizational Change*, (Dorling Kindersley, Noida, 2011), 8.

for integration of the environmental, social and economic responsibilities in order to maintain a sustainable growth and development of a modern corporation in the globalization era.

Most of the philosophical positions and scientific attitudes that we recognize today have their germ in ancient Greece. Like pragmatism, humanism is usually said to spring from the sophist philosopher Protagoras and his dictum: "Man is the measure of all things, of things that they are, and of things that are not that they are not."[113] Thus, we see that CSR has its roots deeply in 'Humanism.' In its modern context 'humanism' originates from about 1860, derived, it seems, from Comte's 'religion of humanity.'[114]

This research aims to investigate and come up with a philosophical critique on how the socio-economic value of profit making businesses are responsible and successful in considering the Corporate Social Responsibility utilizing *Corporate Conscience* as the yardstick. This approach calls the corporate for a paradigm shift from mere profit making enterprise to a socially responsible participative mechanism to build the society in the global village phenomenon devoid of the basic human nature of greed, self-interest, selfishness, jealousy, ego etc.

Notwithstanding the conspicuous differences between the accounts of the concept and definitions of CSR offered by the literatures, there is wide agreement on the central features of what is commonly called the doctrine of CSR. In sum, CSR addresses some of the following areas:

1. The environmental dimension
2. The human resource dimension
3. The philanthropic dimension
4. The human rights dimension

Thus, the main thrust of the CSR is defined and refined as per the need of the time, relevance, and situations. However, my intention in this research is to probe into the philosophical undertone of the eastern and western philosophies and philosophers whose ideas have given flesh and bone to the concept of CSR to contribute positively to the development of the society at large.

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[113] B. Russell, *History of Western Philosophy*, (Routledge, London, 2004), p.83.

[114] "Religion of Humanity" <http://en.wikipedia.org/wiki/Religion_of_Humanity>, Retrieved on 13-03-2011.

I have found that not many studies and researches have been conducted on this topic, which is why I am prompted and excited to venture into a philosophical study on CSR and its impact on the society. Influence of the eastern and western philosophers and philosophies have contributed to a great extent in shaping up CSR as a driving force to motivate corporations to use part of their profits to the benefit of the less privileged in the society.

Man is a social animal,[115] his development depends upon not only on the development of his individual life but it also includes the social life. Now let me take a glance at the early eastern or rather Indian philosophies and philosophers whose philosophies gave remarkable roots to the ideology of CSR practices today. Business practices based on moral principles were advocated by the Indian statesman and philosopher Kautilya in the 4th century B.C[116] gives an early account of CSR. *Niskhkama Karma* (selfless service) is the guiding star that makes us realize to do something for the well being of the community. "To action alone thou has a right and never, at all, to its fruits, let not fruits of action be thy motive, neither let there be any attachment to inaction."[117] This famous and often quoted verse of Gita lays down the essential basic principle which should govern all our actions in everyday life, meaning work without concern for the result or fruit of action. Just as every drop of rainwater flows ultimately to the ocean, every drop of one's sweat should finally flow into the reservoir of common good, love, truth, compassion, protection and worldly prosperity to light the path of one's life or for others.

Let me now quickly give a glance to the ancient Indian philosophy which has laid down foundation for CSR in the second millennium B.C. The ancient Indian philosophy has six systems which are known as *sadarshanas*. All the six systems of Indian philosophy aim at individual liberation through cessation of pain and suffering.[118] And the Indian philosophers believe that the root cause of all pain and suffering is ignorance (*ajnana*).[119] Therefore removing ignorance and finding the right knowledge of reality (*tattvajnana*) is

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[115] Darwin Charles, *The descent of man*, (Forgotten Books, London, 1874), 95.
[116] Andrew Crane, *The Oxford Handbook of Corporate Social Responsibility*, (Oxford University Press, New York, 2008), 481.
[117] Bhagavad Gita, Chapter II, Verse. 47.
[118] Rajmani Tigunait, *Seven Systems Of Indian Philosophy,* (Himalayan Institute Press, Pennsylvania, 1983), 70.
[119] Baij Nath Pur, *The Adhyatma Ramayana*, (Genesis Publishing Pvt. Ltd, New Delhi, 2005), 360.

the right way for liberation of the self and soul. Thus, this could be amplified as the strongest philosophical foundation for the CSR activities as it is seen today. Even one of the aims of this research itself is to bring CSR awareness in the society — *tamaso ma jyotirgamaya* — from darkness to the light. Removing the ignorance through the right awareness of CSR to eradicate pain and suffering and thereby making the happiness quotient of the society stronger.

The yoga scheme for self-realization provides a solid foundation for the corporate to maximize profit and yet at the same time involve themselves — keeping the selfishness and egoism apart for the welfare of the society as a responsible citizen. According to yoga philosophy (*karma yoga* – path of action) the greatest of all austerities is to perform one's duty skillfully and selflessly for the sake of duty and in the service of others without any intention of enjoying the fruits of one's actions oneself.[120]Glimpse of these deeper realities of the society have been caught not only by the seers and saints of different countries, but also by some great philosophers.

When a corporation attains kind of liberation, other than the prime motive of making profit, and profit maximization — the corporation thinks of entering into CSR. Thus, the corporate attains the true knowledge of reality by removing ignorance. Then they realize that the maximized profit should be shared for the well-being of the society.

Thus, the pain and suffering in the society calls the corporations for *vivekajnana* (discernment). Which means knowledge is not merely an intellectual understanding of the truth, but a clear realization of the reality as well. And as the corporations are aware of the reality around and voluntarily be responsible for liberating the society from its pain and suffering through CSR. This may be called as a *jivamukti* (emancipating the society through CSR while maximizing the profit) by the corporate.

Poverty or deprivation is the root-cause of today's plight not only in the economic sense but also in the emotional, intellectual and spiritual sense. It is the *Gita-Rahasya*[121] *of* Bal Gangadhar Tilak that provides the nourishment in all of these spheres as he was the first one to interpret Gita in the light of practical living. His ideal of *Lokasamgraha* (Public

[120] Rajmani Tigunait, *Seven Systems Of Indian Philosophy,* 158.

[121] Bal Gangandhar Tilak, *Gita Rahasya*, English translation by B.S. Sukthankar, (Tilak Bros., Poona, 1915), 76.

Good) promotes goodness in all these aspects. This path will uphold the family as well as organizational and the social fabric.[122] Thus, it promotes not only individual good but also social good. It encourages and forces each individual to transcend the narrow considerations of me, my family, my state or nation instead think in terms of a global responsible citizen. As a global citizen one works for the happiness, harmony and prosperity of all. The world as we experience it is the real specimen of interconnectivity where no man is an island. Cooperation is, thus, the clarion call of the *Gita* and *Gita-Rahasya*. Where, individuals have become more and more insignificant due to the impacts of technological, political, economic and social forces, *Bhagavad-Gita* and *Gita-Rahasya* reinitiate harmony and happiness in our hearts.

Thus, *Gita-Rahasya* presents us radical reorientation of *Bhagavad-Gita* to suit the contemporary needs of the society at large. There is no doubt that for Tilak, the three main paths to liberation — *karma*, *jnana* and *bhakti* — are harmonized in the Gita.[123] Thus, in Gita-Rahasya, Tilak provides global perspective with global consciousness of *Vedantic* spirit — *ahambrahmasmi*, to transcend the barriers between self-interest and public interest. And for Tilak, *nishkama karma* will bridge the gulf of self-interest and public interest culminating in *lokasamgraha*.

Mahatma Gandhi advocates *Sarvodaya* which means service to all and not the services to the maximum number. *Sarvodaya* philosophy is not merely a theory of ethical justice, but it is also the sheet anchor that lays great emphasis on distributive social and economic justice.[124] Also this philosophical critique of CSR forces me to look into his ideals of *trusteeship*.

It is worth noting the ever meaningful words of the great Indian Philosopher, Dr. Radhakrishnan:

> We should like our generation to go down in history not as one which split the atom and made hydrogen and nuclear bombs, but as the one, which brought together the peoples of the world and transformed them into world community and we have to develop new methods of human relationships

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[122] Prof. (col) P.S. Bajaj, Raj Agrawal, *Business Ethics: An Indian Perspective,*(Dreamtech Press, New Delhi, 2004), 216.

[123] Robert Neil Minor, *Modern Indian Interprete*, (SUNY Press, New York, 1986), 55.

[124] Anil DuttMisra, SushmaYadav, *Gandhian Alternative (vol. 3: Socio-Political Thoughts),* (Concept Publishing Company, New Delhi, 2005), 118.

> and build bridges of understanding, goodwill and togetherness for World Federation and enduring peace, progress and prosperity on our planet.[125]

It is difficult to conduct any philosophical enquiry about the concept of CSR without referring to the Greek philosophers. A robust account of the virtues, such as the one offered by Aristotle, requires clearly identifiable goods connected with the norms and practices of human beings who identify themselves as members of communities that are culturally and historically situated. Aristotle argues that *eudemonia*,[126] a particularly deep form of happiness, is the prime example of the common good— something we can only achieve in collaboration with others. For Aristotle, the goal of life or *telos* of life was *eudemonia* which he refers as *living well, doing well*.[127] *Koinonia* is a complex, rich and thoroughly fascinating Greek approach to building community or team work.[128] It literally means communion by intimate participation. The concept *Koinonia* simply reminds us that CSR is possible when corporate and individuals intimately associate with the society.

Values play an important role in life as well as in philosophical enquiry. Abraham Maslow declared the five basic needs of human individuals,[129] implying that individuals would strive for the next need as soon as the former has been fulfilled. His contemporary, Clair Graves, concluded that there are many ways of achieving these needs.[130] Individual persons, as well as companies and societies, undergo a natural sequence of orientations (Survival, Security, Energy & Power, Order, Success, Community, Synergy and Holistic Life System). These orientations brighten or dim as life conditions (consisting of historical *Times*, geographical *Place*, existential *Problems* and societal *Circumstances*) change. The orientations impact their worldview, their value system, belief structure, organizing principles and mode of adjustment.[131]

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[125] Anil DuttMisra, SushmaYadav, *Gandhian Alternative (vol. 3: Socio-Political Thoughts),* (Concept Publishing Company, New Delhi, 2005), 116-7.

[126] James Smith Page, *Peace Education: Exploring Ethical and Philosophical Foundations*, (IAP, USA, 2008), 30.

[127] Ibid.

[128] "Koinonia" <http://en.wikipedia.org/wiki/Koinonia>, Retrieved on 17-03-2011.

[129] Paul W. King, *Climbing Maslow's Pyramid,* (Troubador Publishing Ltd, UK, 2009), 3.

[130] Marilyn Hamilton, *Integral City: Evolutionary Intelligences for the Human Hive,* (New Society Publishers, Canada, 2008), 107.

[131] Cited in Don Edward Beck, Christopher C. Cowan, *Spiral Dynamics: mastering values, leadership, and change,* (Blackwell Publishing, Victoria, 1996), 4.

Utilitarianism is a moral theory proposed by Jeremy Bentham and John Stuart Mill.[132] It states that all action should be directed towards achieving the greatest happiness of the greatest number of people. The corporation is to be managed under Kant's principle of respect for (all) persons as ends in themselves. Levinas' and Buber's moral philosophy for one has this positive sense of freedom contributing to a fundamental openness to others, to an understanding of the *other's* need for freedom and consequently, to any ethical intention.

Naturalism commonly refers to the viewpoint that laws of nature (as opposed to supernatural ones) operate in the universe, and that nothing exists beyond the natural universe or, if it does, it does not affect the natural universe. Adherents of naturalism (naturalists) assert that natural laws are the rules that govern the structure and behavior of the natural universe, that the universe is a product of these laws.[133] And finally the Law of Nature, which is the guiding principle and unwritten laws for the sustenance and equilibrium of the universe.

Conclusion

When discussing CSR, some prefer corporate responsibility (CR) to avoid the assumption that it is limited to 'social' concerns (strategic philanthropy and community relations). Others use 'social' responsibility to avoid the stigma that this topic only relates to businesses driven to place profit over social principle. Those who prefer 'social' without the modifier 'corporate' recognize that non-profits and governmental organizations are and should be held to responsibility standards. By whatever name, interests of organizations cannot long be at odds with mutual interest and common good.

Consideration of Corporate Social Responsibility is as old as organizations themselves. The central question always has been this: Does each organization, as it strives to achieve its mission and vision, add value to the society which franchises its existence? Long

[132] Denise Cummins, *Good Thinking: Seven Powerful Ideas That Influence the Way We Think,* (Cambridge University Press, New York, 2012), 70.

[133] "Catholic Encyclopedia: Naturalism" < http://www.newadvent.org/cathen/10713a.htm>, Retrieved on 18-03-2011.

before consideration focused on business, especially large corporations, questions about CSR addressed the rationale and acceptability of government and religions.

Religions and philosophies from time immemorial have been propagating the aspect of giving generously or sharing the fortunes with the underprivileged and marginalized in the society. But often the great propaganda of the religions and philosophies remained intact in the rat-race of the profit making in the business world. But today we see more and more people becoming aware of the value of caring for the well-being and welfare of the society. Thus, they come forward voluntarily to support the weaker sections of the society irrespective of any personal gains, considering the well-being and welfare of the society is their concern too.

As we take a leap into the next chapter, it is good to be well informed about the concept and its roots that gave impetus to the modern trend called CSR.

Chapter 2

CSR and its Relation to Other Disciplines

Introduction

Panoramic view of the Corporate Social Responsibility is a relatively recent phenomenon both in social development and much more in corporate business culture.[134] It advances in many different ways as a counterculture in the global economy both directly and indirectly. Increasing impact of the global corporations in all aspects of social life and in the environment has been the catalyst in the emergence of a new diversity of stakeholders demanding accountability about the impact of corporate activity in the life of the planet.[135] Thus, these significant waves of increased awareness almost through the second phase of twentieth century down to the twenty first century triggered the emergence of concept called CSR. The philosophy behind the CSR is indebted to many other disciplines. This chapter deals with CSR's relation to a few other disciplines like sociology, management, economics, ethics, spirituality, philosophy etc. and how CSR binds almost all other concerned disciplines together to work for the betterment of the society. This chapter makes the research a very special one, as the powerful concepts from all these disciplines are interwoven into this research exposing the inter-disciplinary nature.

2.1 Inter-disciplinary Nature of CSR

Interdisciplinary nature of CSR implies that it has gloriously made use of concepts from different disciplines or across the cultures to enrich and strengthen it. In the modern terms, it could be called as 'cross-breed.' In general the cross-breed has to be synchronized from the best of others there by developing a 'high-breed.' This nature of CSR induces an overlook into other disciplines to substantiate those best concepts, that are shipped across in making CSR, as it is today. The underlying concept of CSR, that of an implied social contract, dates back to "the writings of the Greek philosopher

[134] Kate Abiri, Festus Emiri, Gowon Deinduomo(eds.), *Law and Petroleum Industry in Nigeria: Current Challenges,* (African Books Collective, Oxford, 2009), 201.
[135] Ibid.

Epictetus…[and] was central to the intellectual system…in the first half of the seventeenth century."[136] CSR borrowed many concepts from other disciplines like corporate conscience, corporate citizenship, social performance, or sustainable responsible business[137] is a form of corporate self-regulation integrated into a business model. These key terminologies help CSR functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. Again many of these key concepts oriented CSR with a goal to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.[138] Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. In other words, the best concepts from the other disciplines helped CSR in the deliberate inclusion of public interest into corporate decision-making, that is the core business of the company or firm, and the honoring of a triple bottom line — people, planet, profit.[139]

CSR underwent a paradigm shift in the business arena evolving the corporate conscience to the need of the society as the well-being and welfare of the society, as a responsibility of the corporate. Nevertheless, prior to this recent development, there is no doubt that CSR existed in the society ever since the inception of human race as direct, indirect or implied form. Man being a social animal whose entire life, I mean from womb to tomb, is enacted in the frame work of the society. Every human being strives to meet the ends of life to make it happy every moment. As we strive to make life and living conditions better and better the importance of helping and supporting each other is remarkable. Thus it becomes a responsibility of the affluent to stretch their hands and open their

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[136] Anshen, M 1970, 'Changing the social contract: A role for business', Colombia Journal of World Business, vol. 6, no. Nov-Dec, p.8

[137] D Wood, 'Corporate Social Performance Revisited' (1991) 16(4) The Academy of Management Review: <http://www.jstor.org/discover/10.2307/258977?uid=3738256&uid=2&uid=4&sid=21101496501817>

[138] Sunil Karve, National Conference on Corporate Social Responsibility Issues and Challenges, (Allied Publishers, New Delhi, 2011), p.414

[139] "Corporate Social Responsibility" Cfhttp://en.wikipedia.org/wiki/Corporate_social_responsibility Retrieved on 14-4-2011

wallets to shell out something for the under-privileged of the society. CSR being a recent entrant, in many ways, it advances as counterculture to the long established idea of private and free enterprise.

The emergence of CSR, notwithstanding, the tough times in the struggle of modernization amidst neo-liberalism has given an unfettered patronage to other disciplines to make business behave more responsibly in the society. We should remind ourselves that, in a true democratic ethos, the governments' first responsibility is "to procure the welfare of all strata of society" — in the words of Adam Smith. Indeed, although the intended end of classic English Liberalism, from Smith to Bentham, Ricardo and Stuart Mill, was to achieve the common good through the 'invisible hand' of thousands of small companies, the industrialists corrupted concepts and governments, forming great trusts and enriching themselves at the expense of the other stakeholders. It was not until the consolidation of the post-war's Welfare State, in the 1950s and 1960s, that Darwinian Capitalism — which cynically advocated 'the survival of the fittest' when most were not fit to compete on equal terms — was briefly abandoned.[140]

Thus, there was indeed an upheaval throughout the history of the human race for regulatory responsibility and act as 'balancing agents' to retreat to the natural law and maintain the birth right of every person to lead a happy and successful life. Therefore, CSR though infant its roots and branches indebted to many other disciplines, as it deals with society and human beings. I would like to illustrate a few of them and to establish the impact of the other disciplines in the emergence of CSR and its closely woven links that paved way as we see CSR spreading its roots in the twenty first century with all its glory respecting the ethos of the society for a happy and rightful life here on earth.

The Dalai Lama, a consistent advocate of both human rights and what he calls 'universal responsibility,' provides the best reconciliation of rights and responsibilities. His support for human rights is always strong and unequivocal, justified by both philosophical and pragmatic considerations:

> No matter what country or continent we come from, we are all basically the same human beings. We have the common needs and concerns. We all seek happiness and try to avoid suffering regardless of our race, religion,

[140] Cited in Ibid.

> sex or political status. Human beings, indeed all sentient beings, have the right to pursue happiness and live in peace and in freedom. As free human beings we can use our unique intelligence to try to understand ourselves and our world. But if we are prevented from using our creative potential, we are deprived of one of the basic characteristics of a human being. It is very often the most gifted, dedicated and creative members of our society who become victims of human rights abuses. Thus the political, social, cultural and economic developments of a society are obstructed by the violations of human rights. Therefore, the protection of these rights and freedoms are of immense importance both for the individuals affected and for the development of the society as a whole.[141]

CSR has become a contemporary feature of 21st century business. Originating in the management arena CSR has been embraced by other disciplines such as sociology, spirituality, management, economics, philosophy and ethics which traditionally have their own understanding of CSR and frequently use substitutive terminology. We would be attempting to dig out the roots of CSR as we delve more into each of these disciplines. Our strong belief is that the roots of CSR lie in these age old disciplines before it was christened as we have it now. The ultimate goal of this research is to establish the interdisciplinary nature of CSR and to determine whether the bodies of knowledge associated with the CSR has the potential to strengthen the well-being of the society and humanity. The present research is structured around several core issues of the CSR debate. Namely, what is CSR, does CSR have a philosophical backing, what are the drivers of CSR, what are the benefits of CSR, and what are the impacts that CSR has on the society and human life.

2.1 Sociology — the Youngest Daughter

CSR is all about bringing equilibrium in the society through supporting the weaklings in all possible way. So Society becomes the arena for CSR implementation and sustenance. It will analyze processes of change in the role of the economic welfare in the society. So society has a prime importance in the present inter-disciplinary research.

[141] John Witte, Jr., M. Christian Green (Eds.), *Religion and Human Rights: An Introduction*, (Oxford University Press, New York, 2011), 113.

2.1.1 What is Sociology?

The term sociology was coined by Auguste Comte, a French philosopher in 1839.[142] Sociology is the youngest of all the Social Sciences.[143] The word Sociology is derived from the Latin word 'societus' meaning 'society' and the Greek word 'logos' meaning 'study or science.' The etymological meaning of 'sociology' is thus the 'science of society.'[144] Prof. Ginsberg accordingly defines it "as the study of society, that is the web or tissue of human inter-actions and inter-relations."[145] In other words, Sociology is the study of man's behavior in groups or of the inter-action among human beings, of social relationships and the processes by which human group activity takes place. The social character of humans is most distinctive feature of human life. Humans have to interact with other human beings in order to become human and survive. There is no other feature that makes man a human being other than this social character. It is like learning swimming. One needs to get into the water in order to learn swimming. Swimming cannot be taught outside the water. Water is a pre-requisite for learning swimming. No theory can teach swimming unless one decides to get into the water.

Similarly, to become a human being, one needs to interact with other human beings and that brings out the human nature in him. Interaction with other human beings is only possible in groups and not in isolation. If one tries to become a human being in isolation, it will be like sitting on the pool side and trying to learn swimming. In other words, man is only born human but he becomes a 'human being' in the society. Thus, the Greek philosopher Aristotle, rightly remarked that "man is a social animal."[146] What impels man to live in the society is nothing but his nature and necessity. As the famous saying goes, "necessity is the mother of all inventions." So man has to invent himself in the society. The hidden humanness is harnessed through the interactions in the society. Thus, society

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[142] Martin Albrow, *Sociology: The Basics*, (Routledge, London, 1999), 33.
[143] B. V. Pathak, *Industrial Psychology & Sociology*, (Nirali Prakashan, Pune, 2008), 11.
[144] Bhushan, Vidya, Sachdeva D.R, *An Introduction to Sociology, Allahabad* (KitabMahal, New Delhi, 1999), 3.
[145] Ginsberg, Morris, *TheStudy of Society, (*Methuen, London, 1932), 436.
[146] Bhushan, Vidya, Sachdeva D.R, *An Introduction to Sociology*, 3.

is very important for human beings to lead a happy and contented life through inter-actions and inter-relations. Hence, the focus of Sociology is on *socialness*.[147]

Sociology as a science embraces the totality of human life and activities within the frame work of the society. The fundamental idea of CSR "is that business and society are inter-woven rather than distinct entities" and that business must therefore meet particular societal expectations regarding their social, environmental and economic activities.[148]

Now, let us go a bit further looking into the relevance of Sociology in the present research to unravel the concept origin of CSR.

2.1.2 Relevance of Sociology in the Research

Modern conceptions of the term CSR have appeared since the mid-to-late twentieth century, the general idea is not new. Taken together, the globalization process, the growing importance of civil society and NGOs as the third force, and the development of a new global governance framework, constitutes a complex dynamic importance to an understanding of CSR. In spite of the great amount of attention given to CSR today, the idea of justice and fairness in economic activity is not a recent concern, but rather dates as far back as the thinking of the Greeks. The discussion continued throughout the centuries until the different social sciences started to distinguish themselves from each other. When the idea of self-regulating markets appeared in the eighteenth century, a dis-embedding of economic activity from the social sphere also emerged. In this study, one can speak of a re-embedding of economic activity into the social fabric — what we today call CSR.[149]

Charles Horton Cooley was a prominent member of the founding generation of American Sociologists. It was his aim and achievement to apply the ideas of pragmatism to the development of a sociological theory of social action, social order, and social change, which he ultimately accomplished with his trilogy:

1. *Human Nature and the Social Order* (1902)
2. *Social Process* (1908)

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[147] Ibid., 5.
[148] Wood, D. Corporate social performance revisited. *Academy of Management Review* (1991) 16(4), 695.
[149] Segerlund, Lisbeth, *Making Corporate Social Responsibility a Global Concern: Norm Construction in a Globalizing World*, (Ashgate Publishing Ltd., England, 2010), 33.

3. *Social Organization* (1909)

In *Human Nature and the Social Order* Cooley examines the 'distributive aspect' of the relationship between self and society, namely the development of the self through symbolically mediated interaction. A 'looking-glass self,' according to Cooley has three 'principal elements': first the imagination of our appearance to the other person; second the imagination of his judgment of that appearance; and third some sort of self-feeling, such as 'pride or mortification.'[150]

Original legal formulations placed restrictions on corporate activities and allowed corporate charters to be revoked when they "failed to act in the public good."[151]

In *Social Organization* Cooley defines the 'collective aspects' of social action (primary group, Public opinion, democracy, social classes and institutions). Organizations are, over time and space, expanded structures of action such as 'enduring sentiments, beliefs, customs' and large institutions such as 'the government, the church and laws,' but micro-societal 'appereceptive systems. 'Organized attitudes' are resources for individuals and, simultaneously, they also limit their activities. 'The individual,' according to Cooley, "is always cause as well as effect of the institution."[152]

In *Social Process* Cooley sets up his concept of social changes as creative search and experiment process. Individual actions have their origin in the 'habits' of the social world.[153] But those generalized meanings never provide complete answers to specific situations; they must therefore continuously be reconstructed into tentative trial phases. Most significant in the sequence of action (habit, conflict, experiment and new habit), is the experimental stage of 'imaginative reconstruction.' The test of intelligence is the power to act successfully in the new situation.[154]

This new situation propels a need in the institution or corporations to interact with society where the relevance of the sociology is significant. Thus, it calls for a new or neo-institutionalism that focuses on developing a sociological view of institutions — the way they interact and the way they affect society.

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[150] C.H. Cooley, *Human Nature and the Social Order*, (Schocken, New York. 1902), 184.
[151] Banerjee, S. *Corporate social responsibility: the good, the bad, and the ugly*. Critical Sociology, 34 (1), 53.
[152] C.H. Cooley, *Social Organization: A Study of the Larger Mind*, (Schocken, New York, 1909), 313.
[153] George Ritzer, *The Concise Encyclopedia of Sociology*, (John Wiley & Sons, West Sussex, 2011), 91.
[154] C.H. Cooley, *Social Process,* (Southern Illinois Press, New York, 1908), 351.

2.1.3 The New Institutionalism in Sociology

The theory of 'New Institutionalism in Sociology' developed by John W. Meyer and Brian Rowan. Both can be seen as main founders of the New Institutionalism in Sociology in the 1970s and 1980s within the sociology of organizations in the United States. What makes the New Institutionalism in Sociology attractive for this present research question? Primarily, it is its focus, from a macro-sociological point of view, on the interdependence between organizations and their societal environment. By stressing the role of institutions, it develops a theoretical framework that takes into consideration the routines, 'scripts' and preferences of a society and their actors. This might be especially interesting for further analyses of the influence and role of 'reputation.'

New institutionalism recognizes that institutions operate in an environment consisting of other institutions, called the institutional environment.[155] Every institution is influenced by the broader environment (or in simpler terms institutional peer pressure). In this environment, the main goal of organizations is to survive. In order to do so, they need to do more than succeed economically, they need to establish legitimacy within the world of institutions.[156]

Most of the research within New Institutionalism deals with the pervasive influence of institutions on human behavior through rules, norms, and other frameworks. Previous theories held that institutions can influence individuals to act in one of two ways: either they can cause individuals within institutions to maximize benefits (regulative institutions, also called Rational Choice Institutionalism), similar to rational choice theory or to act out of duty or an awareness of what one is 'supposed' to do (normative institutions, also called Historical Institutionalism).[157] An important contribution of New Institutionalism was to add a cognitive type influence.[158] This perspective adds that, instead of acting under rules or based on obligation, individuals act because of

[155] Katia Laura Sidali, Achim Spiller, Birgit Schulze(Eds.), *Food, Agri-Culture and Tourism: Linking Local Gastronomy and Rural Tourism: Interdisciplinary Perspectives,* (Springer, New York, 2011), 134.
[156] Ibid.
[157] Indu Baghel, *Global Encyclopaedia of the North Indian Dalits Ethnography, Vol. 1,* (Global Vision Pub House, New Delhi, 2007), 136.
[158] Ibid.

conceptions. "Compliance occurs in many circumstances because other types of behavior are inconceivable; routines are followed because they are taken for granted as 'the way we do these things'" — also called Social Institutionalism.[159] Individuals make certain choices or perform certain actions not because they fear punishment or attempt to conform; neither do they do so, because an action is appropriate or the individual feels some sort of social obligation.[160] Instead, the cognitive element of new institutionalism suggests that individuals make certain choices because they can conceive of no alternative.

Thus, shaping CSR as an independent actor in the betterment of the society the social institutions have felt some sort of social obligation. Therefore, in my research Sociology plays a vital role as it trickles down to the creamy layer of the society. The contribution of sociology is quite relevant in the pursuit of getting back to the philosophical roots of CSR as Sociology is a discipline with its routines, 'scripts' and preferences of a society that the actors are carried out.

2.2 Management

Management plays a vital role in shaping the organizations and individuals to achieve their goals in business and life. Being socially and environmentally responsible will reduce negative and enhance positive impacts. It requires strategy and fool-proof management. And growing importance of CSR forces the need for good management strategies to be socially responsible in business and life.

2.2.1 What is Management?

Management can be defined as: achieving goals in a way that makes the best use of all resources.[161] This definition covers self-management as well as managing people, in CSR it can be translated as being responsible for the self and responsible for others. Thus, in my research on CSR, management plays a vital role. CSR is all about managing resources

[159] Scott, Richard W., *Institutions and Organizations, 2nd ed,.* (Sage Publications, New York, 2001), 57.

[160] "Business Link gives advice to business about Corporate and Social Responsibility" <www.businesslink.gov.uk>, Retrieved on 24-08-2011.

[161] S.K. Kapur, *Marketing Management: Fundamentals And Practices,* (Oxford and IBH Publishing, New Delhi, 2009), 89.

of the nature and especially the share of the profit with the community. Corporations are challenged to go beyond the predominantly economic view and take into account a wider context. This challenge can be interpreted as (implicitly and explicitly) societal demands to incorporate social and environmental values into business practice.[162] So only with the help of effective management and meticulous outlook, this goal can be accomplished. CSR has a close-knit relation to management as it evolved as the offshoot of human resource management. So I think, it is legitimate to touch upon the topic to show the interconnectedness to understand the CSR and the impact that makes on the society for its well-being and development. Management is a general term used and has a general meaning attached to it. It is important to look at the meaning closely before we proceed to its relation to CSR.

The verb manage comes from the Italian *maneggiare* (to handle — especially tools), which in turn derives from the Latin *manus* (hand).[163] The French word *mesnagement* (later *ménagement*) influenced the development in meaning of the English word management in the 17th and 18th centuries.[164]

Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources.[165] According to the management guru Peter Drucker (1909–2005), the basic task of a management is twofold: marketing and innovation.[166] Henri Fayol (1841–1925), who developed the theory of scientific management was one of the most influential contributors to modern concepts of management. According to him, "To

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[162] Jan Jonker, Marinus De Witte (Eds.), *Management Models for Corporate Social Responsibility*, (Springer, New York, 2006), 2.

[163] P.K. Saxena, *Principles of Management: A Modern Approach*, (Global India Publications, New Delhi, 2009), 1.

[164] Ibid.

[165] "Management" <http://en.wikipedia.org/wiki/Management#cite_note-2>, Retrieved on 25-04-2011.

[166] Prashant Mittal, *Programme Management: Managing Multiple Projects Successfully,* (Global India Publications, New Delhi, 2009), 44.

manage is to forecast and to plan, to organize, to command, to co-ordinate and to control."[167] Mary Parker Follett (1868–1933), who wrote on the topic in the early twentieth century, defined management as "the art of getting things done through people." She described management as philosophy.[168]

Tracing back to the early writings we can never ignore the work of Chanakya, who wrote the *Arthashastra* around 300BC in which various strategies, techniques and management theories were written which give an account on the management of empires, economy and family. In our opinion, the management glimpse that Chanakya devised came handy to the later generation management experts to develop management as a discipline.

At this juncture, it is our priority to narrow down the wide scope of management to human resources management which emerged as a separate branch towards the end of the 20th century. As we are am dealing with CSR and its relation to other discipline, we strongly feel that this study will be incomplete without mentioning human resource management, which hosts CSR under its wings still in most of the corporations.

2.2.2 Human Resource Management as the flag bearer of CSR

Successful programs on social responsibility rely heavily on enlightened people management practices. Because, directors and managers who have the power and responsibility to make decisions to manage an enterprise.[169] In this context HR department is assumed to be the coordinator and rightly so, of CSR activities in getting the employment relationship right, which is a precondition for establishing effective relationships with external stakeholders and thus/thereby can orient the employees and the organization towards a socially responsible character.[170] There is also an increasing trend in the corporate sector which has started leveraging upon employees and their management for exhibiting their commitment towards CSR.[171]

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[167] Ibid., 47.

[168] Richard Barrett, Vocational Business: Training, Developing and Motivating People, *Business & Economics,* 2003, 51.

[169] Prashant Mittal, *Programme Management: Managing Multiple Projects Successfully,* 44.

[170] "Corporate and Social Responsibility" <http://www.csr.gov.uk – the UK government's site advising on corporate and social responsibility>, Retrieved on 26-08-2011.

[171] "Corporate Social Responsibility: HR's Leadership Role" <http://www.shrm.org/Research/quarterly/1204RQuart_essay.asp>, Retrieved on 28-04-2011.

Human resources development is the structure that allows for individual development, potentially satisfying the organization's or the nation's goals. Development of the individual benefits the individual, the organization and the nation and its citizens. Human resources is a relatively modern management term, coined as late as the 1960s.[172] The origins of the function arose in organizations that introduced 'welfare management' practices and also in those that adopted the principles of 'scientific management' by F.W. Taylor who is the father of the concept of scientific management. Welfare management function wing of the HR expanded its scope from the employees to the society and name it as CSR. Perhaps, the top managers felt it is apt to integrate the corporate social responsibility under the purview of HR as they are already experienced and looking into the welfare function of the employees of the firm. It also saved the overheads that would incur if they had to setup a separate department for CSR.

Human resource managers are well positioned to play an instrumental role in helping their organization achieve its goals of becoming a socially and environmentally responsible firm — one which reduces its negative and enhances its positive impacts on society and the environment. Human resource professionals have a key role to play to help a company achieve its CSR objectives.[173] Employee involvement is a critical success factor for CSR performance. Human resource managers have the tools and the opportunity to leverage employee commitment to, and engagement in, the firm's CSR strategy.

As human resources influence many of the key systems and business processes underpinning effective delivery, it is well positioned to foster a CSR ethic and achieve a high performance CSR culture. Human resource management can play a significant role so that CSR can become "the way we do things around here."[174] Thus fostering this CSR-HR connection becomes a pathway for a substantial contribution to sustainability, CSR and their firm's business goals.

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[172] *Merriam-Webster Dictionary*, First used in 1961.

[173] "Karmayog CSR rating of the largest 500 Indian Companies" <http://www.karmayog.org/csr500companies/>, Retrieved on 26-04-2011.

[174] Mees Adine & Bonham Jamie (2004). Corporate Social Responsibility Belongs with HR, *Canadian HR Reporter*, Vol.17(7):1.

Human resource professionals are highly tuned to considering CSR from both a value-based and a business-case perspective. They work in a business function that readily identifies both the business benefits and the people benefits of fostering CSR alignment and integration. Thus, we think that CSR-HR bond, is quite mutual. The only addition is that what HR managers used to do for the employees, is now expanded to the society as a whole. As Agrawal points out that with the help of HR functions, the socially responsible values can be inculcated and sustained in the organizational culture for the welfare of the society and create awareness towards the need to achieve the business goals in the best possible and ethical manner.[175]

In other words, it is high time for all other organizations which have been paying only lip service to CSR that they capitalize upon the existing Human Resource Department in framing such practices, procedures and policies that ensure the internalization of quality, ethics and excellence in the whole system. By doing this they can sensitize the employees and the whole organization towards CSR without adding any additional cost.

2.3 Ethics

Ethics is the third discipline we would like to discuss briefly as it has a prime significance in the topic we are researching. CSR is all about the being ethical to another human being and to the nature. Subjectively and objectively, if one wants to find out answers to the question, "What do I do?" We as human beings are often puzzled with questions of all sorts. The puzzle is strained between the right or wrong?; good or bad? "What do I do," in such situations? In general, ethics is the study of right and wrong in human endeavors. At a more fundamental level, it is the method by which we categorize our values and pursue them. Do we pursue our own happiness, or do we sacrifice ourselves to a greater cause? Is the foundation of ethics based on any scripture, or on the very nature of man himself, or neither?

When most people think of ethics (or morals), they think of rules for distinguishing between right and wrong, such as the Golden Rule ("Do unto others as you would have them do unto you"), a code of professional conduct like the Hippocratic Oath ("First of

[175] AgrawalKalpana (2007), *Corporate Excellence as an Outcome of Corporate Governance: Rethinking the Role and Responsibility of HRM*, the ICFAI Journal of Corporate Governance, Vol.VI (1): 6-16.

all, do no harm"), a religious creed like the Ten Commandments ("Thou Shalt not kill..."), or a wise aphorisms like the sayings of Confucius. This is the most common way of defining 'ethics': norms for conduct that distinguish between acceptable and unacceptable behavior.

2.3.1 What is Ethics?

The term Ethics is derived from the Greek word *ethikos* which itself is derived from the Greek word ethos, meaning custom or character.[176] In philosophy, ethical behavior is that which is 'good.' The field of ethics or moral philosophy involves developing, defending, and recommending concepts of right and wrong behavior. These concepts do not change as one's desires and motivations change. They are not relative to the situation. They are immutable.[177]

In a general sense, Ethics (or moral philosophy) addresses fundamental questions such as: "How should I live my life?" That question leads to others such as: "What sort of person should I strive to be?""What values are important?""What standards or principles should I live by?" There are various ways to define 'ethics.' The simplest may be to say that Ethics deals with 'right' and 'wrong.' However, it is difficult to judge what may be right or wrong in a particular situation without some frame of reference, thus it becomes relative.

Ethics, also known as moral philosophy, is a branch of philosophy that addresses questions about morality — that is, concepts such as good and evil, right and wrong, virtue and vice, justice and crime, etc.[178]

Ethics is a term. Many people think ethics has to do with a set of social conventions or a religious decree. Instead philosophical ethics is not based on a presupposition of a Supreme Authority, like the concept of morality in a religion. Philosophical ethics could be called the study of what is good and bad. Generally, philosophical ethics concerns

[176] Goodpaster, K.E, *Ethics in Management*, (Harvard Business Books, Boston, 1984), 54.
[177] Cited in Winstanley, D. and Woodall, J. (1996*). Business ethics and human resource Management*, Personnel Review, Vol. 25, No. 6, 5–12.
[178] "Ethics" <http://en.wikipedia.org/wiki/Ethics>, Retrieved on 27-04-2011.

itself with discovering a system one may use to determine who or what is good, or with evaluating systems that others have proposed.[179]

The pursuit of moral knowledge dates back to Ancient Greek philosophers, but it is mostly the influence of Enlightenment moral thought that continues to shape ethics today. There are many well-known figures in the history of ethics, including the Greek philosophers Socrates, Plato and Aristotle, but some of the most important modern influences include such people as Immanuel Kant, Levinas, Martin Buber, Jeremy Bentham, John Stuart Mill, D.W. Ross, C.L. Stevenson, Alasdair Macintyre, and John Rawls. Most of them stress on the relational ethics for instance I-Though relationship of Buber and Levinas which is pertinent to this CSR research as CSR is all concerned about one's relationship and responsibility to the society.

Socrates (469 BC – 399 BC)[180] was one of the first Greek philosophers to encourage both scholars and the common citizens to turn their attention from the outside world to the condition of humankind. Aristotle (384 BC – 322 BC)[181] posited an ethical system that may be termed 'self-realizationism.' In Aristotle's view, when a person acts in accordance with his nature and realizes his full potential, he will do good and be content.[182]

2.3.2 Why is Ethics Important in this Research?

Ethics is a requirement for human life. It is our yardstick of deciding a course of action. Without it, our actions would be random and aimless. There would be no way to work towards a goal because there would be no way to pick between a limitless numbers of goals. Even with an ethical standard, we may be unable to pursue our goals with the possibility of success. To a degree which a rational ethical standard is taken, we are able

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[179] "What is Ethics" <http://en.wikibooks.org/wiki/Introduction_to_Philosophy/What_is_Ethics>, Retrieved on 27-04-2011.

[180] Sahakian, William S. & Sahakian, Mabel Lewis, *Ideas of the Great Philosophers,* (Barnes & Noble Books, New York, 1993), 33.

[181] Ibid., 37.

[182] Parvesh Singla, *The Manual of Life - Understanding Character*, (google ebook, 2002), <www.books.google.co.in/books?id=NnHHpCuox2IC>, Retrieved on 27-04-2011.

to correctly organize our goals and actions to accomplish our most important values. Any flaw in our ethics will reduce our ability to be successful in our endeavors.[183]

Ethics is the philosophical attempt to answer Socrates' question of "how one should live?" This is a very general question, which could for any individual translate to "How should I live?" It is important however to note that not all answers to this question are answers of ethical type. One could conclude that one should live a self-indulgent life without any kind of logical contradiction. Moral philosophers study this idea, known as 'egoism,' as well, and the question "Why be moral?" is distinct from Socrates' question.[184]

It is also important to note that Socrates' question not only allows for non-ethical answers but also answers from different ethical theories. His question is not the same as Kant's question "What is my duty?" or the egoist/utilitarian question of "How can we be happy?" There are different ways of answering Socrates' question, and answers from the Categorical Imperative to the imperative "Sit on the couch and watch television" are equally justifiable answers to it, but Ethics attempts to find through reason the best answer to the question.

Ethics, often called Morality interchangeably,[185] tries to answer "How should one live?" given that we already live in a society. Everyone is born with a place in the society even if he is only 'stranger,' and accordingly everyone has expectations for action placed upon him. One is expected to act in a certain way as a brother, a friend, and a passerby.[186]

Ethical CSR implies that companies focus upon ethical perspective. Approaches are focused on the ethical requirements that strengthen the relationship between business and

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[183] "Business for Social Responsibility (2001). BSR Issue Briefs: Ethics Codes/Values" <http://www.bsr.org>, Retrieved on 27-04-2011.

[184] "What is Ethics" <http://en.wikibooks.org/wiki/Introduction_to_Philosophy/What_is_Ethics>, Retrieved on 27-04-2011.

[185] The difference between ethics and morals can seem somewhat arbitrary to many, but there is a basic, albeit subtle, difference. Morals define personal character, while ethics stress a social system in which those morals are applied. In other words, ethics point to standards or codes of behavior expected by the group to which the individual belongs. This could be national ethics, social ethics, company ethics, professional ethics, or even family ethics. So while a person's moral code is usually unchanging, the ethics he or she practices can be other-dependent.

[186] Cited in Ibid.

society.[187] In general these approaches are based on values that state the right thing to do or the obligation to create a good society. Acting certain way towards others is the subject matter of this CSR research and that is the point of prime relevance of ethics in this study. Ethics primarily concerns itself with this realm of individual action. For the most part, ethical theories attempt to develop a system of obligations that we have towards others. Obligations that are common among different theories are the obligation to tell the truth, the obligation to help those in distress, and the obligation not to murder.[188] Of course, most of the theories allow for flexibility based on the situation such as the ability to help in this circumstance and whether one has any other, higher obligations.

Benjamin Disraeli (1804-1881), the noted English novelist, debater, and former prime minister, said that, "When men are pure, laws are useless; when men are corrupt, laws are broken."[189] A person of good will honors and respects the rules and laws and is willing to go beyond them when circumstances warrant. As indicated by the above quote, such people do not need rules and laws to guide their actions. They always try to do the right thing. Thus, a corporate which has ethical vision and standard will always come voluntarily and act for the society in its needs. Thus corporations will be successful in understanding the needs of the society, if ethics becomes more the concern of thinking human beings and if individuals seek to assert themselves in society as ethical personalities.[190] Such corporate will always get to the rock bottom of the societal problems and avail support to the needy and suffering. They understand it as their social responsibility and ethics are built around the recognition that everything they do in connection with their work is measured against the highest possible standards of ethical business conduct. Thus, it is interesting to note the words of Albert Schweitzer:

> The man who is concerned for the fate of all living creatures is faced with problems even more numerous and more harassing than those that

[187] Garriga, E., &Melé, D. (2004), Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics*. 53(1-2), 51.

[188] Blackburn S, *Being good: A short introduction to ethics*, (Oxford University Press, Oxford, 2001), 136.

[189] Benjamin Disrael, *Contarini Fleming: A Psychological Romance ; The Rise of Iskander,* (Longmans, London, 1845), 349.

[190] Albert Schweitzer, PredragCicovacki (Eds.), *Albert Schweitzer's Ethical Vision*, (Oxford University Press, New York, 2009), 152.

> confronts the man whose devotion extends only to his fellow human beings.[191]

Ethics and responsibility are extremely important ingredients in the business activities of 21st century. Let corporations find their own way to express responsibility to the community. Thereby, building a community not for now but for the future generations with a solid CSR hosted on strong foundation of Ethics. I think that is the inter-connectedness of CSR and ethics share for the societal wellbeing and welfare.

2.4 Spirituality

Human beings from the inception of human race wondered at the mysteries around him and within him. The assumption in a supernatural power or the idea of sacred led him to install a Godhead or divinity which is superior to him as the creator or controller of all the mysteries. However, man's curiosity did not let him sit idle, rather led him to rampage the unknown terrains to discover the secrets mysteries unknown to him. Spirituality as it is explained above, touches the core of our human existence — our relation to the Absolute.[192] However, there are different definitions of spirituality such as, Spirituality is a belief in an ultimate or an alleged immaterial reality;[193] an inner path enabling a person to discover the essence of his/her being; or the "deepest values and meanings by which people live."[194]

Traditionally, many religions have regarded spirituality as an integral aspect of religious experience. However, today the secular spirituality emphasizes humanistic ideas on qualities such as love, compassion, sympathy, empathy, patience, forgiveness, contentment, responsibility, harmony, and a concern for others without the presupposition of a Supreme or Higher Authority. Thus, these aspects of life and human experiences which go beyond a purely materialistic view of the world, without necessarily accepting belief in a supernatural reality or divine being are fostered and promoted.

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[191] Ibid., 173.
[192] Kees Waaijman, *Spirituality: Forms, Foundations, Methods*, (Peeters Publishers, Leuven, 2002), 1.
[193] Antoine Faivre, Jacob Needleman (Eds.), *Modern Esoteric Spirituality*, (Crossroad Publishing, New York, 1995), 27.
[194] Philip Sheldrake, *A Brief History of Spirituality*, (Wiley-Blackwell, New Jersey, 2007), 2.

However, in the common usage the term spirituality is closely connected to religion and belief in God or a Supernatural Entity. In our research, we consider spirituality or religion as another discipline which compliment values to maintain the welfare and well-being of the society.

2.4.1 Spirituality and CSR

Many people seek their understanding of what is right through deep inquiry into questions concerning the sacred or spirituality. Spiritual inquiry, at its best, goes beyond the creation of a set of rules for living by and challenges us to meet the open-ended question "What is it good to be?" This meeting occurs at the most fundamental level, the level of being. As Charles Taylor has argued, selfhood and moral action are 'inextricably intertwined themes.' Spirituality refers to the beliefs and values. Thus human being as a spiritual being, responsibility is grounded in our nature.[195] These tenets of responsibility have been propagated through all religions all over the world in some form or other and spreading the awareness and sensitivity to the need for responsible behavior.

Values ruling the maintenance of equilibrium of the nature or society have been always propagated by so called religions or spirituality. Thus, when responsibility becomes more inclusive, traditional concepts of managerial power expand from controlling others to severing them.[196] The dualistic distinction between one's self and others become replaced by a deeply felt connectivity — and the ordinary distinction between responsibility to one's self and to others becomes narrow. In other words, predominant nature of responsibility transforms the goal of business which is no longer wealth creation, instead, it becomes means for enabling and sustaining spiritual fulfillment and service to society.[197]

It is true that most religions promote values for human development. But a corporate, in my opinion need not accept the authority of a religion for promoting values. A corporate accepts the values that are promoted by the society. So if spirituality is strictly an affair of

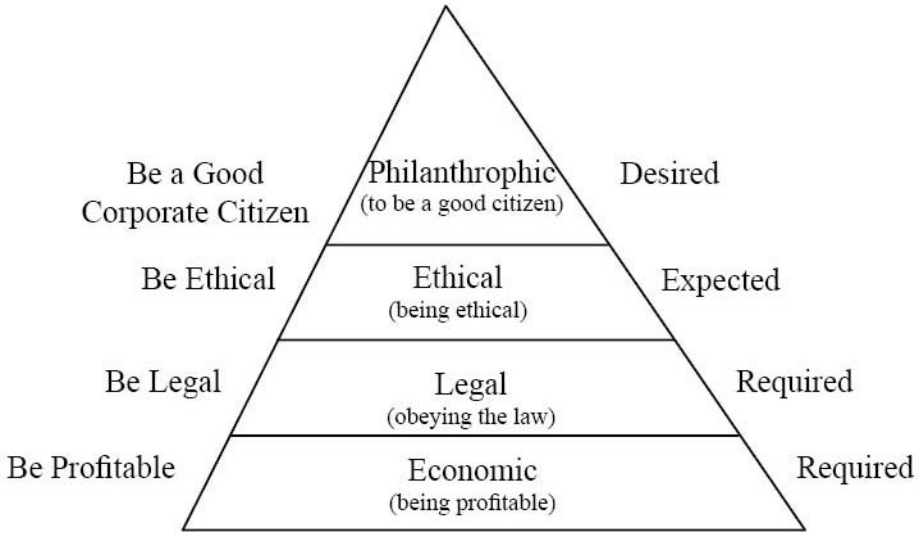
[195] Andrew Crane, *The Oxford Handbook of Corporate Social Responsibility*, (Oxford Handbooks, New York, 2008), 557.
[196] Ibid.
[197] Ibid.

the religion, corporate is not obliged to follow that spirituality as corporate is not an entity that depends on one religion or other. Instead, if spirituality is seen as a branch that promotes values for the society, then there is more chance that CSR has a binding force to spirituality.

Thus, in this research spirituality or religion which equates is an essential discipline I need to deal with in order to find out the philosophical foundation of CSR and its impact on the society. It is also for the simple reason that most of the core values which CSR upholds as yardsticks are propagated and practiced by the so called religion or spirituality which aims the well-being and welfare of the society as a whole.

2.5 Economics

Good work always needs money to penetrate to the lower strata of the society. So Economics has a notable involvement in shaping the dreams and accomplishing visions. Without money CSR would be like a river without water. A river without water is no river at all. The pyramid of CSR developed by Carroll depicts the economic category as the base (the foundation upon which all others rest), and then built upward through legal, ethical, and philanthropic categories.[198]



Pyramid of Corporate Social Responsibility

Source: Carroll 1991

[198] Carroll, A. B. (1991, July/August). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34, 42.

2.5.1 What is Economics?

Economics in simple words is a social science. How can a society operate without Economics? Even when there was no concept of money there were systems like barter to maintain the proportions of giving and taking. Economics shapes the world. Economic activities make people and countries wealthy. When some become wealthy, others remain poor and that makes disparity in the society. Buying and selling are activities vital to survival and success.[199]

Economics explains how people interact within society to get what they want or accomplish certain goals. Since Economics is a driving force of human interaction, it often reveals why people, firms, organizations and governments behave in particular ways. How people, industries, and countries can maximize their productivity, create wealth, and maintain financial stability is the subject matter of Economics. So it would be worth to take a look at two notable economists — Adam Smith and Amartya Sen whose contributions have been enlightening generations in Economics.

2.5.1.1 Adam Smith (5 June 1723 – 17 July 1790)

Adam Smith was a Scottish moral philosopher and a pioneer of political economy.[200] *The Wealth of Nations*, is considered his *magnum opus*(great work) and the first modern work of economics. It proposed how nations could make their people better off and provide countries with more wealth. Smith is cited as the father of modern Economics and is still among the most influential thinkers in the field of Economics today.[201]

The values and concerns expressed by recent advocates and propagators of CSR are not really new. It can be traced back to 1759, and *A Theory of Moral Sentiments,* the famous work by Adam smith which provided moral underpinning for his later account of the

[199] John Rawls, *A Theory of Justice*, (Harvard University Press, Cambridge, 2009), 413.
[200] Biographiq, *Adam Smith - Life and Times of a Political Economist* (Biography), (Filiquarian Publishing LLC., (GNU Free Documentation License) New York, 2008), 3.
[201] "Adam Smith" <http://en.wikipedia.org/wiki/Adam_Smith>, Retrieved on 30-04-2011.

foundations of capitalism in *The Wealth of Nations* in 1776.[202] The former emphasizes sympathy for others, while the latter focuses on the role of self-interest.[203]

Smith realized the human consequences of division of labor and its peculation into the grass root levels of the society. Thus he urged enlightened employers and managers to address human needs. As a philosopher of the Scottish Enlightenment, Smith identified moral foundations for business in terms of interpersonal relationships and obligations.[204]

In order to assess the landscape of justice and rights, Smith suggests that ''We must here, as in all other cases, view ourselves not so much according to that light in which we may naturally appear to ourselves, as according to that in which we naturally appear to others.''[205] To Smith, encroachments to liberty violate perfect rights. They ''… are all evidently encroachments on the right one has to the free use of his person and in a word to do what he has a mind when it does not prove detrimental to any other person.''[206]

Smith sums up the importance of the perfect right to property when he states, ''The property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable.''[207] He gives a glimpse through his writings on how far a company or an individual can go in supporting the CSR initiatives, ''Every man is, no doubt, by nature, first and principally recommended to his own care; and as he is fitter to take care of himself than any other person, it is fit and right that it should be so.''[208]

Smith's doctrines regarding private property, justice and rights provide practical guidance for businesses regarding the legitimacy of stakeholder claims, while also addressing economic and moral elements in the business or society relationship, complementing existing CSR and stakeholder theories. Smith's doctrines are relevant even today in

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[202] Samuel O. Idowu, Céline Louche, *Theory and Practice of Corporate Social Responsibility*, (Springer, London, 2010), 151.

[203] Jacob Viner, Douglas A. Irwin. (Ed.), *Essays on the Intellectual History of Economics*, (Princeton University Press, New Jersey, 1991), 250.

[204] Ibid.

[205] Ibid.

[206] Patricia Hogue Werhane, *Adam Smith and his legacy for modern capitalism*, (Oxford University Press, Oxford, 1991), 58.

[207] Adam Smith, *Wealth of Nations*, (MobileReference, Online, 2009 (1776) - Philosophy), x.ii.4.

[208] Adam Smith, *The Theory of Moral Sentiments*, (Mobile Reference, Online, 2009 (1759) - Philosophy), ii.ii.1.

molding CSR yardsticks of moral obligations of business to society and individual life for the welfare and well-being of the society.

2.5.1.2 Amartya Sen (born 3 November 1933-)

Amartya Sen, is an Indian economist who was awarded the 1998 Nobel Memorial Prize in Economic Sciences for his contributions to welfare economics and social choice theory, and for his interest in the problems of society's poorest members.

In *Development as Freedom* Amartya Sen explains how in a world of unprecedented increase in overall opulence millions of people living in the third world are still unfree. Even if they are not technically slaves, they are denied elementary freedoms and remain imprisoned in one way or another by economic poverty, social deprivation, political tyranny or cultural authoritarianism. The main purpose of development is to spread freedom and its 'thousand charms' to the unfree citizens. Thus he writes in his book "an adequate conception of development must go much beyond the accumulation of wealth and the growth of gross national products and other income-related variables. Without ignoring the importance of economic growth, we much look well beyond it."[209]

Freedom, Sen persuasively argues, is at once the ultimate goal of social and economic arrangements and the most efficient means of realizing general welfare. "Greater freedom enhances the ability of people to help themselves and also to influence the world and these matters are central to the process of development."[210] Social institutions like markets, political parties, legislatures, the judiciary, and the media contribute to development by enhancing individual freedom and are in turn sustained by social values. Values, institutions, development, and freedom are all closely interrelated, and Sen links them together in an elegant analytical framework. By asking 'What is the relation between our collective economic wealth and our individual ability to live as we would like?' and by incorporating individual freedom as a social commitment into his analysis Sen allows economics once again, as it did in the time of Adam Smith, to deal with the

[209] Amartya Sen, *Development as Freedom*, (Oxford University Press, New York, 2001), 14.
[210] Ibid., 18.

social basis of individual well-being and freedom. Sen conceptualized human development as the enhancement of capability and freedom (the 'capability approach').[211] It focuses on capabilities, i.e., what "people are actually able to do or be," rather than on the amount of resources at their command. As Sen has argued extensively, the most crucial guarantor of capability is freedom. Thus he urges the world to consider freedom both as the ends and means of development. Sen being a philosopher, the enlightenment he proposed to the world sounds more philosophical than economical though the crux is welfare and well-being of the society. His theory of 'capability approach,' projects a clear role for the corporate and individuals in bringing about development (defined as capability and freedom). The inadequacy of economic decisions guided extensively by self-interest[212] is the major stumbling block for the welfare of the society, is his point blank opinion on CSR.

2.5.2 Economics and CSR

CSR constitutes an economic phenomenon of significant importance in extensive magnitude. The quest to understand CSR as an economic phenomenon began by asking (1) whether it exists, (2) when and to which extent it can be efficient, and therefore, (3) whether and when it should exist. Early work centered on whether or not CSR ought to exist. Economically oriented work addressing CSR acknowledged the well- proverbial incapacity of markets to ensure economical valuation and provision of non-private goods and bads. However it emphasized that corporations couldn't and may not be expected to voluntarily act during a socially or environmentally accountable manner. Most magnificently, Milton Friedman argued that the sole responsibility of corporations was profit maximization which public preferences combined with democratic authorization implicit that governments, and not corporations, should manage externalities and supply public merchandise. Thus, this scenario brought about a division of company and government responsibility vis-à-vis society became typically referred to as the classical duality.

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[211] Ibid., 86.

[212] Francesco Perrini, Stefano Pogutz, Antonio Tencati, *Developing Corporate Social Responsibility: A European Perspective*, (Edward Elgar Publishing, Massachusetts, 2006), 2.

More recently, analysis has begun a shift from whether or not CSR ought to exist to why it will exist and the way it affects the economy. This can be a natural progression given recently will increase within the scope and scale of CSR. Basic queries address firm-level incentives for CSR engagement, i.e., why is CSR growing therefore fast? A key insight inside political economy is that CSR isn't essentially incompatible with profit maximization, a minimum for a set of corporations inside a separating equilibrium.

As Amartya Sen observed, insistence on completeness of judgments of justice over every possible choice is an enemy of practical social action, while the overuse of the concept of justice reduces the force of the idea.[213]

Today globalization is progressing at the speed of lights — information is communicated more efficiently, and the world grows ever smaller. However, societies are again approaching the conditions under which Smith first suggested self-interest will effectively regulate action. Once again, all business is local, with the internet allowing any individual with a cell phone to broadcast what he or she witnesses to anyone interested worldwide.[214] In such a fast-phased life in the twenty first century, the role economics as unalterable catalyst in shaping CSR for meeting the goals establishing happiness and welfare in the society is unavoidable.

2.6 Philosophy

Goal of philosophy is nothing less than providing a systematic world view. Other disciplines deal with a particular area of interest. Philosophy asks, "how it all fits together?" This goal also means that, you can study anything under the name of philosophy. Philosophy encompasses subfields called philosophy of religion, of law, of economics, of biology, of physics, of mathematics, of computers, of psychology, of art, of music, of literature, and so on. Any and all of these topics can be studied in a philosophical way, when one asks how they are related to each other in an overall world view. Thus, a philosophical study of CSR is not out of the scope. Would ask the question "how can CSR operate without concrete philosophical foundations?"

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[213] Amartya Sen, *Development as Freedom*, 253-254.

[214] William B. Werther, Jr., David Chandler, *Strategic Corporate Social Responsibility: Stakeholders in a Global Environment*, (SAGE, California, 2010), 99.

2.6.1 What is Philosophy?

Philosophy is the study of general and fundamental problems, such as those connected with existence, knowledge, values, reason, mind, and language.[215]

"The aim of philosophical inquiry is to gain insight into questions about knowledge, truth, reason, reality, meaning, mind, and value."[216] The introduction of the terms 'philosopher' and 'philosophy' has been ascribed to the Greek thinker Pythagoras.[217] The word "philosophy" comes from the Greek *philosophia*, which literally means 'love of wisdom.'[218]

Well, what do we think philosophy is? Most people can't answer this question. It's too abstract. It's also controversial. Philosophers themselves can't agree on any answer. Sure, the name 'philosophy' derives from the Greek as we have already seen 'love of wisdom,'[219] but what's that? There has been a long and glorious history of people called philosophers, but they talk about all kinds of topics in all kinds of ways. It is not clear what, if anything, they have in common that makes them all philosophers.

This loose end of philosophy, in fact, encourages us to undertake a research in CSR from a philosophical perspective. If anyone could study any topic under the purview of philosophy, I asked myself, why can't I ask a few questions about philosophical grounding of CSR? More closely, asking the question what are the philosophical undercurrents of new domain called CSR? How philosophical concept gave impetus to the advent of CSR? etc.

2.6.2 Scope of Philosophy in CSR Inquiry

There is great scope in philosophical inquiry, even for someone who does not innately care about the pursuit of truth. Human inquiry is not limited to mere discovery of means

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[215] Jenny Teichmann and Katherine C. Evans, *Philosophy: A Beginner's Guide,* (Blackwell Publishing, 1999), 1.

[216] A.C. Grayling, *Philosophy 1: A Guide through the Subject,* (Oxford University Press, New York, 1998), 1.

[217] Diogenes Laertius: "Lives of Eminent Philosophers", I, 12; Cicero: "Tusculanaedisputationes", V, 8-9.

[218] "Online Etymology Dictionary" <www.etymonline.com>, Retrieved 28-04-2011.

[219] Douglas J. Soccio, *Archetypes of Wisdom: An Introduction to Philosophy,* (Cengage Learning, Belmont, 2009), 14.

for pre-established ends. Its scope includes a progressive determination of goals themselves of human endeavor. Inquiry relates itself to the actual life of man.[220] Man is a being with something in common with others which enables him to react and respond to his environment. Inquiry is related to the communal life of man for as a responsible self, he is existing and functioning in a community of persons.[221] Consider a random handful of classic philosophical questions: What is the meaning of life? What is the nature of justice? What does it take for a belief to be justified? Is the world we see illusion or reality?

The answers to such questions cannot help but to have a critical impact on how one ought to live one's life. Surely one should subject one's intuitive beliefs about these things to critical scrutiny, and work hard to come as close to truth as possible. Many philosophical questions are fundamental to human life; the only reason, it often does not seem that way is that people simply assume they know what the answers to these questions are, without ever daring to make a serious inquiry. Tymieniecka, in her book describes philosophy as "a rational activity rooted in human life and, at the same time, that life is the fundamental question today."[222]

To go through life, simply assuming one understands, is not. To be sure, one can perhaps be happy, at least in the same way as a well-fed dog is happy, if one manages to make it all the way through life without questioning anything. Philosophical inquiry, on the other hand, can be disquieting, offering no guarantee that one's hard work will yield the conclusions one hopes for. Even worse, philosophy gives no guarantee that such investigations will yield any concrete conclusion at all.

The scope of philosophy is that it leaves one mostly with perpetual uncertainty, while others, in their ignorance, happily profess perfect knowledge of things they do not understand at all. But it is clear who has the better life: far better to understand, even if the main thing one understands is the limit of one's own knowledge. Philosophical questions have a way of leading to other philosophical questions, to the point that a full

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[220] Cedeno, Lourdes R., *So God Created Man*, (Katha Publishing Co, Quezon City, 2003), 6.
[221] Ibid.
[222] Anna Teresa Tymieniecka, *Phenomenology World-wide: Foundations, Expanding Dynamisms, Life-engagements : a Guide for Research and Study, Volume 80,* (Kluwer Academic Publishers, Netherlands, 2002), 696.

investigation of any particular problem is likely eventually to involve almost the whole of the philosophical enterprise. Thus, the natural scope of philosophy is natural human reason.[223] In this research philosophy would be handy as it helps to find out the natural reasons which are the philosophical foundations I consider for the question: why one should engage in CSR?

2.6.3 Relevance of Philosophy in molding CSR

According to Plato, Philosophy is socially relevant, and that philosophy is indispensable for a well ordered and well run society.[224] Is there any relevance at all for philosophy in this research? As per the argument of Plato it is indispensible because the aim of CSR is to have a well ordered and well run society which shares happiness of all and maintains the equilibrium of the nature. In order to find out the stumbling blocks to establish a well run society, a philosophical analysis is indispensible. Every human being has multi-faceted desires and everyone strives to materialize them.

It is a common awareness that greed is not good. It is bad. However, it is not so easy to 'give up greed.' Then what about other traits like selfishness, self-interest, jealousy, egoism etc.? Certainly it is all bad from a societal perspective. It is all bad at the peripheral level though it is relative. But when it comes to the personal level, every human being or even better to say that every being is prone to it. The tenacity of our nature cannot get away from the above mentioned traits.

In the future, the 'greed is good' credo will be seen for what it is, a curious aberration in human history, a temporary madness that took hold when people allowed themselves to forget that they were human beings.[225] The relevance of philosophy comes in place when human beings are able to suppress or bypass the greed and other such vices. Corporations have to transform their greed partially at least for the welfare of the society through CSR activities. This transition or paradigm shift has to occur all over the world. It is possible when people begin to understand that life is too short. Some people only understand

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[223] Maurice MuhatiaMakumba, *Introduction to Philosophy,* (Paulines Publications Africa, Kenya,2005), 28.
[224] Colleen K. Flewelling, *The Social Relevance Of Philosophy: The Debate Over The Applicability Of Philosophy To Citizenship,* (Lexington Books, Lanham, 2005), 2.
[225] Geoffrey Klempner, *Philosophy for Business Issue* 27, (Prague College, Czech Republic, 2006), 48.

money and do not understand other people.[226] The final realization would trigger the corporations and individuals to loosen their pockets for the CSR. So, none of us can just get away without taking responsibility for the other or the society. Society suffers when we are not all in harmony with our lives and those around us.[227] It all can happen only when they realize and become aware that "the achievement of corporate growth and development with the aim of contributing to global prosperity and the well-being of humankind."[228]

Peter Drucker famously talked of a 'post-capitalist' society. Undoubtedly, much has changed and is changing. The old image of capitalists versus workers is no longer valid. But the most important change, which we can see happening now, concerns our perception of values and the true nature of wealth. Our wealth is not just the totality of our money or possessions but the quality of our human relationships, the values of the society in which we live, the physical environment which all human beings ultimately have to share. As a consideration determining consumer choice, as well as the decision about where to seek employment, these are the factors that money can't buy. And again that is a point where CSR will capitalize on the efforts the corporate has pumped into the society. Thus, helping the corporate to contribute a healthier global environment as a good citizen of the earth. Certainly, in the current research the role of philosophy is vital and it will be useful in bringing about awareness in individuals and corporations. In other words, corporations and individuals need to become wise to get the insight of CSR for the well-being of humankind. And we strongly, feel that, that is the relevance of philosophy in molding CSR as a better tool to bring about happiness, peace and unity on earth.

Conclusion

The main motive of CSR is to establish a society which progresses by maintaining the equilibrium of the nature. In this pursuit, an overall assimilation of the ideas and concepts demanding overall development of the society can be possible when such allied

[226] David W. Dorris, *Life Is Too Short: Life Is What We Make It,* (Tate Publishing, Oklahoma, 2011), 156.
[227] Ibid.
[228] Judith Hennigfeld, Manfred Pohl, Nick Tolhurst (Eds.), *The ICCA handbook on corporate social responsibility*, (John Wiley and Sons, London, 2006), 235.

disciplines work together. It also brings us, the manifold awareness that human beings need to be responsible to the self and others, is predominant principle of living together. Collective living in the society calls for collective responsibility. Thus, this nature of the society makes it an inter-disciplinary research giving a lead in the next chapter to probe into some of Eastern and Western philosophies that contributed philosophical groundings for CSR.

Chapter 3

Eastern and Western Philosophical Influence on CSR

Introduction

Philosophy aims at individual liberation through cessation of pain and suffering. The world around what we see is full of miseries and suffering. Human life is a saga of suffering, pain and happiness. Although happiness is there when we take the proportion of suffering and pain – it is not equated or balanced. Human beings from time immemorial have been probing into this existential issue and asking the question – how to eliminate pain and suffering? Or how to bring about eternal happiness in this life?

The emergence of religion was, to certain extent, an answer for those perennial existential questions. Religions claimed instant or perpetual cure and shortcuts to happiness through prayer and worship. In some cases religion helped to find answers to the perennial quest. In many cases, followers were made slaves or addicts of each religion, still the same suffering and pain remained in human life. Thus, Karl Marx called religion as the opium of the people.[229]

Learned people realized that there can never be an antidote for cessation of pain and suffering. So, human being who is undergoing suffering needs to be supported by those who are not affected by it. This pragmatic thinking gave way to different philosophical tenets in the East and West.

This chapter probes into the Eastern and Western philosophical trends that helped the emergence of the concept called CSR. How these concepts or ideals emerged in shaping CSR for the betterment of the society? How CSR today is an emerging trend which was influenced by those age old concepts and its relevance even today to keep the balance of the society intact? And the chapter ends by giving a philosophical critique of that age old wealth diffusion techniques (philosophical concepts or ideals) like *ashramas* in which *grihasthaashrama* reminds the householder to carry out selflessly one's duties to family and society, serving the saints, and gainful labor thereby maintaining the Laws of Nature here on earth.

[229] Michael R. Ott, *The Future of Religion: Toward a Reconciled Society,* (BRILL, Netherlands, 2007), 153.

3.1 Philosophy as the Noblest Heritage

Philosophy is the noblest heritage of mankind, the eternal search for absolute truth — an effort to free from emotion to assess the situation of mankind in the cosmos. Philosophy is concerned with the understanding of the life and the universe. It is aimed at comprehending the nature of existence, including pain and suffering. Philosophy is a human endeavor that leads to the Ultimate Truth.

The English word 'philosophy' has its root in the Greek term – '*philo–sophia*.'

The term '*philo*' refers to 'love' and '*sophia*' refers to human reason. The Greek terms can be literally translated in English as 'love of reason' or "love of human judgment and discrimination."[230]

From the Indian viewpoint, the word 'philosophy' suggests "observing and surveying" the existence.[231]

In Sanskrit, philosophy is referred to as '*darshana'*. The Sanskrit word '*darshana'* has its root in the word '*drs'* that means 'to see', 'to look' or 'to view.' 'Seeing' or 'viewing' the reality and the facts of experience forms the basis of philosophy. Senses, mind and even consciousness are involved in this 'seeing.' 'Seeing' also encompasses 'contemplation.' Seeing is not simply a sensory activity. 'Seeing' may primarily be a perceptual observation. But it may also concern the conceptual knowledge or an intuitional flash. Thus *'darshana'* suggests vision. In other words, '*darshana*' is a whole view revealed to the inner self, that which we term as the soul or the spirit or the inner being. Philosophy or '*darshana'* is concerned with the vision of 'truth and reality.'[232]

In Sanskrit, 'philosophy' is also referred to as '*tatva'*. The Sanskrit word '*tatva'* is concerned with 'the nature of reality.'[233]

From these considerations it becomes clear that in the East philosophy is not restricted to the intellectual pursuit. According to Indian view, the word 'philosophy' is concerned

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[230] King Richard, *Indian Philosophy: An Introduction to Hindu and Buddhist Thought*, (Georgetown University Press Washington, 1999), 161.

[231] "Indian philosophy" (Encyclopædia Britannica Online), <http://www.britannica.com/EBchecked/topic/285905/Indian-philosophy>, Retrieved on 07-05-2011.

[232] Cited in S.N. Dasgupta, *A History of Indian Philosophy,* (Motilal Banarsidass, New Delhi, 2000), 343-349

[233] Ibid., "Indian philosophy" (Encyclopædia Britannica Online).

with 'the revelation of the nature of reality' or 'the vision of Ultimate Truth and Reality.'

3.2 CSR Roots in Eastern Philosophy

Are there roots of CSR in Eastern Philosophy? How did a 20th century concept pick its roots from 5000 years ago and fostered it alive and meaningful till now? What is the driving force for keeping the roots intact in the society? Is it the quest for knowledge or is it the passion to find a happy life here on earth? Now let me list a few philosophical trends that must have made impact in the society to emerge the concept of CSR today from the Indian Philosophy.

3.2.1 Indian Philosophy

Indian philosophy has been the source of sublime knowledge and wisdom for mankind for ages. Traditionally, schools (*Darshanas*) of Indian philosophy are identified as orthodox (*astika*) or non-orthodox (*nastika*) depending on whether they regard the Veda as an infallible source of knowledge. There are six schools of orthodox Hindu philosophy and three heterodox schools. The orthodox are Nyaya, Vaisesika, Samkhya, Yoga, Purvamimamsa and Vedanta. The Heterodox are Jain, Buddhist and Cārvāka (materialist).[234]

The 6 systems of Indian philosophy have enriched the life of man not only in India, but across the world. These schools promoted the belief that the root cause of all pain and suffering is ignorance (*ajnana*). Therefore removing ignorance and finding the right knowledge of reality (*tattvajnana*) is the right way for liberation.[235] I consider that this itself, is the strongest philosophical foundation for the CSR activities as we see it today. When we are struck with the light of true knowledge, individuals and corporations become enlightened of the responsibility they have towards the society. So awareness towards the reality is not ignored or blinded by the *ajnana* or lack of knowledge.

[234] Oxford Dictionary of World Religions, 259
[235] Ibid., "Indian philosophy" (Encyclopædia Britannica Online).

3.2.2 Hindu Philosophy

'Hinduism' is a term used to designate a body of religious and philosophical beliefs indigenous to the Indian subcontinent. Hinduism is one of the world's oldest religious traditions, and it is founded upon what is often regarded as the oldest surviving text of humanity — the Vedas. It is a religion practiced the world over.

The Sanskrit term for 'philosopher' is *dārśanika*, that is, one who is familiar with the systems of philosophy, or *darśanas*.[236] Many Hindu intellectual traditions were classified during the medieval period of Brahmanic-Sanskritic scholasticism into a standard list of six orthodox (*astika*) schools (*darshanas*), the 'Six Philosophies' (*ṣad-darśana*), all of which cite Vedic authority as their source.[237] All the six systems of Indian philosophy aim at individual liberation through cessation of pain and suffering.[238]

Indian Philosophy provides insights on CSR philosophy from the ancient Indian perspective. In the Indian context, the origin of CSR can be traced from the Vedic literatures such as the Valmiki Ramayana, the Mahabharata (includes the Bhagavad-Gita) and the Puranas. These literatures were written more than 5,000 years ago in Sanskrit language.[239]

Despite their diversity of opinion all schools are united in their belief in a universal law and order (*Dharma* and *Rita*) according to which human life must be lived for the well-being of the individual and society.[240] Similarly, nearly all the schools are concerned with religious and metaphysical questions and express views on the precise nature of liberation depending on the philosophical presuppositions of each school.

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[236] Apte, Vaman Shivram *The Practical Sanskrit-English Dictionary,* (Fourth Revised and Enlarged Edition ed.). (Motilal Banarsidass Publishers, Delhi 1965), 497.

[237] Chatterjee, Satischandra; Datta, Dhirendramohan, *An Introduction to Indian Philosophy* (Eighth Reprint Edition ed.). (University of Calcutta, Calcutta, 1984), 12.

[238] Cited in Rajmani Tigunait, *Seven Systems Of Indian Philosophy*, (Himalayan Institute Press, Pennsylvania, 1983), 70.

[239] Cited in Chatterjee, Satischandra; Datta, Dhirendramohan, *An Introduction to Indian Philosophy,*12.

[240] Radhakrishnan, S.; Moore, (Eds), *A Sourcebook in Indian Philosophy,* (Princeton University Press, Princeton,1967), 97.

3.2.3 Rna

Every age has its reflection in the existing society. The age of the ancient India is no exception. Definitely, the ancient Indian people need applause for developing a well defined systematic social order and structure in ancient India. The ancient Indian philosophy which is basically the Hindu philosophy gives prime importance to social order and structure where *rna* plays a vital role in the life of an individual. *Moksha* is considered as the ultimate goal of an individual's life. *Moksha* means attainment of bliss in life after death. It also signifies that an individual's soul is no longer subjected to vicious cycles of rebirth. The *moksha* could be achieved only when an individual has fulfilled his duties toward the different sections of the society, towards some person and also toward the gods. This understanding gave birth to the doctrine of three *rnas*.

All human relations are relations of obligations.[241] We oblige others and are, in turn, obliged by them. The chain of obligation continues till a group or a society is formed. Man extends the ties of obligations to encompass the whole universe.[242] We owe a debt to God who created us, our world and our means of livelihood, we owe a debt to our parents who have brought us to this world and we owe a debt to our teachers for bringing us from the darkness of ignorance to the light of knowledge and for having provided us with a sense of culture and proper understanding so as to distinguish ourselves from the lot of mere biological entities who hardly have such a sense of obligation. It is from such a deep sense of gratitude that the three debt theory of an ancient Indian Philosophy of life has evolved.[243]

Rna or debt is, thus an obligation on us and we are expected to repay it. [244] Manu and Yajnavalkya are the main advocates of the doctrine of three *Rnas*. The three *rna* are *rsi rna*, *pitra rna*, and *deva rna*. *Rsi rna* means the debt owed to those who founded the religious life and gave education and learning. The debt was by studying Vedas. *Pitra rna* signifies indebtedness to one's ancestors. It was a debt to be repaid by performing duties of a *grahastha* and by giving birth to sons so that the family line is carried forward and

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[241] Atul Kumar Sinha, *Some Aspects of Ancient Indian Society and Polity*, (Anamika Pub& Distributors, New Delhi, 2005), 31.
[242] Ibid.
[243] Ibid.
[244] R.C. Majumdar, (Ed.), *The Vedic Age*, (Achut Dattatraya Pusalkar, Bombay, 1971), 445.

perpetuated. This *rna* and its payment belonged to *grahastha ashrama*. The debt to gods was called *deva rna*. This debt was repaid by performing sacrifices (*yajna*) to God. These sacrifices were performed by *grahastha* as well as *vanprastha*. Hence the *rna* was related to second and third stage of life i.e., *grahastha ashrama* and *vanprastha ashrama*.

Only when a man has paid his debts to *rsi*, *pitra* and deva in first three stage of his life, he could aspire for salvation and enter the last stage of *sanyasa ashram*a. Manu has written that a man should not aspire for *moksha* without paying his debts to *rsi, pitra* and *deva*. Because, for every Hindu *moksha* is sole purpose of life and depending on the performance of *rna*, *moksha* or rebirth is rewarded.

The duties and responsibilities, incorporated within the Sanskrit term *dharma*, are concerned with the fulfilling of social obligations to one's family and wider society, and the fulfillment of one's ritual and obligations to the household deities and ancestors. Thus, correct action or ethical behavior takes primacy over belief.[245]

According to Manusmrti, once a man has fulfilled his moral (*dharmic*) obligations — that is, paid his three debts – he can retire to meditate and work for his liberation (*moksa*), though to seek liberation before he has fulfilled his moral obligations would be counterproductive and lead to hell. [246]

So the doctrine of *rna* can establish strong roots and philosophical legitimacy for CSR even today and always as CSR is intended to establish a social order and polity which is aiming at the well-being and welfare of the society and universe at large.

3.2.4 Purusartha

A key concept in understanding the structure of Indian philosophies is that of *purusartha* — the goals of mankind.[247] As far as life in this world is concerned, these goals are three — *dharma* — to lead an ethical life, *artha* — to acquire wealth, position and social/political status, and *kama* — to fulfill all other desires, including sexual desire. The

[245] Paul Bowen, *Themes and Issues in Hinduism*, (Cassell, Herndon,USA, 1998), 32.
[246] Ibid.
[247] Apte, VamanShivram, *The Practical Sanskrit-English Dictionary* (Fourth Revised and Enlarged Edition ed.). (Delhi: MotilalBanarsidass Publishers, 1965), 626.

fourth *purusartha*, namely *moksha* — salvation/liberation, deals not with life in this world, but with the eternal destiny of the individual.[248]

3.2.4.1 Dharma

Dharma principles have greatly influenced the emergence of CSR concept. *Dharma* (literally means that which upholds or supports) means Law or Natural Law (as in the natural order of things) and is a concept of central importance in Indian philosophy and religion.[249] The idea of *dharma* as duty or propriety derives from an idea found in India's ancient legal and religious texts that there is a divinely instituted natural order of things (*rita*) and justice, social harmony and human happiness require that human beings discern and live in a manner appropriate to the requirements of that order.[250]

Here I would like to delve into the influence of *dharma* on CSR. Religion and philosophy play a vital role in the development of human values and behavior which has a great impact to business and corporate management. The concept of *dharma* provides an inside-out approach to CSR, which is development of the individual leader's self-conscience in the fulfillment of their self and corporate '*dharma.'* In other words, *dharma* constituted the blue print or master plan for all round development of the individual and different section of the society.[251] The ultimate goal of life should be interpreted as a drive to achieve *moksha* or liberation guided by *dharma* and *kama* using *artha* as a tool. Business is a means in creating *artha* or wealth. The business principles need to be based on '*dharma'* and '*dharma'* should always be protected. Therefore, from ancient Indian CSR perspective, the goal of business is to ensure that individuals fulfill the desire for pleasure and enjoyment of life in conformity with *dharma* and thereby secure the happiness of all.[252] '*Dharma'* has been explained to be that which helps the welfare of all living being.[253]

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[248] "Purushartha" <http://en.wikipedia.org/wiki/Puru%E1%B9%A3%C4%81rtha#cite_note-0>, Retrieved on 08-05-2011.
[249] "Dharma" <http://en.wikipedia.org/wiki/Dharma>, Retrieved on 12-03-2011.
[250] Ibid.
[251] Gokulesh Sharma, *Human Rights and Legal Remedies*, (Deep and Deep Publications, Delhi, 2000), 99.
[252] Cited in Ibid., 101.
[253] Ibid.

Thus, *dhrama* essence is kept intact even today in our Indian constitution in the form of social justice and human rights.

> Formulation of preamble in constitution is a simple attempt to incorporate these basic features of ancient Indian Law called *dharma* and various articles of fundamental rights and directives principles of state policy are meant to achieve the object of preamble by enforcing the principles of social justice and human rights.[254]

Obviously, there can be no better principle than *dharma*, for guidance of individual for controlling his action to become a better individual for betterment of the society.[255]

Rita dharma[256] or the universal duty is the inherent order of the cosmos— the natural law that governs everything in the universe. *Rita* is the underlying divine principle and universal law regulating nature, from the voyage of stars in vast galactic orbits to the flux of infinitesimal subatomic energies.[257] When we are in tune with universal *dharma*, and realize that we are an integral part of nature and not above it or dominating it, then we are in tune with our universal duty. One who understands this *dharma* will feel that s/he is just pilgrims on the planet with responsibilities to the self and to the nature. As pilgrims none of us are entitled to possess anything rather protect everything for billions of pilgrims of the future. Thus, protection of the environment falls within this scope of '*dharma.'* Hence the upheaval of the dharma can be summed in the common quote, "take nothing but pictures. Leave nothing but footprints."[258] This is universal social responsibility (USR), global social responsibility (GSR) or an environmental social responsibility (ESR). We could even term it as PSR (personal social responsibility) or ISR (individual social responsibility).

In other words, the mere awareness of one being a pilgrim is what we all need to carry out CSR in the society. The moment one synchronize '*rita dharma*' or universal duty with personal duty the seeds CSR sprout knocking of the shell of ego, greed and self-interest. This clearly indicates that CSR has taken a long dip in the ocean of *dharma* for spreading the fragrance of happiness and welfare of all living beings. And *dharma*

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[254] Ibid., 105-6.
[255] Ibid., 101.
[256] "Rita dharma" <http://www.britannica.com/EBchecked/topic/511741/rita>, Retrieved on 13-01-2011
[257] Satguru Sivaya Subramuniyaswami, *Dancing with Śiva*, (Himalayan Academy Publications, Hawaii, 2003), 169.
[258] Peter Laporta, *A Quote for Every Day,* (AuthorHouse, Bloomington, 2011), 113.

principles have deeply enunciated and impacted its deep rooted presence even today in the form of CSR to enforce the *rita dharma* in the society.

3.2.5 Ashrama Dharma

Ashrama dharma is fundamental to the Hindu society. It is a Hindu social system based on stages of life as laid down in the *Manu Smriti* and later in the Classical Sanskrit texts. Under the *Ashrama* system, the average human life was regarded as one hundred years, consisting of four periods of twenty-five years each. The goal of each period was the ideal fulfillment of four consecutive life stages.[259] They are *brahmacharya* (stage of studentship), *grihasta* (the stage of a householder), *vanaprastha* (stage of a forest dweller) and *sanyasa* (stage of renunciation).[260]

In this CSR research, what hold my interest is the second and third stages which are *grihasta* and *vanaprastha*. Let me give a glimpse of philosophical undertones that influenced the emergence of CSR.

3.2.5.1 Grihasta Ashrama

Grihastaashrama is the action-part (*karma*) among the four. In this stage one performs as husband and wife to raise the family, increasing wealth and knowledge through the profession, serving the community and sustaining the members of the other three *ashramas*.[261] According to Dharmasastra, of the four *ashrams*, the *Grihasthaashrama* is the most important because; it is the source of the other *ashramas*.[262] According to *Manu Smriti*,

> as all creatures live by receiving support from the air, so other *ashramas* subsist by relying for support on the householder and that as men belonging to all the three other orders (*ashramas*) are supported from day to day by the householder alone with (gifts of) food and sacred

[259] "Ashrama Dharma" <http://www.hindupedia.com/en/Varna_Ashrama_Dharma#Ashramas>, Retrieved on 10-05-2011.
[260] "The Four Ashramas" <http://hinduism.iskcon.org/practice/702.htm>, Retrieved on 14-05-2011.
[261] Satguru Sivaya Subramuniyaswami, *Dancing with Śiva*, p.173.
[262] Rajendra K. Sharma, *Indian Society, Institutions And Change*, (Atlantic Publishers & Dist, New Delhi, 2004), 34.

> knowledge, the householder's is therefore the most meaningful and excellent *ashrama*.[263]

Manu reiterates the same sentiments under a different figure,

> just as all big and small rivers find a resting place in the ocean, so men of all *ashramas* find support in the householder and the householder is declared to be the most excellent of all the *ashramas* by the precepts of the Vedas and *smritis*, since he supports the other three.[264]

It seems that this is the best *ashrama* in which higher and sublime approach and direct connection to CSR is also easily found. This stage is the manifestation of life of a human being in full-swing-action. In this phase one lives with a different awareness and a different philosophy. Here the individual is fully loaded with heavy responsibilities as a house holder. *Grihasthaashrama* is happily burdened with various duties and responsibilities springing out of married life, upbringing of children, maintenance of household, social obligations etc, the householder has to experience all the ups and downs of life.[265] Thus, householder has a duty to perform and he cannot just run away from the duty for his selfishness or self-interest. Anyone who is married owes a primary duty or responsibility to his family, to his wife, to his children. He has to protect them and ensure that they are brought up in the right way. Therefore, no person has a right to engage in charity until his family needs are (fully) satisfied. No person has a right to give away money or gifts until he has made absolutely sure that such gifts are coming out of available surplus, in the family's means of existence. But when he has surplus it must be shared with those who do not have or are unprivileged.

However, his responsibility goes beyond the family to the society as well. He has to carry out (selflessly) the responsibilities to the family and society. Human beings are prone to have attachment to whatever is created on the journey of life. Intellectually it is clear that nothing belongs to one and all is temporary. One may say it every day, but because there is so much *mamata* (mineness) or attachment, whatever happens to someone else affects each of us too, because each of us relate ourselves to the happenings. As it is said in the Bagavad Gita, “One who performs his duty without attachment, surrendering the results

[263] Cited in Ibid., 35.
[264] Ibid.
[265] J. M. Mehta, *Four Objectives Of Human Life*, (Pustak Mahal, New Delhi, 2006), 63.

unto the Supreme Lord, is unaffected by sinful action, as the lotus is untouched by water."[266]

Thus, detaching oneself from the self-centered individualistic mentality to share the fruits of the toil with society, is the central thrust that CSR aptly picks up from *grihastaashrama*. Perhaps, *grihastaashrama* concept influences CSR to develop and expand consciousness until one becomes a universal person possessing a universal consciousness. Certainly, I would say, it is the wealth diffusion techniques of *grihastaashrama* that gives impetus to the CSR that tells each of us to get involved in the welfare and well-being of the society — responsibility beyond one's family. We think, this is the concept corporations are realizing today in the form of CSR.

3.2.5.2 Vanaprastha

At *vanaprastha* stage one gives his property to his heirs or donates it, goes into seclusion, and does penance. One becomes inward looking.[267] Detaching oneself from all attachments of the previous stage is *grihastaashrama*.

Detachment is not something that can be developed just by thinking or through any other intellectual process. Unless one has some experience which changes the quality of his mind, he cannot understand what detachment means. The real significance of *vanaprastha* lies in realizing the following:

> We will live in this world but we won't be erecting walls around our narcissism and selfishness and imprison ourselves in these... Our two hands would not be desirous only to embrace ourselves but must expand themselves and touch the whole world as and when they desire.[268]

Detachment and renunciation in life should encourage individuals personally and even at the power positions of the corporations to selflessly share the resources for the welfare of the society. And I think that is the core concept *vanaprastha* proclaims to us even today.

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[266] Bhagavad Gita 5.10.

[267] "Varna Ashrama Dharma" <http://www.hindupedia.com/en/Varna_Ashrama_Dharma>, Retrieved on 10-05-2011.

[268] Chitta Ranjan Das, *Shukara or Socrates (The Pig and Socrates),* (Pushtaka Bhandar, Berhampur, 1989), 104.

3.2.6 CSR Impetus from Yoga School

The word *'Yoga'* comes from a Sanskrit word *'Yuj'* which means 'to join'. *Yoga* means 'union' or 'oneness' i.e. merging of the individual consciousness with the universal consciousness.[269] *Yoga* (Sanskrit) is a physical, mental, and spiritual discipline, originating in ancient India.[270] The goal of *yoga*, or of the person practicing *yoga*, is the attainment of a state of perfect spiritual insight and tranquility.[271]

Within Hindu philosophy, the word *yoga* is used to refer to one of the six orthodox (āstika) schools of Hindu philosophy.[272] The Bhagavad Gita introduces distinctions such as *Jnana Yoga* (*yoga* based on knowledge) vs. *Karma Yoga* (*yoga* based on action).[273]

3.2.6.1 Jnana Yoga

Jnana Yoga is a process of learning to discriminate between what is real and what is not real, what is eternal and what is not eternal. Practices for discrimination of truth and reality (*Jnana Yoga*), and even meditational forms of exercise and bodily upkeep (*Hatha yoga*, a part of *Raja* Yoga) are other elements of it.[274] Thus, *Jnana Yoga*, instills the awareness to discern the responsibility one has towards self and others. The right awareness and knowledge enables one to detach from greed, selfishness, egoism, self-interest etc…

3.2.6.2 Karma Yoga

Karma Yoga is the way of ethical actions based on self-less actions. *Karma Yoga* is essentially acting, or performing our duties in life, without desire or expectation of reward, a sort of constant sacrifice of action to the Supreme. It includes, but is not limited to, dedication to one's chosen profession and its perfection to God and all sorts of

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[269] "Yoga Definition - Article" <http://www.shaktispiritual.com/yoga.html> Retrieved on 27-06-2011.
[270] "Yoga" <http://en.wikipedia.org/wiki/Yoga#cite_note-0> Retrieved on 17-06-2011.
[271] Ibid.
[272] Jacobsen, Knut A. Larson, Gerald James (Eds), *Theory And Practice of Yoga: Essays in Honour of Gerald James Larson*, (Brill Academic Publishers, Netherlands, 2005), 4.
[273] Ibid., "Yoga: Wikipedia."
[274] Ibid., "Yoga Definition – Article."

community service, since they are inherently done without thought of personal gain, selfless service to others i.e. *Karma Yoga*.[275]

I have taken a leap avoiding many aspects of *yoga* which are not relevant to my research. *Yoga* principles help the corporate to unify their goals along with the profit making aspirations to devote partially to take care of the societal needs.

3.2.7 Bhagavad Gītā

The Bhagavad Gītā also popularly known as 'Gītā,' is a 700-verse Hindu scripture that is part of the ancient Hindu epic, the Mahabharata, but is frequently treated as a freestanding text, and in particular, as an Upanishad in its own right, one of the several books that comprise the more general Vedic tradition.[276] Krishna counsels Arjuna on the greater idea of *dharma*, or universal harmony and duty.

The central point to the Gītā is that — to be alive means to be active and in order to avoid difficulties in our lives and in that of others, our actions have to be benign and have to exceed our egos. The Gītā addresses the discord between the senses and the intuition of cosmic order.

3.2.7.1 Nishkama Karma

"To action alone hast thou a right and never at all to its fruits; let not the fruits of action be thy motive; neither let there be in thee any attachment to inaction."[277]

The Bhagavad Gītā also promotes the concept of *nishkama karma*. Nishkama Karma, or self-less or desireless action is an action performed without any expectation of fruits or results, and the central tenet of *Karma Yoga* path to Liberation, which has now found place not just in business management, management studies but also in promoting better Business ethics as well.[278] Its modern advocates press upon achieving success following

[275] Ibid., "Yoga Definition – Article."
[276] "Bhagavad Gita: Wikipedia" <http://en.wikipedia.org/wiki/Bhagavad_Gita> Retrieved on 18-06-2011.
[277] Mehta, J.M., *Essence of Maharishi Patanjali's Ashtang Yoga,* (PustakMahal, New Delhi, 2006). 23.
[278] "How are CEOs beating the crunch factor? Lalbhai Shah (Arvind Mills), *The Economic Times*, June 1, 2007" <http://economictimes.indiatimes.com/articleshow/2091131.cms>, Retrieved on 18-07-2011.

the principles of *Yoga*[279] and stepping beyond personal goals and agendas while pursuing any action over greater good.[280]

It gives a perspective on action and decision making that emphasizes performing one's deeds without attachment to the fruits thereof — and where both the action and its fruits are offered to the divine. In the CSR context, the societal contribution must not have any expectations in return but rather as a duty need to be done to the society.[281] Modern corporations can avail the council of Lord Krishna on harmony and duty to make their CSR activities relevant to locality they expand their business rather than just plundering the wealth of other countries. This calls for Universal Social Responsibility as the responsibility of each transnational corporation or multi-national corporations.

3.2.8 Advaita Vedanta Drives in CSR

CSR knowingly or unknowingly has adopted many cream concepts from Advaita Vedanta. Being responsible for the self and for others is the non-duality principle that Advaita Vedanta contributes to every human being. It could even be looked at as social Advaita Vedanta when it comes to CSR. In short, Advaita reminds us to see every human being as a divine, ensuring justice, equality and oneness.

3.2.8.1 What is Advaita Vedanta?

Advaita (literally, non-duality) is a system of thought where '*advaita'* refers to the identity of the Self (*Atman*) and the Whole (*Brahman*).[282] *Advaita* is about realizing the Self (*Atman*) as the Whole (*Brahman*) itself which is apparently manifested eternally and simultaneously into animate or inanimate.

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[279] "Material Success Through Principles of Yoga by Swami Kriyananda," *Times of India*, August 3, 2005, <http://articles.timesofindia.indiatimes.com/2005-08-03/edit-page/27844035_1_karmic-karma-teaching>, Retrieved on 22-07-2011.

[280] "A small matter of the ego" *Times of India*, December 12, 2004, <http://articles.timesofindia.indiatimes.com/2004-12-12/all-that-matters/27163416_1_sibling-rivalry-ego-governance>, Retrieved on 22-07-2011.

[281] Muniapan, B., "The Bhagavad-Gita on Leadership for Good Governance and Sustainable Development", 15th Annual International Sustainable Development Research Conference, "Taking up the Global Challenge: Analyzing the Implementation of Innovations and Governance for Sustainable Development", University of Utrecht, Utrecht, 5-8 July, 2009.

[282] Eliot Deutsch, J. A. B. van Buitenen, *A source book of Advaita Vedanta*, (University Press of Hawaii, Honolulu, 1971), 34.

Vedānta was originally a word used in Hindu philosophy as a synonym for that part of the Veda texts known also as the Upanishads. The name is a morphophonological form of Veda-anta = 'Veda-end' = "the appendix to the Vedic hymns." It is also speculated that 'Vedānta' means "the purpose or goal [end] of the Vedas."[283] By the 8th century CE, the word also came to be used to describe a group of philosophical traditions concerned with the self-realization by which one understands the ultimate nature of reality (Brahman).[284] Adi Shankaracharya consolidated the Advaita Vedanta.

The Vedic (Hindu) culture has always emphasized that happiness for self and others results through ethical behavior: wealth or resources make ethical behavior possible. This also means that one must strive to generate wealth — resources and money — share it equitably to create happiness for oneself and others. Such generation of wealth must also be necessarily through ethical means, which alone would lead to CSR and overall happiness.[285]

3.2.8.2 Aham Brahmasmi

Upanishads, a set of ancient Hindu scriptures, speaks of the equality of individual consciousness (*Atman*) and cosmic consciousness (*Brahman*). This idea is portrayed in the phrase '*Aham Brahmasmi*' *Mahavakya* (Great Saying) which translates as "I (*atman*, individual self) am Brahman (cosmic, universal, global self)" or as "the core of my being is the ultimate reality, the roots and ground of the universe, the source of all that exists."[286] As simple as this sounds, its depth can take a life time to understand the depths, and its meaning for our lives is profound bringing ethos of CSR to our society. When we understand the simple sutra, everything becomes possible because everything already exists within us. You and I are the same, and each of us is the infinite being projecting a particular point of view. My *self* is inseparable from all that exists, just as

[283] Robert E. Hume,(1966), The American College Dictionary, The Union Theological Seminary, Random House.

[284] "Vedanta" <http://en.wikipedia.org/wiki/Vedanta#cite_note-0>, Retrieved on 24-06-2011.

[285] Muniapan, B., Dass, M. (2008), "Corporate Social Responsibility: A Philosophical Approach from an Ancient Indian Perspective" International Journal of Indian Culture and Business Management, Volume 1, Number 4, 2008, 408- 420.

[286] Deepak Chopra, *Synchrodestiny: Harnessing the Infinite Power of Coincidence to Create Miracles*, (Random House, New York, 2008), 182.

your self is inseparable from all that exists.[287] If I am all, then there is no difference between me and everything else. If I am all, there is no separation between me and not-me.[288]

It is like each of us is a strand in the cosmic thread connected to all other strands. Thus, human beings must be treated with that dignity. So we are the strand connected to each other and making the thread strong. If one strand becomes weak, it affects the strength of the thread. So we all have universal responsibility to care for the other strands in the society to make the world a better and happy place to live. This concept must have certainly influenced CSR bringing about the welfare of each 'human being that we see in the society. This ultimate realization must lead corporations and individuals to enter into CSR wherever they are.

3.2.8.3 Tatvamasi

Tatvamasi translated as "That thou art," "Thou art that," "You are that," or "That you are," is another *Mahāvākya* that *advaita* Vedanta cherishes. It originally occurs in the Chandogya Upanishad.[289] This *mahavakya* means that Brahman which is the common reality behind everything in the cosmos is the same as the essential Divinity, namely the Atman, within you. It is this identity which is the grand finale of Upanishadic teaching, according to *advaita*. The realization of this arises only by an intuitive experience and is totally different from any objective experience.[290]

'That' refers to existence of god in every one of us. Here the *Mahāvākya* itself tells us that if you want to see god, just see in yourself. God must be treated with dignity and respect. When each of us is looked upon with the same concept, all of us have the moral responsibility to support those who are in misery and suffering. Thus, corporations also have the responsibility to support the community or society in which they operate and make profit. The secret of personal success and the success of the larger society through

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[287] Ibid.

[288] Pavel Somov, *The Lotus Effect: Shedding Suffering and Rediscovering Your Essential Self*, (New Harbinger Publications, Oakland, 2010), 177.

[289] "*Tat Tvam Asi*" <http://en.wikipedia.org/wiki/Tat_Tvam_Asi#cite_note-0>, Retrieved on 25-08-2011.

[290] Ibid.

good governance come through the understanding of the eternal truth hidden in the word '*Tatvamasi*.' Of course, CSR must have taken inspiration from this *Mahāvākya* also.

3.3 CSR Roots in Western Philosophy

Historically, the term Western philosophy refers to the philosophical thinking of Western civilization, beginning with Greek philosophy in ancient Greece, and eventually covering a large area of the globe. As I have already illustrated many facets and implications of philosophy, I would straight way move to the relevant concepts that boosted the emergence of CSR.

3.3.1 Code of Hammurabi

The social and environmental concerns about business are perennial problems as always, which like sex every new generation thinks that it has discovered. The history of social and environmental concerns about business is as old as trade and business itself. For example, commercial logging operations and laws to protect forests can both be traced back almost 4,000 years. King Hammurabi of Ancient Mesopotamia, who ruled around 1700 BC, is known to have introduced a code in which builders, innkeepers, or farmers were put to death if their negligence caused the death of others, or major inconvenience to local citizens.[291] It is one of the oldest deciphered writings of significant length in the world. Hammurabi, enacted the code, and partial copies exist on a human-sized stone stele and various clay tablets.[292] The Code consists of 282 laws, with scaled punishments, adjusting "an eye for an eye, a tooth for a tooth" (*lextalionis* — 'The law of retaliation') as graded depending on social status, of slave versus free man.[293]

Nearly one-half of the Code deals with matters of contract, establishing for example the wages to be paid to an ox driver or a surgeon. Other provisions set the terms of a transaction, establishing the liability of a builder for a house that collapses, for example, or property that is damaged while left in the care of another. A third of the code addresses

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[291] J. J. Asongu, *Strategic Corporate Social Responsibility in Practice*, (Greenview Publishing Co., Lawrenceville, 2007), 29.

[292] "Code of Hammurabi: <http://en.wikipedia.org/wiki/Code_of_Hammurabi>, Retrieved on 16-07-2011.

[293] Ibid.

issues concerning household and family relationships such as inheritance, divorce, paternity and sexual behavior. Only one provision appears to impose obligations on an official; this provision establishes that a judge who reaches an incorrect decision is to be fined and removed from the bench permanently.[294]

Therefore, businesses in the times of Hammurabi were forced to be socially responsible because that was a license-to-operate. In addition to being legally bound to do good, it is possible that some business then would have seen the necessity of being good corporate citizens, not just because they were afraid of the legal consequences, but also because of their moral convictions. It also presents one of the first views of management and worker's responsibilities to their fellow men.

3.3.2 CSR Roots in Judaism

Judaism is the "religion, philosophy, and way of life" of the Jewish people.[295] Judaism claims a historical continuity spanning more than 3,000 years. It is one of the oldest monotheistic religions and the oldest to survive down to the present day.[296] The central and most important religious document is the Torah and Talmud is the oral tradition explaining the religious ethics and philosophy.

Jews believe that God appointed the Jews to be his chosen people in order to set an example of holiness and ethical behavior to the world. According to the Hebrew Bible, God promised Abraham to make of his offspring a great nation.[297] Many generations later, he commanded the nation of Israel to love and worship only one God; that is, the Jewish nation is to reciprocate God's concern for the world. He also commanded the Jewish people to love one another; that is, Jews are to imitate God's love for people.[298]

It is the duty of all who follow the faith to strive to promote and protect the dignity of their fellow human beings. The Jewish faith also makes dignity and compassion an essential element of Justice: "A holy man in Judaism is a 'just man'; his characteristics

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[294] "Code of Hammurabi" <http://www.commonlaw.com/Hammurabi.html>, Retrieved on 19-07-2011.
[295] David J. Bodenhamer, Robert Graham Barrows (Eds.), *The Encyclopedia of Indianapolis*, (Indiana University Press, Indianapolis, 1994), 853.
[296] Andre M Slade, *Where To From Here*, (Xlibris Corporation, New York, 2011), 89.
[297] David Lindsey, *The Kinsman's Code: The Mysteries and Secrets of His Return*, (Xulon Press, Maitland, 2012), 96.
[298] "Judaism" <http://en.wikipedia.org/wiki/Judaism#cite_note-everlasting-23>, Retrieved 23-07-2011.

are consideration for others, integrity, truthfulness, compassion — all social traits.[299] In Jewish thought, justice is 'akin to holiness;' it is recognition of the sacred inalienable rights of every individual, group and people.

Reaching out to those in need is central to Jewish being. Jews are commanded to give at least ten percent of their net income to charity. '*Tzedakah'* is the Hebrew word for the acts that we call 'charity' in English: giving aid, assistance and money to the poor and needy or to other worthy causes.[300]

However, the nature of *tzedakah* is very different from the idea of charity. The word 'charity' suggests benevolence and generosity, a magnanimous act by the wealthy and powerful for the benefit of the poor and needy. The word '*tzedakah'* is derived from the Hebrew root *Tzadei-Dalet-Qof*, meaning righteousness, justice or fairness.[301]

Judaism considers charity to be an act of justice. Judaism holds that people in need have a legal right to food, clothing and shelter that must be honored by more fortunate people. According to Judaism, it is unjust and even illegal for Jews not to give charity to those in need.[302] Similarly, the Jewish tradition reminds, that the spiritual benefit of giving charity is so great that the giver benefits even more than the recipient. By giving charity, Jews recognize the good that God has given to them.

Contributing toward the welfare of others is a central and fulfilling part of one's Jewish identity. Jews have a mandate to improve the world in which they live in *tikkunolam* — healing and perfecting the world.[303] *Tikkunolam* is achieved through the performance of good deeds. Human beings are called to work in partnership with God to create the best possible world.[304] In this way, people are co-creators with God, in keeping with their creation in God's image.[305] *Tzedakah* is a good deed that is made in partnership with God. According to *Kabbalah* (Jewish mysticism), the word *tzedakah* comes from the word

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[299] Cited in Rabbi Harry A. Cohen, *A Basic Jewish Encyclopedia*, (Hartmore House, Hatmore, 1965), 71-72.
[300] Ronald Pies, *Becoming a Mensch: Timeless Talmudic Ethics for Everyone,* (Hamilton Books, Maryland, 2011), 10.
[301] Ibid., 11.
[302] Ibid.
[303] Phyllis G. Jestice, *Holy People of the World: A Cross-Cultural Encyclopedia, Volume 1*, (ABC-CLIO, California, 2004), 454.
[304] Ibid.
[305] Genesis 1:26.

tzedek, which means righteous. The only difference between the two words is the Hebrew letter 'hey,' which represents the Divine name. *Kabbalists* explains that *tzedakah* is a partnership between the righteous and God. Acts of *tzedakah* are permeated with God's goodness, and giving *tzedakah* can make the world a better place.[306]

The concept of *tikkun olam* — to repair the world, was originally limited to societal responsibility, which we have reframed now as CSR. Perhaps, CSR as well as social responsibility, is structured in the Talmud. What levels transpired after that is purely a matter of choice. Nonetheless, it is noteworthy to know that many of our responsibilities as well as laws that we know today have a base in the Talmud.

3.3.3 CSR Thoughts in Christianity

Christianity (from the Ancient Greek word *Khristos*, 'Christ,' literally 'anointed one')[307] is a monotheistic religion. Christianity teaches that Jesus is the Son of God, God having become human and the savior of humanity.[308]

Beginning with human dignity first, Judeo-Christian theology is first and foremost based on the belief that all individuals are created in the image and likeness of God.[309] This is the source of Christian belief that human dignity is the highest good that individual and collective action can aspire to. It is evident from Pope Paul VI's encyclical *Dignitatis Humanae* (on human dignity) in 1965.[310] Human dignity is not a value that can be measured or bargained for against another value. It is, in the true sense of the word 'invaluable.' It is evident from the famous saying of Irenaeus, "The glory of God is a human being fully alive, and the life of humanity is the vision of God."[311] Therefore dignity can be defined as the intrinsic moral worth of all human beings regardless of physical characteristics or whether it is recognized by rulers, nations, any form of human

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[306] Cited in "Tzedakah: More than Charity" <http://judaism.about.com/od/beliefs/a/tzedakah_what.htm>, Retrieved 23-07-2011.
[307] Jim Gray, *Focus: Arrogance and Greed, America's Cancer*, (AuthorHouse, Bloomington, 2012), 95.
[308], Charles A. Briggs, *The fundamental Christian faith: the origin, history and interpretation of the Apostles' and Nicene creeds,* (C-Scribner's sons, New York, 1913), 78.
[309] Genesis 1:26-27.
[310] R. Kendall Soulen, Linda Woodhead (Eds.), *God and Human Dignity*, (Wm. B. Eerdmans Publishing, Cambridge, 2006), 2.
[311] Ibid., 3.

collectivity or individual humans in themselves. As such it is the basis of the struggle for the protection and promotion of fundamental human rights.

Being imperfect creatures and sinners we also have the capacity to deny our spiritual character and act cruelly and hatefully towards our neighbors. Paradoxically, both the spiritual and the dark side of our human nature distinguishes us from God's other creatures that inhabit the planet. Therefore, it places the great burden of moral and spiritual challenges upon our shoulders whether we wish it or not. And those who have the greatest challenges are the ones who wield the greatest power. That group includes corporate leaders, both of large and small enterprises around the world. However, with multinational corporations, the increase in power over local communities and even nations in some cases results in the greatest of moral challenges. That does not eliminate the responsibilities of an individual to reassure and maintain the human dignity that CSR aspires to bring about.

The spiritual nature of human being gives us both as individuals and in a collective group such as a corporation or even a nation, the ability to seek the ultimate good in human existence. It also includes compassion and respect towards others and the promotion and protection of human dignity."Love your neighbor as yourself,"[312] is a power packed capsule which contains all that CSR has been trying to embed to make sure the welfare of the society. Unfortunately, in the rat race of profit making or materiality the spiritual nature gets darkened or blinded in the form of self-interest, greed and selfishness.

What would the dictates of corporate leaders' spiritual nature require as regards the fundamentals of corporate social responsibility? Corporate leaders have power.[313] That power can and does affect millions of humans regarding adequate food, shelter and clothing together with a decent family life and a livable natural environment of employees, local communities and indeed as leaders of the global private sector, the ability to affect these vital aspects of a decent life for inhabitants of their nation and the entire planet.[314]

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[312] Matthew 22: 39.

[313] D. Bomstein, *How to change the world: Social entrepreneurs and the power of new ideas,* (Oxford University Press, New York, 2003), 243.

[314] Ibid., 244.

Both as rational moral actors and as spiritual beings they have the choice to do tremendous good or tremendous bad. This power, as already indicated is the source of great human power, and also the source of great human suffering.

In Matthew's Gospel Jesus addresses how God's work and love of God is done through showing compassion and recognizing the dignity of the most vulnerable:

> Then the King will say to those on his right hand, 'Come, you whom my Father has blessed, take for your heritage, the kingdom prepared for you since the foundation of the world. For I was hungry and you gave me food; I was thirsty and you gave me drink; I was a stranger and you made me welcome; naked and you clothed me, sick and you visited me, in prison and you came to see me. Then the virtuous will say to him in reply, 'Lord, when did we see you hungry and feed you; or thirsty and give you drink? When did we see you a stranger and make you welcome; naked and clothe you; sick or in prison and go to see you?' And the King will answer, "I tell you solemnly, in so far as you did this to one of the least of these brothers of mine, you did it to me'…[315]

Through this and other teachings, Christ was asserting that we are all united in the image of God, just as the Holy Trinity demonstrates the unity of transcendent spirituality. This unity of humankind in the light of the Divine can be found in all the major world religions. It is consistent with biblical teachings about our purpose in this world. Specifically, the Bible says that we were created for good works, that we should use our resources, opportunities, and even our positions of authority in ways that benefit others.[316] Good works will not get us into heaven, but once our relationship with God is made right, good works become central to our life's purpose. Isn't this central purpose of life all of us are looking at? Or isn't CSR trying to propagate the same message through the corporate and individuals in today's techno-savvy world?

In the New Testament we are told to look after not only our own interests, but also the interests of others.[317] Indeed, the Bible frequently either appeals to our self-interest, or encourages us to take care of ourselves, both individually and collectively. "Love your neighbor as yourself"[318] upholds the central thought of CSR in anyone's life. CSR can

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[315] Mathew 25:43-46.
[316] See, for example, Proverbs 3:27, Galatians 6: 10, Ephesians 2: 10, and 5:16, Colossians 4:5, and Titus 2:14.
[317] Philippians 2:4.
[318] Matthew 22: 39.

only be fertile when there is love and compassion towards the other. It is love to self that brings responsibility for taking good care of the self. Similarly, it is love and compassion or even empathy that makes one responsible for the other. Ultimately, the trigger sets back to self-love which is the core of be it philanthropy, CSR or good work.

The Sermon on the Mount is a collection of sayings and teachings of Jesus, which emphasizes his moral teaching found in the Gospel of Matthew.[319] But here in my research the relevance of beatitudes is notable. The term beatitude comes from the Latin adjective *beatus* which means happy, fortunate, or blissful.[320] Each beatitude consists of two phrases: the condition and the result. Together, the beatitudes present a new set of Christian ideals that focus on love and humility rather than force and exaction.[321] They echo the highest ideals of the teachings of Jesus on mercy; spirituality and compassion.[322] The beatitudes too foster that sense of community. If we understand the sense of community and the notion of responsibility towards it — we will better comprehend the nature of social responsibility.

The 'miracle of the five loaves and two fish'[323] described in the Bible affirms Jesus' concern for the poor and needy. It also highlights the value of sharing and community life. Today when the world is entrenched with greed and selfishness, this miracle of Jesus gives fragrance of concern and care for one another which CSR is trying to adopt. If we consider Jesus as a corporate CEO, who selflessly thinks for the human beings or the society, definitely imparts great values to the present day corporate leaders, corporations and individuals.

Undoubtedly, corporate ethos on CSR underlines the above ideals which Jesus established through making the world a happy place through beatitudes. Certainly, that is the prime motive of CSR in the fast moving global village phenomenon of the 21st century.

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[319] F. L Cross, (Eds.), "Sermon on the Mount." *The Oxford dictionary of The Christian church,* (Oxford University Press, New York, 2005), 683.

[320] Jim Forest, James H. Forest, *The ladder of the Beatitudes*, (Orbis Books, New York, 2009), p. 17

[321] Warren S. Kissinger, *The Sermon on the Mount: A History of Interpretation and Bibliography, (*Scarecrow Press, New Jersey, 1975), 36.

[322] Jim Forest, James H. Forest, *The ladder of the Beatitudes*, 17.

[323] See. Matthew 14:13-21, Mark 6:31-44, Luke 9:10-17, John 6:5-15.

Thus, there is a similar view of business presented in the Bible, where there is condemnation for charging interests on debts. In addition, Jesus in some of his parables, such as that of the Prodigal Son and the Good Samaritan, exemplifies the sharing of wealth.[324] Indeed, CSR can be seen a very Christian concept. No doubt, many of the social teachings of the Catholic Church support CSR. Catholic social teaching is based on and inseparable from our understanding of human life and human dignity. Every human being is created in the image of God and redeemed by Jesus Christ, and therefore is invaluable and worthy of respect as a member of the human family. Every person, from the moment of conception to natural death, has inherent dignity and a right to life consistent with that dignity. Human dignity comes from God, not from any human quality or accomplishment.[325] Catholic social teachings are central and essential element of Christian faith. Its roots are in the Hebrew prophets who announced God's special love for the poor and called God's people to a covenant of love and justice.[326] It is a teaching founded on the life and words of Jesus Christ, who came "to bring glad tidings to the poor . . . liberty to captives . . . recovery of sight to the blind"[327] and who identified himself with 'the least of these,' the hungry and the stranger.[328] Thus, Catholic social teaching is an ongoing expression of social responsibility with relentless commitment to the poor and needy. Moreover, the redemptive gesture of Jesus is a catalyst that urges us to be social responsible and continues it in the modern times as CSR for the society.

3.3.4 Law of Nature or Natural Law

Natural law, or the Law of Nature (Latin: *lexnaturalis*), is any system of law which is purportedly determined by nature, and thus universal. Classically, Natural Law refers to the use of reason to analyze human nature and deduce binding rules of moral behavior.[329]

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[324] J. J. Asongu, *Strategic Corporate Social Responsibility in Practice*, (Greenview Publishing Co., Atlanta, 2007), 30.

[325] "Catholic Social Teaching" <http://www.usccb.org/beliefs-and-teachings/what-we-believe/catholic-social-teaching/>, Retrieved on 06-09-2011.

[326] Ibid.

[327] Luke 4:18 -19.

[328] Matthew 25:45.

[329] "Natural Law" <http://en.wikipedia.org/wiki/Natural_law#cite_ref-Ref-1_0-0>, Retrieved on 06-09-2011.

Trying to define natural law is possibly similar to the famous statement about pornography made by Justice Potter Stewart, who in his concurring opinion to the Supreme Court's decision on *Jebollis V. Ohio* (1964) wrote that while he could not define hard-core pornography, "I know it when I see it."[330]

Researches show that as an explicit theory, Natural Law emerged with the Stoics. However, the Greek literature traces developments in Pre-Socratic period. The Milesian philosopher Anaximander (610-547 B.C) portrays nature itself as accomplishing moral purposes as it evolves, achieving 'justice' (*dike*) by finally compensating for excesses or deficiencies in the operations of individual beings.[331] Everything in the cosmos eventually returns to its origins, but only after all beings have made "reparation and satisfaction to one another for their injustice according to the ordering of time."[332]

Natural law defines that some laws are basic and fundamental to human nature and are discoverable by human reason without reference to specific legislative enactments or judicial decisions. It is an unwritten law which exists in the nature. Natural law is opposed to positive law (man-made laws), which is human-made, conditioned by history, and subject to continuous change. It is interesting to note the words of Aristotle on Natural Law:

> He who bids the law rule may be deemed to bid God and Reason alone rule, but he who bids man rule adds an element of the best; for desire is a wild beast, and passion perverts the minds of rulers, even when they are the best of men. The law is reason unaffected by desire... Customary (unwritten) laws have more weight, and relate to more important matters, than written laws, and a man may be a safer ruler than the written law, but not safer than the customary law.[333]

When Aristotle refers to a law which is 'binding on all men,' he seems to be going significantly beyond the concept of what in the Western tradition of political philosophy is called the 'social contract.'[334]

The rise of Natural Law as a universal system coincided with the rise of large empires and kingdoms in the Greek world. Thus, the concept of natural law originated with the

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[330] Howard P. Kainz, *Natural Law: An Introduction and Re-examination,* (Open Court Publishing, Illinois, 2004), xii.
[331] Ibid., 1.
[332] John Burnet, *Early Greek Philosophy*, (World Publishing, Cleveland,1963), 52.
[333] Aristole, *Politics III*, 1287a, b.
[334] Howard P. Kainz, *Natural Law: An Introduction and Re-examination,* 7.

Greeks and received its most important formulation in Stoicism.[335] The Stoics believed that the fundamental moral principles that underlie all the legal systems of different nations were reducible to the dictates of natural law. Stoics asserted the existence of a rational and purposeful order of the universe (a divine or eternal law), and the means by which a rational being lived in accordance with this order was the natural law, which spelled out action that accorded with virtue.[336] This idea became particularly important in Roman legal theory, which eventually came to recognize a common code regulating the conduct of all peoples and existing alongside the individual codes of specific places and times.

Natural law is a view that certain rights or values are inherent in or universally cognizable by virtue of human reason or human nature. The concept of Natural Law has a profound influence on the development of man-made laws across the world. According to Plato we live in an orderly universe.[337] At the basis of this orderly universe or nature are the forms, most fundamentally the Form of the Good, which Plato describes as "the brightest region of Being."[338] The Form of the Good is the cause of all things and when it is seen it leads a person to act wisely.[339] When that realization happens or awareness blooms in our mind, it is the start of CSR for individuals and corporations.

In the *Symposium*, the Good is closely identified with the Beautiful.[340] Also in the *Symposium*, Plato describes how the experience of the Beautiful by Socrates enables him to resist the temptations of wealth and sex.[341] In the *Republic*, the ideal community is "a city which would be established in accordance with nature."[342]

Natural Law or Law of Nature has strong foothold for CSR greatly. Many of the later philosophies and philosophers have based this footing and built their theories and ideas from it. I strongly, consider that CSR has its roots deeply penetrated to Natural Law. I

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[335] Charles H. McIlwain, *The Growth of Political Thought in the West: From the Greeks to the End of the Middle Ages* (New York, 1932), 114.

[336] "Natural Law" <http://en.wikipedia.org/wiki/Natural_law#cite_ref-Ref-1_0-0>, Retrieved on 06-09-2011.

[337] Plato, *Gorgias* 508a.

[338] Plato, *The Republic*, 518b–d. Cited in J. Shear, *The Inner Dimension*, (Peter Lang, New York, 1990), 17.

[339] Plato, *The Republic*, 540a, 517b–d.

[340] Plato, *Symposium*, 205e–6a.

[341] Plato, *Symposium*, 211d–e.

[342] Plato, *The Republic*, 428e9.

would like to mention a quote from the great Albert Einstein who says, "I believe that in order to make real progress one must again ferret out, some general principle of nature."[343]

3.3.5 Humanism

The word 'humanism' has had, and continues to have, a variety of meanings.[344] At its broadest, 'humanism' means little more than a system of thought in which human values, interests, and dignity is considered particularly important.[345] Humanism is an approach in study, philosophy, world view or practice that focuses on human values and concerns.[346] It assumes and investigates the possibility of creating a human-centered, value-oriented society based on humanistic principles. It presents blend of philosophical, spiritual, economic, psychological and organizational capabilities to show how humanism can be used to understand, and possibly transform, business at three different levels — the systems level, the organizational level and the individual level.

In 1765, the author of an anonymous article in a French Enlightenment periodical spoke of "The general love of humanity ... a virtue hitherto quite nameless among us, and which we will venture to call 'humanism', for the time has come to create a word for such a beautiful and necessary thing.[347] The latter part of the 18th and the early 19th centuries saw the creation of numerous grass-roots 'philanthropic' and benevolent societies dedicated to human betterment and the spreading of knowledge. Ernest Renan in *L'avenir de la science: pensées de* 1848 (The Future of Knowledge: Thoughts on 1848), states: "It is my deep conviction that pure humanism will be the religion of the future, that is, the cult of all that pertains to man — all of life, sanctified and raised to the level of a moral value."[348]

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[343] Letter to Herman Weyl, June 6, 1922. Quoted by Abraham Pais, Subtle is the *Lord: The Science and the Life of Albert Einstein: The Science...* (Oxford University Press, New York, 1982). p.328.

[344] Stephen Law, Humanism: A Very Short Introduction, (Oxford University Press, New York, 2011), p.1.

[345] Ibid.

[346] "Humanism" <http://en.wikipedia.org/wiki/Humanism>, Retrieved on 09-09-2011.

[347] "L'amourgénéral de l'humanité ... vertu qui n'a point de nom parmi nous et que nous oserionsappeler 'humanisme', puisqu'enfinilest temps de créer un mot pour une chose si belle et nécessaire"; from the review Ephémérides du citoyenouBibliothèqueraisonée des sciences morales et politiques, (chapter 16, Dec, 17, 1765): p.247, quoted in V. Giustiniani, op. cit., p. 175n.

[348] Ibid.

Aristotle is also significant to humanists, because the focus of his ethics is on how to achieve a particular kind of happiness or wellbeing in this life. Humanism, in effect, grounds its claims in the 'real' or 'bare life' of existence — that is, in the interaction between identity and action. Thus, Humanism claims that nothing is more important than the real or actual life.[349] Because, they believe that this life is the only life we have. It assumes that we are capable of knowing about our own nature, and that this knowledge can and/or ought to be crucial for our actions.[350] Experience and relationships are the primary stuff of existence and of consciousness. We think, CSR induces the corporate to involve their identity into societal action consciously becoming aware of the needs of the ever-growing society. Humanism has contributed a rather ecstatic view of societal development and progress in the consumerist society which battles modernism and self-interest. Certainly, CSR developed in response to the social ethical vacuum, which threatened to leave society with too few motivated and committed citizens.[351] The youngest philanthropic stream has adopted much of its ideals undoubtedly from humanism. There is no doubt that humanism has influenced the emergence of CSR as it stands today, the limb that extends support to the progress of the society through the profit-making corporations and successful individuals.

3.3.6 Utilitarianism

Utilitarianism is an ethical theory holding that the proper course of action is the one that maximizes the overall 'happiness,' by whatever means necessary. It is thus a form of consequentialism, meaning that the moral worth of an action is determined only by its resulting outcome, and that one can only weigh the morality of an action after knowing all its consequences.[352]

This approach was developed by Jeremy Bentham (1748–1832) and John Stuart Mill (1806–1873).[353] The most simple form of their thesis argued that consequences that

[349] Barry Daved, Hansen Hans, *The SAGE handbook of new approaches in management and organization*, (SAGE Publications Ltd, New York, 2008), 256.
[350] Ibid. 257.
[351] Ibid. 256.
[352] "Utilitarianism" <http://en.wikipedia.org/wiki/Utilitarianism>, Retrieved on 12-09-2011.
[353] Richard H. Popkin, A. Stroll, *Philosophy Made Simple*, (Elsevier, Burlington, 1993), 37.

produced the greatest good for the greatest number was the only way to judge the morality of human actions. Its main premise suggests that the morality of an act is determined by its consequences: people should do that which will bring the greatest utility (which is generally understood to mean whatever the group sees as good) to the greatest number affected by a given situation. Utilitarian standard of what is right in conduct, is not the agent's own happiness, but that of all concerned. As between his own happiness and that of others, utilitarianism requires him to be as strictly impartial as a disinterested and benevolent spectator.[354] According to Mill, in the golden rule of Jesus of Nazareth, we read the complete spirit of the ethics of utility. To do as one would be done by, and to love one's neighbor as oneself constitute the idea perfection of utilitarian morality.[355]

Now, the society is the greatest number where CSR activities of the corporations and individuals can massively make difference in the life standard and living conditions. Utilitarianism is a type of naturalism.[356] It aims at the happiness of larger picture of the society than just looking into the micro-picture of selfishness and greed. In relation to CSR, Utilitarian's believe that corporations and individuals have a moral obligation to promote the best possible outcome, i.e., maximize happiness from an impartial perspective. We are of the opinion that the trigger that CSR has taken from Utilitarianism is the motivation that makes the corporations to get into serving the society not abiding by rules and regulations. Instead, as an act of service and self-responsibility with CSR concepts, corporations and individuals partake with a macro-cosmic outlook for bringing about greatest happiness of the greatest number.

Conclusion

After probing into the philosophical precepts and trends, it is clear that CSR has a clear philosophical background even from five thousand years ago or may be more. From the inception of the human race into the society there existed disparities in their lives. As a

[354] John Stuart Mill, *Utilitarianism*, (Longmans, Green, Reader, and Dyer, London, 1871), 24.
[355] Ibid., 25.
[356] C. L. Sheng; Qinglai Sheng, *A defense of utilitarianism,* (University Press of America, Maryland, 2004), 170.

result, there is a need for bringing out some kind of yardsticks which would ensure smooth functioning and betterment of every being in the universe. Of course, human beings are given the upmost priority in the ladder. 'Haves' began to realize that they have a moral responsibility to take care of the 'have-nots.' Religions and philosophies or ideologies encouraged it just for the sake of the betterment and welfare of the society. Like an actor changing his attire as he changes each role, the good work began appearing in different names such as philanthropy, NGO Work, many 'isms' like Humanism, Utilitarianism etc... And now in our times it identifies itself as CSR for the corporate giants who are only looking at the society as their prey to maximize profit.

Humanism and Utilitarianism in effect, entail philosophical anthropology. Relational anthropology states that personal identity is shaped in the relationship with otherness. The implementation of relational capability is a key condition of human development. Personal development can be achieved only in cooperation with other human beings and how some collective capabilities can be defined as the expression of more than the aggregation of individual ones.

However, it is noted that CSR as a developing trend in the arena of common good aiming at the greatest happiness of the greatest number has imbibed the great values of serving a common good, a social interest; to take part in decision making in a political society, to try to value others' objectives, and considering them as ends. This nature of CSR is the inherent obligation of individuals and corporate to account for the way their activities impact the environmental, economic and social dimensions to ensure that this impact generates equitable and sustainable benefits and no harm but rather progress to all involved. Therefore, the age-old philosophical concepts ring a bell or many bells that CSR must not be a choice, instead the fundamental responsibility of corporations and individuals for the well-being and betterment of the society. This re-instigate our curiosity to explore some of the key philosophers who contributed immensely to the emergence of CSR root-philosophies in the next chapter.

Chapter 4

Some Philosophers Giving Impetus to CSR

Introduction

No one is a born philosopher or everyone is born as a philosopher. We can look at it either way. Most of us use the philosophy or the so called reasoning mind for finding happiness of the self and come out with a selfishness philosophy to boost the ego and its gimmicks. For them, I guess the philosophy would be to liberate themselves from the pain and suffering, as they seek ways and means of happiness for the self.

However, there are many who would think altruistically for the happiness of themselves as well as of other human beings. In this chapter, I would like to discuss a few eastern and western existential and pragmatic philosophers whose philosophies have influenced me in my life and gave meaning and depth to my life and triggered the interest to undertake this philosophical study on CSR and its impact on the society.

4.1 Selected Eastern Philosophers who Propagated Roots for CSR

It is already evident from the previous chapter that CSR has strong roots in the Eastern philosophy. There are many Philosophers who were instrumental in instilling CSR thoughts at grass-root level not just for themselves but for the progress of the society and wellbeing of their fellow beings.

Are there roots of CSR in Eastern Philosophy? How a 20th century concept did pick its roots from 5000 years ago and fostered it as live and meaningful even now? What is the driving force for keeping the roots intact in the society? Is it the quest for knowledge or is it the passion to find a happy life here on earth? Now let me list a few philosophers whose ideologies made remarkable impact in the society to emerge the concept CSR today from the Eastern Philosophy.

4.1.1 Gautama Buddha (566 BC)

Siddhartha Gautama was born in a royal Hindu Kshatriya family. He was born as a prince of the Sakya tribe of Nepal, in approximately 566 BC. According the Buddhist's accounts

as a young prince his parents kept him away from sufferings and miseries which normal human beings undergo. He was sort of imprisoned in the midst of all luxuries and comforts in the palace itself. In spite of all these precautions at the age of 29, the popular biography continues, Siddhartha left his palace to meet his subjects. Despite his father's efforts to hide from him the sick, aged and suffering, Siddhartha was said to have seen an old man. When his charioteer Channa explained to him that all people grow old, the prince went on further trips beyond the palace. On these he encountered a diseased man, a decaying corpse, and an ascetic. These sights depressed him, and he initially strove to overcome ageing, sickness, and death by living the life of an ascetic.[357]

According to a story in the *Āyācana Sutta* (Samyutta Nikaya VI.1) — a scripture found in the *Pāli* and other canons — immediately after his awakening, the Buddha debated whether or not he should teach the *Dhamma* (Dharma) to others. *Dhamma* the *Pāli* word literally means that which upholds, supports or maintains the regulatory order of the universe.[358] He was concerned that humans were so overpowered by ignorance, greed and hatred that they could never recognize the path, which is subtle, deep and hard to grasp.[359] Thus as an aftermath of enlightenment, he began teaching. In his efforts to spread awareness the Gautama Buddha became a spiritual teacher from the Indian subcontinent, on whose teachings Buddhism was founded. The word Buddha is a title for the first awakened being in an era.[360]Buddha's teaching gave an impetus to have empathy towards suffering and misery that human beings go through in this world.

4.1.1.1 The Root of Social Problems According to the *Dhamma*

The main point of the *Dhamma*, the teaching of the Buddha, is the annihilation of suffering. It focuses on how beings can reach enlightenment by removing the roots of suffering. Suffering and misery is a stumbling block to the achievement of happiness and enlightenment.

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[357] Conze, Edward, *Buddhist Scriptures*, (Penguin Books, London, 1959), 39-40.

[358] "Dhamma" Wikipedia Online Encyclopædia, <http://en.wikipedia.org/wiki/Dharma>, Retrieved on 14-09-2011.

[359] "Gautama Buddha" Wikipedia Online Encyclopædia, <http://en.wikipedia.org/wiki/Gautama_Buddha#cite_note-36>, Retrieved on 14-09-2011.

[360] Boeree, George. "An Introduction to Buddhism". Shippensburg University, <http://webspace.ship.edu/cgboer/buddhaintro.html>, Retrieved on 15-09-2011.

In the time of the Buddha, the domains of politics, society and economy were not separated. They evolved together as the Aggañña sutta[361] (Discourse on what is Primary) states. The second part of sutta says,

> Beings were originally immaterial in nature but became enmeshed in the material world once they tasted of its pleasures. This, however, is the source of craving and as beings became more attached and selfish, crime and social divisions arose. Eventually the people appoint one of their own as a king to legislate in disputes and maintain law and order.[362]

Perhaps, the situation is the opposite today, because the market is the dominant system, and economy gobbles up every other segment of the society, politics and each part of daily life. But still one could usefully apply the Buddha's other guidelines, which refer to a deeper level of well-being realization, as they are connected with morality. Buddhist ethics can be defined only in the society of persons.

The Five Precepts (Pañchasīla) characterize the most fundamental socialization process, because they contain regulation-pairs with negative and positive aspects (eg.: the negative aspect of *ahimsā* is not-harming, but the positive aspect of it is the practice of sympathy). After all society is the medium in which Buddhist ethic becomes meaningful.[363] To put it more precisely, these ethical instructions point beyond the realization of well-being in the society, as they also refer to environmental preservation and to the ensuring of the prospects of future generations of human and non-human living beings.

The above mentioned marketization which the result of the capitalist system is in opposition with the *Dhamma*. It states — and can be found in the Cakkavattisutta[364] — that the true measure of the welfare of nations depends on the lack of poverty, rather than the number of rich people. It also gives us the reference of conquering and ruling the entire world without punishment and without arms.[365] In his speech the Buddha analyses those reasons, which are leading to social suffering and crises. As Venerable Gnanarama

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[361] Richard King, *Indian Philosophy: An Introduction to Hindu and Buddhist Thought*, (Edinburgh University Press, Edinburgh, 1999), 204.
[362] Ibid.
[363] Gnanarama, Ven. Pategama, *An Approach to Buddhist Social Philosopy,(* Ti-Sarana Buddhist Association, Singapore, 1996), 7.
[364] Chanju Mun(Eds.), Buddhism And Peace: Theory And Practice, (Blue Pine Books, Hawaii, 2006), 94.
[365] Ibid.

emphasizes, Buddhism views social problems from an ethico-social angle[366] and furthermore denotes:

> [The Cakkavattisutta] shows a causal relationship between material poverty and social deterioration and indicates that the Buddhist emphasis on karma implies a different way of understanding and addressing the social problem of poverty — namely *dāna*, meaning 'giving' or 'generosity.'[367]

As one can conclude from its *Dhammas*, Buddhism has always emphasized strongly the very importance of proper distribution of wealth in society to ensure the absence of poverty and well-being of all. If the basic needs of the members of the society are not satisfied, then right behavior of people can't be expected and morality can't be achieved. This will lead to chaos and anarchy in the society. Moreover an analysis of Buddhist soteriologies and major concepts such as *anaatman, karma, patiitya-samulpaada, daana* and *karunaa*, reveals that issues of economic equality and justice in Buddhism are dealt with less by attempting to change the existing distribution of wealth than by cultivating proper ethical attitudes toward wealth and giving.[368]

As it was mentioned in numerous places in the texts of the Canon, the lack of the first and foremost basic need, namely hunger or greed is the most serious illness. I think the old saying goes very well here, "a hungry animal is an angry animal." If basic needs are not satisfied, if there are just a few rich people, but many poor — as it can be experienced nowadays all around the world, then stealing, robbery and other criminalities will spread in the society. The root of this problem can be addressed among others by proper distribution by keeping the equilibrium of the natural laws intact. There is the need "…to improve the socio-economic conditions with more equitable distribution of wealth amongst the rich and the poor."[369]

Buddhist business practices means a threefold responsibility — towards human beings, society and the environment, because "these principles are related to the three

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[366] Gnanarama, Ven. Pategama, *An Approach to Buddhist Social Philosopy,* 127.
[367] Ibid., 54-55.
[368] James T. Bretzke, *Bibliography on East Asian Religion and Philosophy*, (Edwin Mellen Press, New York, 2001), 46.
[369] Saranankara, Ven. B. Sri Sangha Nayaka Maha Thero, *Buddhism and Good Governance. In: Selected papers on Buddhist Contributions to Good Governance and Development*, (Mahachulalongkornraja vidyalaya University, Bangkok, 2007), 100.

interconnected aspects of human existence."[370] In accordance with this statement, economic activities must not harm oneself, the well-being of the actor, and must not harm others, by causing social problem or environmental imbalance.[371]

As Glen Alexandrin points out, the only way to realize prosperity is overcome poverty.[372] One of its appropriate tools is the perfection of giving, as it is mentioned *Dāna Pāramī*. *Dāna* is a genuine way of wealth distribution, which comes from the motivation to alleviate suffering in the society, and realized by the ones who have opportunities to give. It could have been practiced in the Buddha's time by householders, merchants, kings and even the government. But can be practiced nowadays and also we should ask ourselves why not practice it now? Thus, every member of the society either of wealthy people, corporations, every multi-national company and or the governing bodies, irrespectively feel the responsibility they have to themselves and to the other. As Peter Harvey emphasizes:

> The primary ethical activity which a Buddhist learns to develop is giving, *dāna*, which forms a basis for further moral and spiritual development… is not only practice towards the *sangha*, but it is a pervading value of Buddhist Societies. [373]

Business from a Buddhist perspective is not an evil in itself though it propagates the ethical concept of *ahimsa*. Thus, I can clearly see trickling down the values for the cessation of pain and suffering in the society in the teachings of Buddha. Buddha himself implemented the practical application of self-responsibility to himself and to society or to the other being.

CSR is an attempt to alleviate the miseries related to modern economic system which is mushrooming modern capitalists, and is working in the same framework, which aims profit-maximization. We can, not even with an iota of doubt suggest that this framework has to be transcended to attain real well-being for the society. It can be realized by the

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[370] László Zsolnai(Eds.), *Ethical Principles and Economic Transformation - A Buddhist Approach*, (Springer, New York, 2011), 7.

[371] "The Buddhist View of Human Nature" <http://www.buddhanet.net/cmdsg/econ2.htm>, Retrieved on 18-09-2011.

[372] Alexandrin, Glen (1993): "Elements of Buddhist Economics," *International Journal of Social Economics*, Volume 20. Issue 2., 7.

[373] Harvey, Peter, *An introduction to Buddhism. Teachings, history and practices, (*Cambridge University Press, Cambridge, 1990), 198.

support of non-harming (*ahimsa*) businesses, which are operating in accordance with the *dhamma* teachings of Buddha's CSR of those times is still relevant. Thus, we can confidently say that Buddha's teachings are still relevant to look for a paradigm responsible leadership and awareness-raising in the society to transcend beyond the emerging neo-capitalism that is getting rooted in the land of Buddhist *dharma* and upanishidic purity of well-being of every being in this world along with the care and concern for all living and non-living beings on earth. Thus it is certain that the importance of Buddha and his teachings in giving impetus to the CSR remains steadfastly a strong backing with the Buddhist morality or ethics.

Similarly, this connection will prove that inter-connectivity of different disciplines, how it is mending together to make the society aware of the need for sharing and empathy for the other and to everything around. Thus, this research being an inter-disciplinary in nature and application, CSR and spirituality are closely linked as every religion upholds the principles of care, share, love and unity on earth. Greed, selfishness, ego and self-centeredness can be bypassed not just by suppressing it, rather by being aware of it — cessation of desire or avoiding the desire as Buddha emphasizes:

> The cessation of suffering is the cessation of desire. This has to be realized. By becoming aware that there is a root to the general societal malaise of avoiding environmental and social responsibilities, we know that there is a way of stopping such complacency to begin a path to sustainability.[374]

Hence, even this research takes care of the philosophical connection and affinity to point out that wisdom always helps to transcend the atrocities of any situation and make a fresh beginning and give a fresh look with those drops of wisdom which is relevant and valuable yesterday, today and even tomorrow. In the words of Richard Welford:

> Buddhist philosophy turns the whole Western mindset upside down. In contrast turns to the anthropecentric worldview commonly characterized by the Western culture, the Buddhist cosmology has the entire universe at its center. Human beings are humble in the totality and are just gains of sand in the vast, limitless ocean of space.[375]

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[374] László Zsolnai, Knut Johannessen Ims (Eds.), *Business Within Limits: Deep Ecology And Buddhist Economics*, (Peter Lang, Switzerland, 2006), 16.

[375] Ibid., 15.

It also simultaneously propagates the idea through CSR which, directly helps the society to reduce the pain and suffering that go around in the society. So we are merely not blind, instead very well aware of the need of the society and partake not only in looting the people but also sharing the booty with the people around from whom they have looted.
And as Richard Welford states: "Most importantly, the economic system should serve the whole of society and protect the environment and its diversity. People should seek an economic system, which is a servant, not a master."[376]

4.1.2 **Chānakya** (370–283 BCE)

Chānakya was a teacher to the first Maurya Emperor Chandragupta (340–293 BCE), and is generally considered to be the architect of his rise to power.[377] Traditionally, Chānakya is also identified by the names Kauṭilya and Vishnugupta Sharma, who authored the ancient Indian political treatise called Arthaśāstra (the science of material gain).[378] He was a student and professor of Taxshila University, the great center of knowledge then. It is very important to identify Chānakya as a great Indian philosopher because his cultural significance has reached far and wide, and his words are just as internalized in other parts of South Asia. Chānakya has been considered as the pioneer in the field of economics and political science.[379] In the Western world, he has been referred to as, 'The Indian Machiavelli,' although Chanakya's works predate Machiavelli's by about 1,800 years.[380]
Two books are attributed to Chanakya: *Arthashastra* and *Nitishastra* which is also known as *Chānakya Niti*. The *Arthashastra* discusses monetary and fiscal policies, welfare, international relations, and war strategies in detail. *Nitishastra* is a treatise on the ideal way of life, and shows Chānakya's deep study of the Indian way of life. Chanakya also

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[376] Welford, Richard *"Tackling Greed and Achieving Sustainable Development." In: Zsolnai, Laszlo and Knut Johannessen Ims (eds.), Business within Limits. Deep Ecology and Buddhist Economics.* (Peter Lang Academic Publisher, Bern, 2006), 2.
[377] I. W. Mabbett, (1964). "The Date of the Arthaśāstra". *Journal of the American Oriental Society* (American Oriental Society) 84 (2): 162–169.
[378] H.P. Chattopadhyay, Indu Baghel (Eds.), *Indian Administration*, Vol.1, (Global Vision Publishing House, New Delhi, 2009), 3.
[379] L. K. Jha, K. N. Jha (1998). "Chanakya: the pioneer economist of the world", *International Journal of Social Economics* 25 (2-4), 267–282.
[380] Herbert H. Gowen, "The Indian Machiavelli" and in a much more conventional world. or Political Theory in India Two Thousand Years Ago, *Political Science Quarterly* 44 (2), 173–192.

developed Niti-Sutras (aphorisms - pithy sentences) that tell people how they should behave.[381]

It is said that, Chānakya at the end of his life donated all his wealth to the poor, widows and orphans and sat on a dung heap, prepared to die by total abstinence from food and drink. What is important for us in this account is that Chānakya's two books account for his deep study of the Indian way of life. He himself realizing the futility of life, parted away with his possessions for the welfare of the society. This noble act of donating his own life's earning towards the end of his life can be considered as the real example for CSR for every individual. He proved through his life that CSR can be practiced even at individual and corporate level without waiting for any government or corporations. Being a real statesman and philosopher, Chānakya is a real role model whose concepts and practices had the congruence and relevance then, now and forever. Let us now have close look on the other aspect in the Arthaśāstra which accounts for his concepts on welfare of the subjects.

4.1.3 Mahatma Gandhi (1869-1948)

Mohandas Karamchand Gandhi, also known as Mahatma Gandhi, was born in Porbandar in the present day state of Gujarat in India on October 2, 1869.[382] He was raised in a very conservative family that had affiliations with the ruling family of Kathiawad. He was educated in law at University College, London. In 1891, after having been admitted to the British bar, Gandhi returned to India and attempted to establish a law practice in Bombay, without much success. Two years later an Indian firm with interests in South Africa retained him as legal adviser in its office in Durban. Arriving in Durban, Gandhi found himself treated as a member of an inferior race. He was appalled at the widespread denial of civil liberties and political rights to Indian immigrants in South Africa.[383] He threw himself into the struggle for elementary rights for Indians and natives.

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[381] Cited in B.S.Sihag, 2007. Kauṭilya on institutions, governance, knowledge, ethics and prosperity. *Humanomics* 23 (1): 5-28.

[382] Satya P. Agarwal, *Social Message Of The Gita,* (Motilal Banarsidass Publications, New Delhi, 1995), 113.

[383] Cited in Josh Brackett, *Critical Thinking*, (Walch Publishing, Portland, 2007), 194.

Gandhi remained in South Africa for twenty years, suffering imprisonment many times. In 1896, after being attacked and humiliated by white South Africans, Gandhi began to teach a policy of passive resistance to, and non-cooperation with, the South African authorities. Part of the inspiration for this policy came from the Russian writer Leo Tolstoy, whose influence on Gandhi was profound. Gandhi also acknowledged his debt to the teachings of Christ.[384] Gandhi frequently quoted the sayings and teachings of Jesus. The lesson of the '*Sermon on the Mount*'[385] seemed to echo constantly in his mind, and was a source of guidance and inspiration to him.[386]

The writings of John Ruskin, particularly his *Unto This last*, provided a powerful creative impetus for both Gandhi and Tolstoy. Ruskin refuted the classical economic thought of the day that the basics of the society is wealth; rather, he contended that the wealth of society is human companionship. So inequality and injustice are due to the possession of wealth and power, which is selfish in nature. Ruskin advocated the renunciation of wealth so that everyone should share equally in prosperity.[387]

> Luxury is indeed possible in the future — innocent and exquisite; luxury for all, and by the help of all, but luxury at present can only be enjoyed by the ignorant; the cruelest man living could not sit at his feast, unless he sat blindfold. ... If, as yet, the light of the eye can only be through tears, and the light of the body through sackcloth, go through forth weeping... until the time come, and the kingdom, when Christ's gift of bread, and bequest of peace, shall be 'Unto this last as unto thee.'[388]

Tolstoy's famous religious book, *The Kingdom of God is Within You*, intrigued Gandhi, as his autobiography attests. "Three moderns have left a deep impression on my life and captivated me; Raychand Bhai — by his living contact, Tolstoy — by his book *The Kingdom of God is Within You* and Ruskin — by his book *Unto This Last*."[389] Gandhi found the 'Sermon on the Mount' to be the essence of Christ's teaching. "If then I had to face only the Sermon on the Mount and my own interpretation of it, I should not hesitate

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[384] "Gandhi: A Biography" <http://www.kamat.com/mmgandhi/gandhi.htm>, Retrieved on 24-09-2011.
[385] M.K. Gandhi, *An Authobiography or The Story of My Experiments with Truth*, (Navjivan Pub. House, Ahmedabad, 1948), p.48.
[386] "Gandhi and Christianity" <http://www.kamat.com/mmgandhi/christian.htm>, Retrieved on 24-09-2011.
[387] B. Srinivasa Murthy (Eds.), *Mahatma Gandhi and Leo Tolstoy*, (Long Beach Publications, California, (1987), 74.
[388] John Ruskin, *Unto This Last*, (George Allen, London, 1903), 173-4.
[389] Joseph J. Doke, *M.K. Gandhi: An Indian Patriot in South Africa*, (G.A. Natesan & Co., Madras, 1909), 88.

to say, 'Oh Yes, I am a Christian'."[390] Sermon on the Mount is a typical example of instilling empathy and concern for the other beings in the society. May be, it would have triggered the trigger of *Sarvodaya* (meaning service to all and not the services to the maximum number) and also the concepts of trusteeship in the mind of Gandhi. The Gandhian principles of love, truth, non-violence, non-possession began spreading sparks in the mind of Indians who were looking for a rescuer from the slavery. Thus, Gandhi became a leader in a complex struggle, the Indian campaign for 'Home Rule.'

According to Gandhi, "The only way to conquer violence is through non-violence, pure and undefiled."[391] For him non-violence is more powerful than violence precisely because it is based on love. Gandhi's interpretation of *ahimsa* entails several shades of meaning: 'non-injury,' 'harmlessness,' 'reverence for life,' and concern for the well-being of all living things.[392] According to Gandhi, "*ahimsa* is not merely a negative state of harmlessness, but it is a positive state of love, of doing good even to the evil-doer."[393] Thus the seeds of CSR thought that was implemented by Gandhi even lies in the concept of *ahimsa*. From his inclusive perspective, Gandhi pointed out that the inspiration for his life vision came from the *Sermon on the Mount* as well as *The Gita*.[394]

The philosophy behind *Sevagram* was *Sarvodaya* — the welfare for the whole.[395] *Sevagram* radiates to a fundamentally viable vision of village and human life.[396] The word *Sarvodaya* was coined by Gandhi. It is a compound of two Sanskrit words — *sarva* means 'all,' *uday* means 'upliftment' or 'welfare' or 'prosperity of all.'[397] *Sarvodaya* incorporates the negative aspect of non-resistance to even and the positive aspect of the assimilation for the good.

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[390] R.K. Prabhu and, U.R. Rao, *The Mind of Mahatma Gandhi*, (Oxford University Press, Bombay, 1945), 117.

[391] *Young India*, May 8, 1930. Quoted from, *The Encyclopaedia of Gandian Thoughts*, p.365

[392] Kuruvilla Pandikattu (Ed.), *Gandhi: The Meaning of Mahatma for the Millennium*, (CRVP, Washington, 2001), 101.

[393] *Young India*, August 25, 1920. Quoted from, M.K. Gandhi, *The Collected Works of Mahatma Gandhi*, Vol. XVIII, 1965, 195.

[394] *Young India*, December 22, 1927. Quoted from, *The Encyclopaedia of Gandhian Thoughts*, 304.

[395] Kuruvilla Pandikattu, Sevagram and sarvodaya: The relevance of Gandhian Symbols for a viable Future, in Kuruvilla Pandikattu (Ed.), *Gandhi: The Meaning of Mahatma for the Millennium*, 199.

[396] Ibid.

[397] Ibid., 202.

This integrated social idea aims at "the reform of the individual as the reform of society."[398] Gandhi emphasized a village-oriented, agrarian economy and a simplicity of life based upon a cooperative socio-economic structure. *Sarvodaya* provided the ideals for a non-violent society. In such a state, everyone is his own ruler. He rules himself in such a manner that he is never a hindrance to his neighbors.[399]

Let us begin our inquiry into 'universal welfare' by delving into the deep but refreshing waters of Gandhian thought to discover the fundamental basis of his dedication to *Sarvodaya*, to uplift the poor and destitute while reforming and humanizing the appropriators and the complacent. The essence of Gandhi's over-all metaphysical and ethical views can be gleaned from the following statement by Gandhi in 1936:

> Man's ultimate aim is the realization of God, and all his activities, social, political, religious, have to be guided by the ultimate aim of the vision of God. The immediate service of all human beings becomes a necessary part of the Endeavour, simply because the only way to find God is to see Him in His creation and be one with it. This can only be done by service of all. And this cannot be done except through one's own country.[400]

Gandhi was convinced that it was within our capacity to do good: "The power to do good does not come from without. It always exists within us, and we have only to develop it by proper means."[401] The primary agent of 'universal welfare' or 'universal upliftment' then is the self-consciously committed individual — individuals who are aware of their responsibility to self and others. Such enlightened individuals are the key and the cornerstone to all considerations of spiritual, moral and material progress. The individual who has taken a vow, can become a radiant center point among multitudinous other center points in ever-expanding circles of humanity. In the words of Ruskin, "all effectual advancement towards this true felicity of the human race must be by individual, not public effort."[402]

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[398] *The Collected Works of Mahatma Gandhi*. (Publications Division, Government of India, Delhi, 1958) Vol.8, 3.
[399] Ibid., 42.
[400] M.K.Gandhi, *Socialism of My Conception*, (Bharatiya Vidya Bhavan, Bombay, 1957), 140.
[401] M.K. Gandhi, *Ethical Religion*, (Ganesan, Madras, 1922), 36.
[402] John Ruskin, *Unto This Last*, 168-9.

Satya (=truth) + *Graha* (=insistence, firmness); Gandhi called it Truth-force or Soul-force.[403] He was convinced that its fundamental unit is the Individual. Thus he affirms that "if a single *Satyagrahi* (one who practices *Satyagraha*) holds out to the end, victory is certain"[404] The vast potential of Truth-force lies in the bosom of the unconditional person, heroically determined to serve the family of man within the microcosm of his own community or village. He believed in the perfectibility of the individual and its flow through effect to the society: "as we are so our environment becomes."[405] Gandhi makes it eminently clear that the individual can only realize his true nature within the context of the expanding concentric circles of life: the family, the community, the nation, the world. Self-actualization can only occur in the midst of society, not apart from it.

Most importantly, and what separates Gandhi from many social philosophers, is that he felt that the recognition of, and reverence for, the moral law is the beginning of all true individuation, of our willingness to serve the common good. Gandhi's social philosophy encompassed both an enriched society and free and integrated individuals. He claimed: "A small body of determined spirits fixed by an unquenchable faith in their mission can alter the course of history."[406] He saw the relationship between the individual and the society as one of the parts determining the whole. To Gandhi, moral development of the society stems from that of the individual. Since, as Gandhi points out that the Moral Law is self-acting, it is up to us to choose to cooperate with it in practice. To do so is to align one's will with the will of God or Truth.

The test of one's status as a mature agent of *Sarvodaya* is the extent to which one is concerned with justice and equity for all and not simply for oneself, one's family, one's race or one's religion. Understandably, the more one individuates, morally speaking, the more he willingly accepts responsibility for the woes of others and actively seeks to ameliorate the conditions of his fellow human beings in his immediate as well as in distant locales. The *Sarvodaya* society is one that is based on Truth and Non-violence, with trusteeship as its fulcrum point. Let me put it in Gandhi's own words:

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[403] Eknath Easwaran, *Gandhi the Man: How One Man Changed Himself to Change the World*, (Nilgiri Press, California, 2011), 189.
[404] Ibid., 200.
[405] Ibid., 201.
[406] Thomas Weber, *Conflict resolution and Gandhian ethics*, (Gandhi Peace Foundation, New Delhi, 1991), 108.

> Supposing I have come by a fair amount of wealth — either by way of legacy, or by means of trade and industry — I must know that all that wealth does not belong to me; what belongs to me is the right to an honorable livelihood, no better than that enjoyed by millions of others. The rest of my wealth belongs to the community and must be used for the welfare of the community.[407]

The emphasis of Ruskin's essay, as interpreted by Gandhi, is certainly that the ideal society is one in which there is concern for the welfare of all: 'unto this last,' that is the neediest or the poorest of the poor.[408] If this was the foundation of *Sarvodaya* movement during the times of Gandhi, we can undoubtedly say that CSR is the modern name for *Sarvodaya* which laid down the main features as trusteeship, social and economic equality and networking. According to Kuruvilla Pandikattu, Gandhi envisioned *Sarvodaya* Society as:

> Human values, individual development that is always consistent with its use for the development of society; promotion of altruism to the highest degree; integration of the individual with society; and lifting the whole human society to the highest level of existence, where love and fair play will play the most crucial roles.[409]

Gandhi called it as Trusteeship which is on the same line with the *principle of stewardship*.[410] Corporations control vast resources and they are powerful. As this power and wealth comes from their operations within society, they have an obligation to serve society's needs.[411] In this way, managers and corporations become the stewards, or trustees, for society. Trusteeship is the operative principle of social transformation and periodic renewal. The trustee holds all talent and wealth in trust for the common good. He or she will act on behalf of the least. Periodically, the trustee will be called upon to relinquish whatever worldly goods surpass his actual needs. He will voluntarily redistribute his possessions among the less fortunate or less able. Such action increases his credibility as a conscientious contributor to the common good.

The trustees' sterling reputation is earned by virtue of his willingness to renounce and return to the community what that very community made possible for him to accomplish

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[407] Ravindra Kelekar (complied) , *M. K. Gandhi*, (Navajivan Mudranalaya, Ahemadabad, 1960), 153.
[408] Kuruvilla Pandikattu, *Sevagram and Sarvodaya: The relevance of Gandhian symbols for a viable future,* Kuruvilla Pandikattu (Ed.), *Gandhi: The Meaning of Mahatma for the Millennium*, 203.
[409] Ibid.
[410] Meenakshi Gupta, *Principles Of Management*, (PHI Learning Pvt. Ltd., New Delhi, 2009), 33.
[411] Ibid.

and acquire. The trustee keenly recognizes that he owes his all, to God, to Nature and to Man. He cannot possibly justify holding on to more than he needs except under the aegis of trusteeship. Gandhi was of the firm opinion that all forms of property and human accomplishments are either the gifts of nature or product of social living. As such they belong not to the individual but to the society as a whole and should be used for the welfare of all.[412] Thus Gandhi wrote, "Everything belongs to God and is from God. Therefore, it is, for His people as a whole, not for particular individual. When an individual has more than his proportionate portion, he becomes trustee of that portion for God's people."[413] Since Gandhi never believed in mechanical equality, he saw trusteeship as that dynamic which balances the natural asymmetries between individuals and communities of differing capacities and circumstances.

Gandhi's vision of trusteeship doctrine was that it should be pursued purely on voluntary basis without any compulsion as it is the same with CSR today. In the present day context it is win-win situation for all stakeholders particularly when each regards that his own interest is best served by safeguarding the interest of the other. Gandhi wrote:

> The trusteeship theory is not unilateral, and does not in the least imply superiority of the trustee. It is a perfectly mutual affair, and each believes that his own interest is best safeguarded by safeguarding the interest of the other.[414]

Almost similar idea was propagated by his contemporary — Bal Gangahar Tilak — *lokasamgraha* (public good) to promote goodness which certainly will uphold the individual, family in all its organizational and social fabric to achieve that public good.

In short, we witness clear roots of CSR in the ideologies such as *Sarvodaya* and Trusteeship of Mahatma Gandhi. Gandhi considered the epitome of life is nothing but "the freedom from all attachment is the realization of God as Truth."[415] Thus the Gandhian thoughts turn the light to the welfare of all, which is the focal point of CSR itself in the 21st century. Perhaps, Gandhi's address at YMCA, Madras will invoke strong

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[412] Anil Dutta Mishra, *Gandhism After Gandh*i, (Mittal Publications, New Delhi, 1999), 94.
[413] *Harijan*, 2.1.1937, 375, Quoted in Anil Dutta Mishra, *Gandhism After Gandh*i, (Mittal Publications, New Delhi, 1999), 94.
[414] *Harijan*, June 25, 1938.
[415] "Gandhi Quotes" <http://www.nuvs.com/ashram/quotes/index.html>, Retrieved on 30-09-2011.

CSR drives as it penetrates straight into each of our hearts, "You and I have no right to anything that we really have until these... millions are clothed and fed better."[416]

4.1.4 Amartya Sen's Contribution to CSR

Amartya Sen, the only Indian 'economist' to win the Nobel prize (1987), received this award for his 'contributions to the economics of welfare.'[417] Welfare economics is closely related to social choice, distribution of goods, services, benefits and poverty.[418]

Sen's poverty definition is part of his theory of justice which he establishes in his work *Development as freedom* (1999). Sen considers the substantial individual freedoms, which he also denominates as basic rights or possibilities of freedom, an immaterial valuation standard. Freedom means for him "the individual capability of a person to do things that a person has reason to value."[419] Poverty is then to be understood as a consequence of the structural problem of underdevelopment. In his approach, development and poverty reduction are possible only through the elimination of bondages, which are at the same time always evidence of a deprivation of capabilities. His responsibility concept is an 'associated one' — everyone who can take the responsibility for his life should do so. When people are not able to take responsibility, due to disability, poverty or other reasons, the responsibility goes to the next possible entity, which can be the family, nonprofit organizations, the state or others. This responsibility concept can be taken as statement of grounds for collective responsibility on a micro-level of companies and nonprofit organizations taking responsibility in form of a partnership.

Amartya Sen made several key contributions to the research on fundamental problems in welfare economics. Amartya Sen's capabilities approach and in particular, his work on well-being and quality of life in order to ground CSR action in sustainable improvement and enhancement of life. Defining capabilities approach to CSR as one focused on how organizations engage in socially responsible activities that increase well-being and

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[416] Address to Student, Y.M.C.A. Auditorium, Madras, 1916.
[417] K.M. Naidu, in Ajit Kumar Sinha, Raj Kumar Sen (Eds.), *Economics of Amartya Sen*, (Deep & Deep Publications Pvt.Ltd, New Delhi, 2009), 123.
[418] Ibid.
[419] Sen, *Development as Freedom*, 56.

quality of life, specifically through enabling individual and community capabilities. The well-being of the individuals is very well a function of the development of capabilities.[420] The capability approach is an evaluative framework for individual welfare. It sees human life as a set of 'doings and beings' — we may call them *functionings* — and it relates the evaluation of the quality of life to the assessment of the capability to function.[421] The roots of the approach go back at least to Adam Smith and Karl Marx, and indeed to Aristotle. It assesses people's welfare in terms of their *functionings* and *capabilities*, which are defined as an individual's actual and potential activities and states of being respectively.[422] Among the classical political economists, both Adam Smith and Karl Marx explicitly discussed the importance of *functionings* and the capability to function as determinants of well-being. Capability is a derived notion and reflects the various *functionings* he or she can potentially achieve, and involves the person's freedom to choose between different ways of living.[423] Sen argues that an individual's welfare should not be measured in terms of his/her income, but in terms of what he/she can actually or be, his/her capabilities. Because, he observes that freedom is a means to achievement.[424] Thus, Sen would say the impact of CSR activity can be assessed by the extent to which it enables individuals and communities to accumulate and readily use social responsibility to lead a healthier and happy life in the society.

Social embeddedness is thus crucial to the issue of sustainable development is advocated by Amartya Sen can be considered as his contribution to CSR. Because he observed, insistence on completeness of judgments of justice over every possible choice is an enemy of practical social action, while the overuse of the concept of justice reduces the force of the idea.[425]

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[420] Ibid., 31.
[421] Amartya Sen, *Development as Capability of Expansion* in James DeFilippis, Susan Saegert (Eds.), *Community Development*, (Routledge, New York, 2012), 320.
[422] Wiebke Kuklys, *Amartya Sen's Capability Approach: Theoretical Insights and Empirical Applications*, (Springer, Berlin, 2005), 9.
[423] Ibid.
[424] James DeFilippis, Susan Saegert (Eds.), *Community Development*, 324.
[425] Amartya Sen, *Development as Freedom*, 253.

4.2 Selected Western Philosophers Who Influenced the CSR Roots

Though there are en number of philosophers whose influence have enormously contributed and strengthened the CSR concept or philosophy, in this section, I shall be selective and hitting the bulls-eye with a few key personalities.

4.2.1 Socrates (469 BC – 399 BC)

Socrates, son of the stonemason Sophroniscus and of the midwife Phaenarete, was born at Athens.[426] He was a classical Greek Athenian philosopher. Credited as one of the founders of Western philosophy, he is an enigmatic figure known chiefly through the accounts of later classical writers, especially the writings of his students Plato and Xenophon, and the plays of his contemporary Aristophanes. Many would claim that Plato's dialogues are the most comprehensive accounts of Socrates to survive from antiquity.[427] He considered himself the 'gadfly of Athens,' — a gadfly that woke people up and forced them to think independently.[428]

Early Greek culture has had a profound influence on today's business activity and especially social responsiveness.[429] Greek economic, philosophical, religious, legal, business, social, and other problem areas and proposed solutions are found in their legal codes and in their religious and philosophic writings. The Socratic philosophers and military are the chief sources of the economic, business, and social thought of the day; their writings are intertwined with philosophy, ethics and politics.[430]

As per the account of Xenophon, Socrates gave himself wholly to moral Philosophy, and as the Roman Orator says, "was the first who brought her down from Heaven to the Relief of Mankind."[431] He asserted that people will naturally do what is good provided that they know what is right, and that evil or bad actions are purely the result of

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[426] Xenophon, Sir Edward Byssh (trans.), *The Memorable Things of Socrates*,(George Faulkner, in Essex-street, 1747), 1.
[427] Sarah Kofman, *Socrates: Fictions of a Philosopher* (The Athlone Press, London, 1998), 12.
[428] Sharda Shirley Nandram, Margot Esther Borden (Eds.), *Spirituality and Business: Exploring Possibilities for a New Management Paradigm,* (Springer, New York, 2009), 80.
[429] Jerry W. Anderson, *Corporate Social Responsibility: Guidelines for Top Management*, (Quorum Books, New York, 1989), 33.
[430] Ibid., 33.
[431] Xenophon, Sir Edward Byssh (trans.), *The Memorable Things of Socrates*, 4.

ignorance: "There is only one good, knowledge, and one evil, ignorance."[432] He equated knowledge and wisdom with self-awareness (meaning to be aware of every fact relevant to a person's existence) and virtue and happiness. So, in essence, he considered self-knowledge and self-awareness to be the essential good, because the truly wise (i.e. self-aware) person will know what is right, do what is good, and therefore be happy. Thus, successful implementation of CSR needs self-aware individuals who would discharge the duties responsibly for the welfare of all. According to Aristotle, "Nature does nothing in vain,"[433] so it is only when a person acts in accordance with their nature and thereby realizes their full potential, that they will do good and therefore be content in life.

Socrates' articulation of the idea that happiness, welfare or *eudaimonia*, is the ultimate goal of human life.[434] According to this view, *eudaimonia* — by reference to which the notion of a good life is explicated — is the last reason in the chain of reasons we could give for our actions. There are no further reasons for wanting to be happy or lead a good life beyond the desirability of happiness or a good life. For Socrates the most important question is: how should one live one's life? Final goal of all action and choices are happiness or welfare and the human good. Thus what is good or happy life? Socrates insists that to live one's life well or in the right way is even more important than living at all. In other words, the highest values should be attached, not to living, but to living well.[435]

Through the portrayal in Plato's dialogues, Socrates has become renowned for his contribution to the field of ethics, and it is this Platonic Socrates who also lends his name to the concepts of Socratic irony and the Socratic method, or elenchus.[436] Later on, Aristotle, the best known student of Plato propagated the ideals which as the legacy from Socrates to the people of the time. The scope of Plato's and Aristotle's writings was wide and represented the general thinking and beliefs of Greek philosophers of that time; they delved into the economic and social system in its parts, how it should work, and how it

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[432] Michael Anthony Corey, *Evolution and the Problem of Natural Evil*, (Rowman and Littlefield, Maryland, 2000), 223.
[433] Étienne Gilson, *From Aristotle to Darwin and Back Again*, (Ignatius Press, San Francisco, 2009), 114.
[434] Oskari Kuusela, *Key Terms in Ethics,* (Continuum International Publishing Group, London, 2011), 135.
[435] Ibid.
[436] "Socrates" <http://en.wikipedia.org/wiki/Socrates#cite_note-1>, Retrieved on 28-10-2011.

should be used to achieve the desired goals and objectives.[437] Thus, the moral foundation that Socrates laid became impetus for Plato, Aristotle, Aquinas, Kant, Levinas, Buber and many more and now even for CSR.

In this research, Socratic ethics plays a vital role as he emphasizes on well-being and happiness of the community and fair trade practices that would assure the equilibrium in the society.

4.2.2 Jesus Christ (7–2 BC/BCE to 30–36 AD/CE)

Jesus of Nazareth, also referred to as Jesus Christ or simply Christ, is the central figure of Christianity and is also regarded as an important prophet of God in Islam.[438] Christians believe that he is son of God marked by his virgin birth, crucifixion and resurrection which exalts him as savior of the world. The central theme of his teachings was "love your neighbor as yourself."[439] It clearly indicates that if you have two shirts give one to someone who does not have one. This is deeply rooted source of CSR that we see in the depth of Christianity in Christ's teachings. It is the sensitivity to see something and do something about it.

Accounts from the Bible describe that Jesus' passion and attitude to serve the people from his childhood. The miracles he performed portray his empathy for the people who are in distress and suffering. The first miracle of 'Wedding at Cana'[440] shows his concern for the people in distress and his willingness to help them. Jesus said, "the Son of Man came not to be served but to serve others and to give his life as a ransom for many."[441] The attitude of serving the humanity is amplified in these verses. It also entails responsibility for the life of others. Every miracle performed or all the parables Jesus used indicate the importance of being useful to the other and helping the other to find happiness in life thereby bringing the heaven on earth.

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[437] Jerry W. Anderson, *Corporate Social Responsibility: Guidelines for top management*, 33.
[438] "Jesus" <http://en.wikipedia.org/wiki/Jesus>, Retrieved on 14-10-2011.
[439] Luke 10:28.
[440] John 2:1-11.
[441] Matthew 20:28.

Jesus said to his disciples, "Go into all the world and preach the good news to all creation."[442] St. Mark records this call of Jesus to his disciples as the Great Commission. This was not just to go and expand the multi-national company of Christianity. Instead, this was the responsibility of every Christian to remain faithful to the great concept of "Love your neighbor as yourself." This simply hints to the rock bottom that people of the society who are suffering and needy should be attended as one's own responsibility. That is loving neighbor as yourself. There is no difference or discrepancy when the other is treated with human dignity. That is the CSR Christ has implanted in humanity at the cellular level in each of us. But due to certain materialistic tendencies we fall into the trap of greed, jealously, selfishness and ego. And that makes those persons to hold love to themselves. When love is with held to oneself, giving or sharing stops. That will result in hoarding of money, elimination of middle class in the society, possessiveness to the core etc… Thus the role of love is very crucial in the teachings of Jesus. In other words, teachings of Jesus Christ is a forerunner of the vast practiced empathetic compassionate approach and even branding Christianity as the compassionate religion.

Jesus' Sermon on the Mount[443] enumerates a dynamic relational process in which people, under the influence of the Holy Spirit, partner to achieve a common goal — it is serving others by leading and leading others by serving.[444] It is a piece of advice given in love, giving hope to the human beings who are in misery and suffering. Thus, hope becomes another thrust that inspires the down-trodden and at the same time hope becomes the goal of the rich human beings to engage in CSR. I do think that the Christian values are trying to make a change in the mindset of the stubborn individuals reminding them about the responsibility that they have towards themselves and the society. As Jesus says, "it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God."[445] Good works will not get us into heaven, but once our relationship with God is made right, good works become central to our life's purpose.[446]

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[442] Mark 16:15.
[443] Matthew 5:1-12.
[444] D.Bomstein. *How to change the world: Social entrepreneurs and the power of new ideas*, (Oxford University Press, New York, 2003), 142.
[445] Matthew 19:24.
[446] "Business & Professional Ethics Journal, Vol.23, No.4, 2004"

In Matthean version of 'The Sermon on the Mount,' for instance, contains four beatitudes which deal with giving comfort and hope to the oppressed, and four others which give encouragement and blessing to those who help the cause of the oppressed. The truth is that Jesus triggered a hope for social and political renewal, for achieving God's purposes and standards of justice, which was far more radical in its dimensions than any of the movements of His time. Hope is rooted in a response to the good news of the kingdom of God, and involves, today as then, a total transformation of the way life is defined. As hope is the major thrust of Christianity, corporations and individuals can implant hope through being responsible for the other. Jesus said, "…whatever you did for one of the least of these brothers of mine, you did for me."[447] Specifically, the Bible says that we were created for good works, that we should use our resources, opportunities, and even our positions of authority in ways that benefit others.[448] Thus, Jesus' teachings are aimed at reign of God which equates equality, brotherhood, unity, happiness, peace based on a single power packed capsule — love.

Today as part of that call we need to address the needs of some of the poorest people of this world who are already suffering the most from the degradation of the planet. We must also act as wise and obedient stewards and bring good news to all of creation and the natural environment.[449] This will involve a radical re-evaluation of our lifestyles and our use of resources, as well as, the reversal of injustices generated by greed, selfishness, self-interest and the constant drive for economic growth and material wealth.

Social Responsibility is an integral part of the Christian understanding of God's love for the whole world. Engaging in the world and relating with the world through CSR, corporations and individuals respond to the teachings of Jesus in the modern times and strive for the betterment of the world. Thus, this social responsibility enables us to explore, explain and demonstrate how God's love may be understood in the challenges that face humanity at a personal and corporate level. It all entails how the philosophy or

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<http://secure.pdcnet.org/8525737F0058014C/file/0DA5D77BAE80AD0F8525742100619F00/$FILE/bpej_2004_0023_0004_0173_0185.pdf>, Retrieved on 21-10-2011.

[447] Matthew 25:40.

[448] Proverbs 3:27, Galatians 6: 10, Ephesians 2: 10 and 5:16, Colossians 4:5, and Titus 2:14.

[449] P. C. Brinckerhoff, *Social entrepreneurship: The art of mission-based venture development*, (John Wiley & Sons, New York, 2000), 161.

values of Jesus Christ gave a deep rooted foundation to the neo-corporations and selfish material beings to share their resources in modern days through the concept of CSR.

4.2.3 Jeremy Bentham (1748 –1832) and John Stuart Mill (1806-1873)

The concept of liberalism enabled individuals to pursue independently his or her own ends. There is however a problem with allowing every individual the complete freedom to follow his/her own ends to maximize his/her own welfare. Because, individual welfare can only be attained at the expense of other individuals.[450] There came up a need for societal regulation which would bridle the individuals to pursue societal ends. Thus Utilitarianism was developed as an extension of liberalism. Bentham and Mill defined the optimal position for the society as being the greatest good of the greatest number.[451] According to utilitarianism, an action is right if it leads to the greatest possible balance of good consequences for all. 'Good' is a relative term and has been weighed with units of measurement derived from standards such as Bentham's pleasure principle, and Mill's happiness principle.[452]

4.2.3.1 Jeremy Bentham

Bentham was an English author, jurist, philosopher, and legal and social reformer. He became a leading theorist in Anglo-American philosophy of law, and a political radical whose ideas influenced the development of welfarism. He is best known for his advocacy of utilitarianism.[453] Bentham was born in Houndsditch, London, into a wealthy family that supported the Tory party. He was reportedly a child prodigy: he was found as a toddler sitting at his father's desk reading a multi-volume history of England, and he began to study Latin at the age of three.[454]

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[450] Güler Aras, David Crowther (Eds.), *Global Perspectives on Corporate Governance and CSR,* (Gower Publishing, Ltd., Surrey, 2009), 316.
[451] Ibid., 317.
[452] James E. Crimmins, *Utilitarian Philosophy and Politics*, (Continuum International Publishing Group, London, 2011), 59.
[453] "Jeremy Bentham," <http://en.wikipedia.org/wiki/Jeremy_Bentham#cite_note-0>, Retrieved on 5-11-2011.
[454] "Jeremy Bentham, University College London" <http://web.archive.org/web/20070101105009/http://www.ucl.ac.uk/Bentham-Project/info/jb.htm>, Retrieved on 5-11-2011.

He outlined his theory in 1789 in his writings of the *Introduction to the Principles of Morals and Legislation*. Bentham began with the simple premise that people are motivated by two strong, primary desires:

1. To achieve pleasure
2. To avoid pain

Bentham believed that if society could measure pleasure and pain, then laws could be created that would result in the greatest amount of happiness for the greatest number of individuals. Bentham admits that there is no direct proof of an analysis of human motivation — though he holds that it is clear that, through their actions, all people implicitly refer to it. At the beginning of the Introduction to the Principles of Morals and Legislation, Bentham writes:

> Nature has placed mankind under the governance of two sovereign masters, *pain and pleasure*. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne. They govern us, in all we do, in all we say, in all we think: every effort we can make to throw off our subjection, will serve but to demonstrate and confirm it.[455]

Bentham developed his ethical system around the idea of pleasure. He built it on ancient hedonism which pursued physical pleasure and avoided physical pain. According to Bentham, the most moral acts are those which maximize pleasure and minimize pain. This has sometimes been called the 'utilitarian calculus.' An act would be moral if it brings the greatest amount of pleasure and the least amount of pain.

Bentham believed that pain and pleasure not only explain our actions but also help us define what is good and moral. He believed that this foundation could provide a basis for social, legal, and moral reform in society. Thus, paving way to CSR as it calls for social responsibility to alleviate pain of the greatest number and bring out happiness of the greatest number. He referred to this as the principle of utility. Bentham defines it as:

> …the principle which approves or disapproves of every action whatsoever, according to the tendency which it appears to have to augment or diminish the happiness of the party whose interest is in question: or, what is the same thing in other words, to promote or to oppose that happiness. I say of

[455] Jeremy Bentham, *An Introduction to the Principles of Morals and Legislation*, (Forgotten Books, London, 1961), 1.

> every action whatsoever; and therefore not only of every action of a private individual, but of every measure of government.[456]

Today, as far as CSR and its scope are concerned, they are not only for the individuals and governments but corporate also. It is their collective duty to augment the well-being and constantly work for the betterment of the society.

4.2.3.2 John Stuart Mill

J. S. Mill was a British philosopher, political economist and civil servant. He was an influential contributor to social theory, political theory, and political economy. He has been called "the most influential English-speaking philosopher of the nineteenth century."[457] Mill's conception of liberty justified the freedom of the individual in opposition to unlimited state control. He was a proponent of utilitarianism, an ethical theory developed by Jeremy Bentham.

John Stuart Mill was born in Pentonville, then a suburb of London. He was the eldest son of James Mill, a Scotsman who had come to London and become a leading figure in the group of philosophical radicals which aimed to further the utilitarian philosophy of Jeremy Bentham.[458]

Jeremy Bentham is considered as the founding figure of utilitarianism though Mill made substantial contributions to the concept. Utilitarianism is the belief that the sole standard of morality is determined by its usefulness. Utilitarianism gets its name from Bentham's test question, "What is the use of it?" He conceived of the idea when he ran across the words "the greatest happiness of the greatest number" in Joseph Priestly's Treatise of Government.[459]

Mill modified the philosophy and developed it, apart from Bentham's hedonistic foundation. Mill used the same utilitarian calculus but instead focused on maximizing the general happiness by calculating the greatest good for the greatest number. Mill argued that, although happiness is produced by both intellectual and sensual pleasures, our sense

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[456] Ibid.

[457] "John Stuart Mill (Stanford Encyclopedia of Philosophy)" <http://plato.stanford.edu/entries/mill/> Retrieved on 6-11-2011.

[458] Ibid.

[459] Ibid., "Jeremy Bentham, University College London."

of human dignity would have us choose intellectual pleasures over sensual ones.[460] While Bentham used the calculus in a quantitative sense, Mill used this calculus in a qualitative sense. He believed, for example, that some pleasures were of higher quality than others. Mill argued that actions are right if they tend to increase happiness, and wrong if they tend to decrease happiness.[461] According to Mill,

> …our motivations to follow the utilitarian standard morality come from two different sources. First, we have external motivations to promote general happiness, these external motivations are driven by our concern to please God and to please other persons. More importantly, though, is an internal motivation to promote general happiness that arises from within each person. This internal motivation is driven by an internal sense of duty.[462]

However, Mill considers that the principle that guides all these various subjective internal motivations is the principle of promoting general happiness for the greatest number of people. Mill also placed emphasis on personal liberty and the individual conscience rather than on the mechanical calculation of pleasures and the social and legislative sanctions favored by Bentham. In other words, Mill directly tells the world, "let us not hide our intrinsic nature of being responsible for the other by covering it with such evils like selfishness, greed, self-interest" etc. I think, there can't be better roots than these as it considers the entire society's happiness. Mill's concept of 'sense of duty' instills a sense of responsibility or social awareness (CSR) in both individuals and corporate. So the base of morality is based on the qualitative aspect which even takes care of the quantitative side of the society or the greatest number. Thus, utilitarian concepts provide philosophical foundations at grass-roots level of enlightenment to work within communities, effecting change, and helping people improve the quality of their everyday lives to bring about greatest happiness of the greatest number.

4.2.4 **Abraham Maslow** (1908–1970)

Abraham Maslow was an American professor of psychology at Brandeis University, Brooklyn College, New School for Social Research and Columbia University who

[460] F. Clark Power (Ed.), *Moral Education*, (Praeger Publishers, Westport, 2008), 451.
[461] Ibid., 452.
[462] Ibid.

created Maslow's hierarchy of needs.[463] Born and raised in Brooklyn, New York, Maslow was the oldest of eight children. His parents were first generation Jewish immigrants from Russia who were not intellectually oriented but valued education. Maslow's parents immigrated to the U.S. in the beginning of the 1900s in order to flee from Czarist persecution, similar to many European coreligionists and to have a more prosperous life financially.[464]

Maslow and other optimistic youngsters at the time with his background were in the struggle to overcome such acts of racism and ethnic prejudice in the attempt to establish an idealistic world based on widespread education and monetary justice.[465] The tension outside of his home was also felt within it, he rarely got along with his mother, and eventually developed a strong revulsion to her. He found it hard to accept the nature of his mother and her ethical values on which her world view operated. Maslow himself quotes:

> What I had reacted to was not only her physical appearance, but also her values and world view, her stinginess, her total selfishness, her lack of love for anyone else in the world — even her own husband and children — her narcissism, her Negro prejudice, her exploitation of everyone, her assumption that anyone was wrong who disagreed with her, her lack of friends, her sloppiness and dirtiness...[466]

One historical figure Maslow found to be helpful in his journey to understanding self-actualization was Lao Tzu, the father of Taoism. A tenet of Taoism is that people do not obtain personal meaning or pleasure by seeking material possessions.[467]

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[463] "Dr. Abraham Maslow, Founder Of Humanistic Psychology, Dies" *New York Times,* June 10, 1970. <http://select.nytimes.com/gst/abstract.html?res=F40910FD3955127B93C2A8178DD85F448785F9>, Retrieved 29-10-2011.

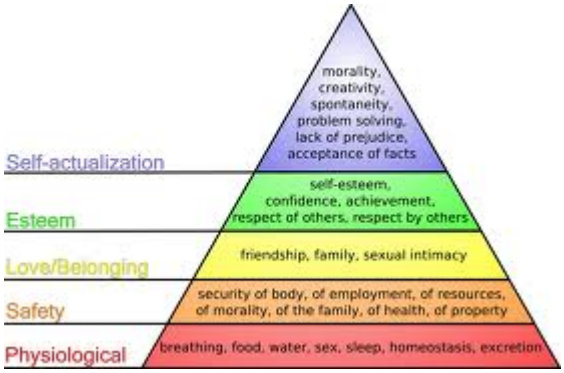
[464] "Abraham Maslow," <http://en.wikipedia.org/wiki/Abraham_Maslow#cite_note-3>, Retrieved on 29-10-2011.

[465] Ibid.

[466], Edward Hoffman, *The Right to be Human: A Biography of Abraham Maslow*, (St. Martin's Press, New York,1988), 9.

[467] Ibid., "Abraham Maslow, Wikipedia."

The psychologist contented that humans have a number of needs that are instinctive. Maslow posited a hierarchy of human needs which is based on the two groupings: deficiency needs and growth needs. All the needs are instinctive, some are more powerful than others. Following Maslow (1954), the lower the need in the pyramid is, the more powerful it is. And the higher the need is in the pyramid, the weaker it appears to be. Having a look on the deficiency needs, each lower need must be met before an individual can move to the next higher level. Once each of these needs has been satisfied, if at some future time a deficiency is detected, the person will act to remove the deficiency. The deficiency needs, or basic needs, are similar to those possessed by non-human animals, and the difference is that only humans possess the higher needs.[468]



Thus, when we look from the purview of CSR we can very well understand that Maslow's hierarchy is a hierarchy of conscious business which calls for conscious capitalism. Maslow's pyramid outlines to the lucrative capitalistic world how to 'transcend' from basic needs all the way up to the elusive-sounding 'self-actualization.' Maslow talks about the importance of the far or long term goals and values of an enterprise and how the continued health and profitability of an organization, over the long run, is dependent on utopian, ethical and moral goals. And for him one of the ways is to achieve this goal, the management challenge would be "how to set up the social conditions so that the goals of the individual merge with the goals of the company."[469] Maslow's pyramid clearly points in differentiating that only self-realized business men can actively think and take care of the lower needs of individuals who are less privileged in the society. It demands a high degree of pragmatism, responsibility and enlightened self-interest if it is to become a reality. As I researched more into the concept I came

[468] Katharina Ruschak, *Corporate Social Responsibility: Corporate Social Responsibility and the theories it generates from*, (Diploma Thesis), (GRIN Verlag, Santa Cruz, CA, 2012), 48.
[469] Cited in Charles G. Koch, *The Science of Success*, (John Wiley & Sons, New Jersey, 2007), 135.

across a sketch of the conscious capitalism framework which is borrowed from the late psychologist Abraham Maslow and his well-known hierarchy of needs. It sounds to be apt parallel. Relevance of CSR and how it can impact the world order of 21st century would illuminate its depths as the sketch vividly establishes the growing need for the same.

Wouldn't it be great to have a similar, clear hierarchy and pyramid for the evolution of business and capitalism? Maddock Douglas' "Pyramid of Conscious Capitalism" outlining the hierarchy from society/environment, beyond profit, towards purpose — from survive to succeed to transform:[470]

'Hierarchical needs' pyramid acted as a ladder to further thinking on the need for keeping the equilibrium of the society. Like the parallel pyramid above began witnessing outflow of thinking across the world. Dr. James A. Kenny and his theory of "Beyond Self-actualization" continue beyond that of Maslow. Dr. James A. Kenny thinks that there is: "I see self-actualization as a step on the way to love and truism... The self is never something that finally is... The self can never be static. We are always developing, seeking, growing, reaching inward and outward."[471]



Throughout much of his life, Maslow argued for a new philosophy of humanity to help recognize and develop the human capacity for compassion, creativity, ethics, love, spirituality, and other uniquely human traits. Abraham Maslow organized human needs into a hierarchy, ranging from those essential needs, which must be met at the bottom, to those that are vital for personal

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[470] "Conscious Capitalism" <http://community.maddockdouglas.com/article/14871/Why-Conscious-Capitalism-Will-Be-The-Framework-For-Your-Next-Decade-Of-Innovation/>, Retrieved on 29-10-2011.

[471] Jerry W. Anderson, *Corporate Social Responsibility: Guidelines for Top Management*, (Greenwood publishing Inc., Connecticut, 1989), 94.

growth and motivation at the very tip. Today with all its whims and fancies when someone asks the question: "What CSR is really trying to contribute to the society?" I think Maslow's theory has a prominent role to enlighten the CSR initiative around. Thus, as a CSR researcher, I can never ignore the contributions of Abraham Maslow for giving solid roots to the concept of CSR and its impact on the society through drawing an outline of the importance of the lower needs of the pyramid as well as making the individual responsibility as enlightened self-interest for the welfare of the society. Following Maslow's (1964) theory, undertaking CSR for instrumental motivations addresses basic needs, while CSR for normative and hedonic reasons contributes to satisfy recognition and self-realization needs respectively.

Beyond the routine of needs fulfillment, Maslow envisioned moments of extraordinary experience, known as Peak experiences, which are profound moments of love, understanding, happiness, or rapture, during which a person feels more whole, alive, self-sufficient and yet a part of the world, more aware of truth, justice, harmony, goodness, and so on.[472] This is where certainly we can say that the CSR in such individuals' springs up and becomes conscious of the man, world and nature. Thus, I take such values as trigger making corporate to engage in CSR as they have transcended the lower individual needs. So at this stage corporate do realize the need of involving their share for making a better and happy society thereby maintaining the equilibrium of the nature. In Maslow's view, long term corporate success requires moral and ethical goals-alignment between individual goals, societal goals and organizational goals, and a focus on societal wellbeing.

Conclusion

Both Eastern and Western philosophical emphasize is to have respect for people, creation of new value, contribution to society and thereby eliminating such evils like greed, selfishness, self-interest etc. In other words, Philosophers in the East and West have developed various concepts achieve the aim of committed to people, for a committed future to establish a developed society of responsible individual who lives in happiness

[472] Ibid., "Abraham Maslow."

and prosperity. The endeavor to serve the needs of all people, especially caring for man, nature, and universe, by implementing forward-looking individual and corporate strategies while carrying out responsible and responsive business activities and life. As good and responsible individuals, all actively contribute to further the goals of society. Thus philosophical concepts constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment while ensuring the progress and happiness of every human being. Universal responsibility is one of the signature themes of Dalai Lama's speeches.

> I am convinced that it is essential that we cultivate a sense of what I call universal responsibility... When I say that on the basis of concern for others' well-being we can, and should, develop a sense of universal responsibility... what is entailed is... a reorientation of our heart and mind away from self and towards others. To develop a sense of universal responsibility — of the universal dimension of our every act and of the equal rights of all others to happiness and not to suffer — is to develop an attitude of mind whereby, when we see an opportunity to benefit others, we will take it in preference to merely looking after our own narrow interests.[473]

However, the serious question now is that are we ready undertake the universal responsibility by contribute voluntarily for a better society and a better environment? Whatsoever may be the answer, the next chapter will deal with how important is CSR for the progress of the society.

[473] Dalai Lama, *Ethics for the New Millennium* (Riverhead Books, New York, 1999), 4-5.

Chapter 5

Philosophical Basis for CSR

Introduction

CSR is rooted in a strong philosophical foundation from West and East. The basic problem with individuals and corporate is that they lack the awareness of its philosophical basis, philosophical legitimacy and ethical responsibility. The lacuna created due ignorance and lack of awareness has prevented individuals and corporations to acknowledging and implementing CSR practices for the progress and welfare of the society which is the responsibility of every person and corporate.

CSR trails from the perennial philosophy of the great ancient and medieval thinkers according to whom human persons belong to communities naturally and there is no conflict between the individual and common goods. CSR is based upon modern philosophical systems characterized by individualism and the dichotomy between egoism and altruism. In order to successfully establish my research on CSR and its impact on the society and to prove the entire hypothesis as right, I will need to once again enlist some of the key philosophers.

We have already mentioned enough philosophical foundations that establish the legitimacy in the beginning of this research. However, to authenticate hypothesis successfully, we will have to make a probe into the thought of some of the philosophers such as Plato, Aristotle, Cicero, Aquinas, Smith, Kant and Mill from the West; Chanakya, Ashoka, and Great Indian epics Vedas and Bhagavad Gita argue that CSR does make an impact for the progress of the society. Let us not forget the fact that a good corporate is a virtuous community of persons, not as a collection of individual stakeholders brought together by a social contract. It also reminds us to transcend beyond a business culture and have concern for the progress of the society which is the responsibility of the every human being than mere profit-maximization. Thus, it makes recommendations to the practicing managers, their reasons for doing so, and the philosophical traditions in which they are rooted, are strikingly different or paradoxical.

CSR borrows from a wide variety of modern philosophers, it relies especially on the social contract tradition, which has roots in ancient thinkers, such as Protagoras, Xenophon, and Epicurus, and was developed more fully by modern-European philosophers, both British (e.g. Thomas Hobbes, John Locke, David Hume) and Continental (e.g. Spinoza, Jean-Jacques Rousseau, Kant).

Altruism or community is the pivotal concept within the perennial philosophy. It is natural for the human beings to belong to communities like other animals. One characteristic of a community is that there is no conflict between the good of the individual members and the good of the community as a whole. Therefore, to be ethical, to promote the common good, is good for oneself. Hobhouse states that common good is a good in which 'each man has a share' and that share, in turn, 'consists in realizing his capacities of feeling, of loving, of mental and physical energy, and in realizing these he plays his part in the social life.[474] Thus the philosophy of all time stresses on the importance of being altruistic.

However, individualism is the most unique features of modern moral and political philosophy, including social contractarianism. Human persons are naturally individualistic and artificially social. This topic will be dealt in details later in this study. In the words of economist Milton Friedman, writing under the influence of modern philosophy at its worst, "Society is a collection of individuals and of the various groups they voluntarily form."[475] This individualism results in what Henry Sidgwick has called the 'dualism of practical reason,'[476] the dichotomy between egoism (individualism) and altruism. When it is looked at the corporate level, the interest of the corporate is the aggregate of the conflicting self-interests of its individual members. Ethics is no longer about promoting one's own good by promoting the good of the community, but about promoting the interests of others instead of self-interest, or about striking some ethical balance between egoism (individualism) and altruism. To a larger extent, this can be true

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[474] Avital Simhony, D. Weinstein(Eds.), *The New Liberalism: Reconciling Liberty and Community,* (Cambridge University Press, Cambridge, 2001), 177.

[475] Milton Friedman, "*The Social Responsibility of Business Is to Increase Its Profits*", *New York Times Magazine*, 13 Sept., 1970.

[476] Henry Sidgwick, *The Methods of Ethics*, (Macmillan, London, 1907), xxi.

of most recent ethical philosophers, in spite of however sharp their disagreement at alternative points.

Perennial philosophy and contemporary philosophy has fundamental difference in nature which is certainly irreconcilable. Probably, the modern era would love to name it as generation gap. It is certain that a theory of the good corporate rooted in one tradition will differ drastically from a theory rooted in another. Therefore, it is important to strike a distinct balance between the perennial and contemporary philosophy. This scenario would bring about strong philosophical basis, philosophical legitimacy and moral values in encouraging individuals and corporate to engage in CSR for the progress of the society as a whole. So in this age of modernity as enlightened individuals we need to adopt and adapt suitable philosophical concepts that are required for our time which would help smooth deployment of the CSR for the progress of the society.[477]

5.1 Philosophical Basis for Altruism/Communitarianism

Generally, we have a tendency to perceive the business corporation, not as a group of people, but as a community of persons, as it is rooted within the perennial philosophy. "The purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavoring to satisfy their basic needs, and who form a particular group at the service of the whole of society."[478] Among the various pillars of the perennial philosophy, we shall consider just four of them such as Plato, Aristotle, Cicero, and Aquinas. They all agree that it is natural for human beings to belong to communities and promoting the common good is good for oneself. Thus, everyone needs to engage in activities that promote progress and welfare of the community/society. And it should not be limited with that instead it should look at the future too. "The social responsibility needs to extend beyond preset members of

[477] "Rival philosophical foundations of the good company" (Some part of the data used in this chapter is taken from the link below with the written permission from the author for the use of the larger community.)
<http://www.stthomas.edu/cathstudies/cst/conferences/thegoodcompany/finalpapers/lutz%20final%20paper.pdf>, Retrieved on 23-06-2012.

[478] John Paul II, Encyclical Letter *Centesimus Annus* (1 May 1991), 42.

society. Social responsibility also requires a responsibility towards the future and towards future members of the society."[479]

5.1.1 A Critical Analysis of Plato's Virtuous Community

In Plato's writings one of the most fundamental ethical and political concepts is justice. It is a complex and ambiguous concept. It may refer to individual virtue, the order of society, as well as individual rights in contrast to the claims of the general social order.[480] In Book I of the Republic, Socrates and his interlocutors discuss the meaning of justice. They debate whether it is good for oneself to be just. Thrasymachus argues that justice is disadvantageous and injustice advantageous:

> Justice and the just are in reality another's good; that is to say, the interest of the ruler and stronger, and the loss of the subject and servant; and injustice the opposite; for the unjust is lord over the truly simple and just: he is the stronger, and his subjects do what is for his interest, and minister to his happiness, which is very far from being their own.[481]

Thrasymachus thus agrees with most modern moral philosophers that ethics requires benefiting others at the expense of self-interest. Socrates (speaking for Plato) argues, to the contrary, that "to be just is always better than to be unjust."[482] Socrates reaffirms this conviction at his trial, after being unjustly sentenced to death: "Nothing can harm a good man, either in life or after death."[483]

Plato's greatest contribution in understanding the philosophy of the good corporate, is his account of the relationship between the virtuous person and the virtuous city-state. According to Friedman, "only people can have responsibilities;" because a corporation is an 'artificial person,' it can have, at most, 'artificial responsibilities.'[484] Corporations cannot be citizens because their value systems are highly constrained and unable to

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[479] David Crowther, Nicholas Capaldi (Eds.), *The Ashgate Research Companion to Corporate Social Responsibility*, (Ashgate Publishing Ltd., London, 2008), 23.
[480] W. Julian Korab-Karpowicz, *A History of Political Philosophy: From Thucydides to Locke*, (Global Scholarly Publications, New York, 2010), 31.
[481] Plato, *Republic*, trans. Benjamin Jowett, 343c.
[482] Plato, *Republic*, 357b.
[483] Plato, *Apology*, trans. Hugh Tredennick, 41d.
[484] Friedman, "*The Social Responsibility of Business Is to Increase Its Profits.*"

handle concepts of value beyond instrumentality.[485] Progress cannot happen with artificial responsibilities. It needs real support for flourishing and spreading the fragrance of prosperity and happiness to those in need. Thus only we as members of the society should take care of the needs of the less privileged or weaklings of the society because "We are not our own," says Calvin.[486]

Business ethicist Lynn Sharp Paine tells us that the idea of organizational ethics is a recent one:

> Ethics itself has historically been thought of as a purely personal or individual matter, rather than an organizational concern. Concepts like 'corporate values,' 'corporate ethics,' 'corporate responsibility' are all of relatively recent vintage, originating, as we have seen, in the needs of modern industrialized societies. For obvious reasons, these concepts are not to be found in classic writings on ethics.[487]

Plato proves that both Friedman and Paine are wrong and explains that not only individual persons, but also communities of persons, can be good. In Book *IV of The Republic*, Socrates shows us that the most important virtues — wisdom, fortitude, temperance, and justice — are to be found in both the good person and the good city. The wisdom of the city is found in the wisdom of its rulers, its fortitude in that of its soldiers.[488] As a man is temperate when the rational part of his soul is in control of the non-rational part,[489] so the city is temperate when the majority is controlled by the virtuous minority. Finally, the city is just, when each person contributes to the common good by performing the function for which he is naturally best suited. "Justice is wisdom in act,"[490] says Plato.

However, for the modern business corporations Plato's theory of the virtuous city-state cannot be applied without alterations. Moreover, it is significant that, while he recognizes the necessity of including craftsmen and merchants within the city, they are able to contribute to the virtue of the whole only by playing a subordinate role. Plato assumes

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[485] Colin Fisher, Alan Lovell, *Business Ethics and Values: Individual, Corporate and International Perspectives*, (Prentice Hall/Financial Times, New Jersey, 2009), 281.
[486] Cited in Erich Fromm, *Man for Himself*, (Routledge, London, 1999), 119.
[487] Lynn Sharp Paine, *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance* (McGraw-Hill, New York, 2003), pp. 144-45.
[488] George Henry Lewes, *The Biographical History of Philosophy: From Its Origin in Greece ..., Volume 1*, (D. Appleton and Company, New York, 1863), 238.
[489] Terence Irwin, *Plato's Ethics*, (Oxford University Press, New York, 1995), 228.
[490] Ibid.

that businessmen cannot be virtuous. Nevertheless, he provides a strong foundation for a theory of the virtuous corporate. He shows us that we are virtuous as members of communities, not as solitary individuals. So good of the community lies in the wisdom of the individuals as wisdom is justice in act.

It should be noted that social contract theory is found within Plato's Republic. It is attributed to the confused majority, however, not to Socrates:

> [The many] say that to do injustice is, by nature, good; to suffer injustice, evil; but that the evil is greater than the good. And so when men have both done and suffered injustice and have had experience of both, not being able to avoid the one and obtain the other, they think that they had better agree among themselves to have neither; hence there arise laws and mutual covenants; and that which is ordained by law is termed by them lawful and just.[491]

A belief that was once held by 'the many,' but recognized by the leading philosophers to be mistaken, has now become accepted by many contemporary philosophers. Socrates argues, to the contrary, that political communities originate from the fact that we are not individually self-sufficient: "A state, I said, arises, as I conceive, out of the needs of mankind; no one is self-sufficing, but all of us have many wants."[492] In short, we are haunted by wants and needs.

Human beings in the 'state of nature' are isolated individuals[493] according to social contract theories, In the words of John Locke, we are "by nature all free, equal, and independent."[494] As Jean-Jacques Rousseau puts it, "Men are not naturally enemies, for the simple reason that men living in their original state of independence do not have sufficiently constant relationships among themselves to bring about either a state of peace or a state of war."[495] Gabriel Marcel proposes a concrete philosophy which is determined by the 'bite of reality.' His philosophy anticipates the appeal of Joseph Cardinal Ratzinger (Pope Benedict XVI) and provides answers to the great questions of life

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[491] Plato, *Republic*, 358e-359a.
[492] Plato, *Republic*, 369b.
[493] George Henry Lewes, *The Origins of Political Order: From Prehuman Times to the French Revolution*, (Profile Books ltd, London, 2011), 117.
[494] John Locke, (1690), *An Essay Concerning the True Original, Extent, and End of Civil Government* (Second Treatise of Civil Government), London: Awnsham Churchill, Chapter 8.
[495] Jean-Jacques Rousseau, (1987), *On the Social Contract*, trans. Donald A. Cress Indianapolis and Cambridge: Hackett, Book I, Chapter 4.

through lived experience and participation which is in the society. What does it mean to be a human being? "To be a creature is to be related, to be co-present to others." To be a human being is to live in communion.[496] Ratzinger, further explains this communion can happen only through experience with others:

> The knower to whom being is present must become the lover by whom being is embraced, otherwise the knower maintains the sterile position of being an isolated, insularized ego. The fact is that the experience of being arises in participation; even more strictly, it is an experience of communion: *esse est co-esse*, to be is to-be-with. There can be no I, no knower except in so far as there is communion. A self segregated, sealed off from other selves, quite simply is not. The self surges into being within communion. To be a creature is to be related, to be co-present to others.[497]

Hobbes holds the view that Human society is not natural, but artificial.[498] As he believed it is for the self-preservation which Plato's theories refute. "The social order is a sacred right which serves as a foundation for all other rights. Nevertheless, this right does not come from nature. It is therefore founded upon convention."[499] Because life in the state of nature is precarious, it is in the interest of each individual to form the social contract. "Each of us places his person and all his power in common under the supreme direction of the general will; and as one we receive each member as an indivisible part of the whole."[500]

Nevertheless, there exists the possibility of conflicts of wills and of interests: "Each individual can, as a man, have a private will contrary to or different from the general will that he has, as a citizen. His private interest can speak to him in an entirely different manner than the common interest."[501]

Social contract theory and the perennial philosophy agree that it is better for humans to live with other humans than to live alone, but not for the same reasons. For social contract theories, one can pursue his self-interest more effectively if he/she agrees with others that all of them will place certain restrictions on their individual pursuit of self-

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[496] Vincent P. Miceli, *Women priests and other fantasies,* (Christopher Pub. House, Virginia, 1985), 315.
[497] Ibid., 314.
[498] Helen Thornton, *State Of Nature Or Eden?: Thomas Hobbes and His Contemporaries on the natural condition of Human Beings,* (Boydell & Brewer, New York, 2005), 147.
[499] Rousseau, *On the Social Contract*, Book I, Chapter 1.
[500] Ibid., Chapter 6.
[501] Ibid., Chapter 7.

interest. Ethics is external to each person and is concerned with reducing conflicts between different persons' pursuit of self-interest. For the mainstream of Western philosophy prior to the Enlightenment, however, to promote the good of the community and its other members is to promote one's own good. For social contract theorists, ethics is opposed to egoism or individualism: "The significance of egoism philosophically is not as an alternative conception of right but as a challenge to any such conception."[502] In contrast Plato belongs to a tradition where there is no conflict between the true good of persons and the true good of the communities. When social contract theory is applied to the modern corporations, we may find a collection of individuals without a common good:

> Organizational theorists have traditionally seen organizations not as social contracts but as social actors that have goals, pursue interests of their own, make decisions, follow policies, adapt, survive, die, and so on. In this view, organizations exist to achieve some common good or objective, and it seems logical to evaluate organizations on the basis of whether they attain their goals. The trouble is that organizational participants rarely agree on what these common goods or goals are.[503]

So to say, the fundamental difference between social contractarianism and the perennial philosophy is metaphysical. The former considers, we are human atoms, each with our own, unique self-interest. The task of ethics is to find a way for all of us, with our conflicting self-interests, to cooperate. The mistaken belief that game theory can teach us something about ethics is rooted in this individualistic understanding of the human person. However, the latter takes into account, despite undeniable differences of personality, we share a common human nature and naturally have a common good. Certainly, there can be disagreement regarding what that common good is. But there can be no conflict between one's true good and the true good of other members of one's community. Originality and uniqueness are not opposed to social nurture; they are saved by it from eccentricity and escape. The positive and constructive energy of individuals, as manifested in the remaking and redirection of social forces and conditions, is itself a

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[502] John Rawls*, A Theory of Justice Cambridge,* (The Belknap Press of Harvard University Press, Massachusetts, 1971), 136.

[503] Michael Keeley, "Continuing the Social Contract Tradition", *Business Ethics Quarterly*, Vol. 5, No. 2 (April 1995), 250.

social necessity.[504] Thus Plato's concept of virtuous community can strengthen the communal bond by being a virtuous person.

5.1.2 A Critical Analysis of Aristotle's Self-Love

Aristotle considers Self-love is the expression of one's own self. The virtuous person is characterized by a love of what is most himself. To be a true lover of self, Aristotle explains in the *Nicomachean Ethics.* So according to him to be ethical is not to act contrary to one's own good. To live a virtuous life is best, both for one's community and for oneself. The idea expressed in the Bible "Love thy neighbor as thyself!" implies that respect for one's own integrity and uniqueness, love for and understanding of one's own self, cannot be separated from respect for and love and understanding of another individual. The love for my own self is inseparably connected with the love for any other self.[505]

Aristotle argues that there are two ways of thinking about the relationship between loving oneself and living virtuously, one mistaken, the other correct. Most people mistakenly believe that self-love is opposed to the virtuous life. The error is that "those who use the term as one of reproach ascribe self-love to people who assign to themselves the greater share of wealth, honors, and bodily pleasures."[506]

The reason these human beings are vicious is that they neither love themselves nor they love themselves excessively. They don't overflow with love not even for themselves. Thereby end up seeking inferior or cheap forms of love for themselves. The virtuous man, Aristotle argues, is actually the one who loves himself best, because he seeks the highest goods for himself:

> It is true of the good man too that he does many acts for the sake of his friends and his country, and if necessary dies for them; for he will throw away both wealth and honors and in general the goods that are objects of competition, gaining for himself nobility; since he would prefer a short period of intense pleasure to a long one of mild enjoyment, a twelve-month of noble life to many years of humdrum existence, and one great

[504] Cited in John Watt, *Individualism and Educational Theory*, (Kulwer Academic Publishers, Dordrecht, 1989), 111.
[505] Erich Fromm, *Man for Himself*, 129.
[506] Aristotle, *Nicomachean Ethics*, trans. W. D. Ross, 1168b16-17.

> and noble action to many trivial ones. Now those who die for others doubtless attain this result; it is therefore a great prize that they choose for themselves. They will throw away wealth too on condition that their friends will gain more; for while a man's friend gains wealth he himself achieves nobility; he is therefore assigning the greater good to himself. The same too is true of honor and office; all these things he will sacrifice to his friend; for this is noble and laudable for himself... In this sense, then, as has been said, a man should be a lover of self; but in the sense in which most men are so, he ought not.[507]

Aristotle opens his *Politics* by asserting that we also act to attain something that we believe to be good: "Every state is a community of some kind, and every community is established with a view to achieve some good; for mankind always act in order to obtain that which they think good."[508] According to capitalistic view, a business is established with a view to profit or owner-wealth maximization. We should ask, however, whether that which capitalists think good, is in fact good?

Aristotle distinguishes two species of wealth-acquisition, one natural and one artificial.[509] The natural kind is limited and serves the good of the household: "There is one kind which by nature is a part of the management of a household, in so far as the art of household management must either find ready to hand, or itself provide, such things necessary to life, and useful for the community of the family or state, as can be stored."[510] The artificial kind of wealth-acquisition belongs to business and is unlimited:

> There is another variety of the art of acquisition which is commonly and rightly called an art of wealth-getting, and has in fact suggested the notion that riches and property have no limit. Being nearly connected with the preceding, it is often identified with it. But though they are not very different, neither are they the same. The kind already described is given by nature, the other is gained by experience and art.[511]

Aristotle does not envision the modern business corporation and does not ask whether a group of business persons could form a community. When we understand that it is natural for persons to work together in producing goods and services for the community, however, we can see that wealth-getting without limit is not the proper aim of the

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[507] Aristotle, *Nicomachean Ethics*, 1169a18-1169b2.
[508] Aristotle, Politics, trans. Benjamin Jowett, 1252a1-3.
[509] Samuel M. Natale, Mark B. Fenton(Eds.), *Business Education and Training: The developing professional,* (University Press of America, Maryland, 1997), 77.
[510] Aristotle, *Politics*, 1256b27-31.
[511] Aristotle, *Politics*, 1256b40-1257a4.

corporation. We should understand a firm's profit as a means to a greater good, not as an end in itself. In this CSR research the real question is how can it be an end in itself when the profit is made from the society itself?

5.1.3 A Critical Analysis of Cicero's Concept of Identifying One's Interests

Marcus Tullius Cicero in his most influential philosophical work, treatise *On Duties* (*De Officiis*) wrote that we are not born for ourselves alone. In his own words, "We are not born, we do not live for ourselves alone; our country, our friends, have a share in us."[512] *On Duties (De Officiis)* has been characterized as an attempt to define ideals of public behavior.[513] Although many contemporary scholars maintain that "the field of business ethics emerged during the 1970s,"[514] Cicero presented the following case study in 106 BC:

> Suppose that there is food-shortage and famine at Rhodes, and the price of corn is extremely high. An honest man has brought the Rhodians a large stock of corn from Alexandria. He is aware that a number of other traders are on their way from Alexandria — he has seen their ships making for Rhodes, with substantial cargoes of grain. Ought he to tell the Rhodians this? Or is he to say nothing and sell his stock at the best price he can get?[515]

Cicero then explains that two of his predecessors in the Stoic tradition disagreed concerning the solution:

> In cases of this kind that eminent and respected Stoic Diogenes of Babylon habitually takes one side, and his very clever pupil Antipater of Tarsus the other. Antipater says that all the facts must be revealed, and the purchaser must be as fully informed as the seller. According to Diogenes, on the other hand, the seller must declare the defects of his wares as far as the law of the land requires, but otherwise — provided he tells no untruths — he is entitled, as a seller of goods, to sell them as profitably as he can.[516]

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[512] Vicesimus Knox(Ed.), *Elegant extracts*, (Google Ebook, digitalized in 2006), Book.I, p.167.
[513] "De Officiis" <http://en.wikipedia.org/wiki/De_Officiis#cite_note-1> Retrieved on 23-06-2012.
[514] Bjørn Andersen, *Bringing Business Ethics to Life: Achieving Corporate Social Responsibility* (ASQ Quality Press, Milwaukee, 2004), p. 24. There is, in fact, a significant but neglected body of Catholic business ethics literature from the decades preceding the 1970s.
[515] Cicero, *De Officiis*, trans. Michael Grant, Book III, (Penguin Books, England, 1960), 6.73.
[516] Ibid., 6.76.

Cicero agrees with Antipater that "the corn-merchant ought not to have concealed the facts from the Rhodians."[517] His account of Antipater's argument shows that, like Plato and Aristotle, he understands that acting in the interest of the community does not require sacrificing self-interest, but instead requires identifying self-interest with the common good:

> You ought to work for your fellow-men and serve the interests of mankind. These are the conditions under which you were born, these are the principles which you are in duty bound to follow and obey – you must identify your interests with the interests of the community, and theirs with yours. How, then can you conceal from your fellow-men that abundant supplies and benefits are due to reach them shortly?[518]

The moment we are not able to identify our self-interest with the common good it becomes selfishness which in turn leads to egoism or individualism. It will erupt like volcanoes into every spear of the society causing anarchy and chaos hindering the welfare and well-being of the society. Erich Fromm describes nature so beautifully:

> The selfish person is interested only in himself, wants everything for himself, feels no pleasure in giving, but only in taking. The world outside is looked at only from the standpoint of what he can get out of it; he lacks interest in the needs of others, and respect for their dignity and integrity. He can see nothing but himself; he judges everyone and everything from its usefulness; he is basically unable to love.[519]

Thus, love becomes the yardstick for partaking in the common good as we identify our self-interest. I would even further say that one should have self-interest to be selfless in serving the common good. Perhaps the purpose of our life is, as Cicero says, not for us but for the entire universe. Thus, Cicero's provide clear philosophical basis and legitimacy not for CSR instead for the Universal Social Responsibility. Cicero could envision it a couple of thousand plus years ago. Sadly, we had to take so much time and energy to realize the gem of a thought. Better late than never!

[517] Ibid., 6.79.
[518] Ibid., 6.84.
[519] Erich Fromm, *Man for Himself*, 130.

5.1.4 A Critical Analysis of Thomas Aquinas on Common Good

Aquinas was a philosopher and theologian in the scholastic tradition. He was the foremost classical proponent of natural theology, and the father of Thomism.[520] His view on natural law is very relevant in this CSR research as I hold strongly similar standpoints. The Angelic Doctor follows Aristotle in distinguishing vicious and virtuous self-love:

> Those who love themselves are to be blamed, in so far as they love themselves as regards their sensitive nature, which they humor. This is not to love oneself truly according to one's rational nature, so as to desire for oneself the good things which pertain to the perfection of reason: and in this way chiefly it is through charity that a man loves himself.[521]

The scriptural command to love one's neighbor as oneself is interpreted or misinterpreted in various ways. Aquinas addresses it in answering the question whether, out of charity, man ought to love himself more than his neighbor:

> It is written "Thou shalt love thy neighbor as thyself." Whence it seems to follow that man's love for himself is the model of his love for another. But the model exceeds the copy. Therefore, out of charity, a man ought to love himself more than his neighbor.[522]

For Aquinas, then, the transition from a vicious life to a virtuous life does not require renouncing self-love, but rather converting false self-love into true self-love which similar thought in line with Aristotle. Shakespeare notes it by saying that though it is a sin, it is grounded in the heart. So who can just renounce self-love? So it has to be converted into true love for the other.

> Sin of self-love possesseth all mine eye,
> And all my soul, and all my every part;
> And for this sin there is no remedy,
> It is so grounded inward in my heart.[523]

Aquinas also provides a detailed account of prudence, right reason applied to action, as a virtue of the decision-maker. Although many modern moral philosophers oppose prudence and ethics, this would be impossible for Aquinas, because possession of

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[520] B. N. Mandal (ed), *Global Encyclopaedia of Islamic Mystics and Mysticism*, Volume 1, (Global Vision Publishing House, New Delhi, 2009), 37.
[521] Thomas Aquinas, *Summa Theologiae*, trans. Fathers of the English Dominican Province (London, 1911; Rev. Ed. 1920), II-II, q. 25, a. 4.
[522] Aquinas, *Summa Theologiae*, II-II, q. 26, a. 4.
[523] William Shakespeare, *Shakespeare Complete Works*, (A&C Black, Edinburgh, 2001), Revised Edition, Sonnet 62, 28.

prudence, the first cardinal virtue, is a necessary and sufficient condition for possessing the moral virtues. For both Aquinas and modern philosophers who have rejected the Catholic tradition, prudence is self-regarding. Because Aquinas does not separate the individual good from the common good, prudence is both self-regarding and other-regarding: "Prudence regards not only the private good of the individual, but also the common good of the multitude".[524]

Once the individual good and the common good are separated, however, prudence becomes egoistic and ethics altruistic:

> Moral theorists and society as a whole do distinguish between prudential reasons and moral reasons. 'Prudential' (from the word 'prudence') refers here to considerations of self-interest; 'moral' refers here to considerations of the interests of others and the demands of morality.[525]

Although Aquinas clearly understands prudence as a virtue of the decision-maker, concerning the question whether business persons can be prudent, he is somewhat ambivalent. In one passage, he implies that they cannot be prudent. He considers an objection to his position that military prudence is a species of the virtue of prudence:

> Just as military business is contained under political affairs, so too are many other matters, such as those of tradesmen, craftsmen, and so forth. But there are no species of *prudentia* corresponding to other affairs in the state. Neither therefore should any be assigned to military business.[526]

He meets this objection: "Other matters in the state are directed to the profit of individuals; but the business of soldiering is directed to the protection of the entire common good."[527] The implication is that no species of prudence pertains to businesspersons, because their activities are directed to the profit of individuals, not to the good of an entire body politic. In another passage, however, Aquinas argues that business persons can be truly, but imperfectly prudent. He writes that imperfect prudence,

> is indeed true prudence, because it devises fitting ways of obtaining a good end; and yet it is imperfect, from a twofold source. First, because the good which it takes for an end, is not the common end of all human life, but of some particular affair; thus when a man devises fitting ways of

[524] Aquinas, *Summa Theologiae*, II-II, q. 47, a. 10.
[525] William H. Shaw and Vincent Barry, *Moral Issues in Business*, 5th Ed. (Belmont, California: Wadsworth, 1992), p. 381.
[526] Aquinas, *Summa Theologiae*, II-II, q. 50, a. 4.
[527] Aquinas, *Summa Theologiae*, II-II, q. 50, a. 4.

> conducting business or of sailing a ship, he is called a prudent business-man, or a prudent sailor: — secondly, because he fails in the chief act of prudence, as when a man takes counsel aright, and forms a good judgment, even about things concerning life as a whole, but fails to make an effective command.[528]

Although empirical observation may lead one to conclude that all business persons are concerned only with enriching themselves, it is possible for business persons instead to intend to promote the common good. Therefore, commercial prudence is in fact a species of prudence, even if a few business persons actually possess it. Since the most distinctive feature of the profession of business management is decision-making in complex situations, where no set of rules can tell us which the right decision is. We should understand managerial professional competence and judgment in terms of the cardinal virtue of prudence. Since prudence is both self-regarding and other-regarding, the prudent business manager promotes both his own true good and the good of the other persons and communities affected by his decisions. Thus, corporations headed by human beings with prudence do not hesitate to see the good of the society in which they are part and thereby ensuring the smooth functioning of CSR for the progress of the society.

5.2 Philosophical basis for Individualism

The CSR movement is rooted in modern-western philosophy. Although there is enormous diversity within modern-western moral philosophy, most theories are distinguished from the perennial philosophical tradition of both east and west by their individualism and separation of ethics from self-interest. While Immanuel Kant and Mill are generally considered to represent opposite poles in ethical theory, they agree at this point.

Although CSR borrows from a wide range of modern philosophers, it does so especially from the social contract tradition. This is explicit in many advocates of CSR: "The point of applying social contract reasoning to business is to clarify the moral foundations of productive organizations, of which corporations happen to be one kind."[529] Or, as another promoter of CSR puts it:

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[528] Aquinas, *Summa Theologiae*, II-II, q. 47, a. 13.

[529] Thomas Donaldson, *The Ethics of International Business* (Oxford University Press, New York, 1989), 47.

> The contract between business and society has evolved from the traditional view (Friedman's minimalist view) — that economic growth was the source of all progress, social and economic — to one holding forth an organizational imperative to work for social as well as economic improvement (the stakeholder view). This latter, expanded meaning of corporate social responsibility included an implicit, informal social contract between the corporation and its employees.[530]

Stakeholderism is the most popular approach to CSR. "Investigating the many and varied views propounded around sustainability and CSR opened up the prospect of seeing that at its core is a practical benefit for all stakeholders."[531] Furthermore, a number of business ethicists explicitly merge stakeholderism and social contractarianism. "We believe that empirically a social contact does exist in the United States and most other developed countries that requires management to recognize certain sets of stakeholder interests."[532] Capitalism generally understands corporations as "legal fictions that serve as a nexus for a set of contracting relationships among individuals."[533] The contribution of stakeholder analysis is to increase the number of individual parties to the social contract. "The term 'stakeholder' generally refers to anyone directly or even indirectly affected by a company's operations."[534] Included among stakeholders are "not just stockholders but also customers, employees, and business partners; local communities; government; worldwide public opinion; NGOs; and activists who represent the natural environment."[535] Accompanying the individualism of CSR is the opposition of self-

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[530] Thomas A. Hemphill, "*Legislating Corporate Social Responsibility*", *Business Horizons*, March-April 1997.

[531] David E. Hawkins, *Corporate Social Responsibility: Balancing Tomorrow's Sustainability and Today's Profitability* (Houndmills, Basingstoke, England: Palgrave Macmillan, 2006), xi.

[532] Thomas W. Dunfee and Thomas Donaldson, "Contractarian Business Ethics: Current Status and Next Steps", *Business Ethics Quarterly*, Vol. 5, No. 2 (April 1995), 181.

[533] Michael C. Jensen and William H. Meckling, "Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure", revised version, in Economics and Social Institutions: *Insights from the Conferences on Analysis & Ideology*, (Ed.) Karl Brunner (Boston: Martinus Nijhoff, 1979), 171.

[534] Jeffrey Hollender and Stephen Fenichell, *What Matters Most: How a Small Group of Pioneers Is Teaching Social Responsibility to Big Business, and Why Big Business Is Listening* (New York: Basic Books, 2003), 54.

[535] Chris Laszlo, The Sustainable Company: How to Create Lasting Value through Social and Environmental Performance (Washington: Island Press, 2005), p. 6. It should be noted that some Catholic scholars see the possibility of reconciling CST and stakeholder theory. George E. Garvey sees the possibility of reconciling CST with both stakeholderism and shareholder-value maximisation, depending upon the situation in which one is managing: "May managers simply maximize the investors' returns or, alternatively, should they attempt to protect the interests of all firm 'stakeholders'? Catholic social thinking is typically moderated and balanced, and this issue is no exception. It is possible to find

interest and ethics. "Whether a person behaves ethically depends in some extent upon balancing self-interests against the interests of others or balancing self-interest against some sort of moral standard."[536]

On this view, which dominates the contemporary CSR literature, the task of ethics is to resolve conflicts between individuals' varying interests:

> Morality serves to restrain our purely self-interested desires so we can all live together. The moral standards of a society provide the basic guidelines for cooperative social existence and allow conflicts to be resolved by appeal to shared principles of justification. If our interests never came into conflict — that is, if it were never advantageous for one person to deceive or cheat another — then there would be little need for morality.[537]

The position of Thrasymachus, which Plato understood to be false, has become the doctrine of contemporary business ethicists.[538]

5.2.1 Thomas Hobbes — Not Egoism, but Individualism

Thomas Hobbes was an early-modern social contractarian. Very few people today admit to being Hobbesians, because the 'Monster of Malmesbury'[539] is generally regarded as an egoist:

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support, with qualifications, for both the profit-maximizing and stakeholder-interest-maximizing models of managerial responsibility.... The Church merely requires those who are involved in the formulation of policy to consider seriously and account for the implications of their choices as they relate to the dignity of all 'stakeholders,' particularly the workers, and the common good" ("The Theory of the Firm, Managerial Responsibility, and Catholic Social Teaching", Journal of Markets & Morality, Vol. 6, No. 2 [Fall 2003], pp. 534-35). Garvey reaches this conclusion, because he assumes that there are "two, competing theories related to the responsibilities of managers" (p. 528). There are, in fact, more than two competing theories.

[536] Kenneth Koford and Mark Penno, "Accounting, Principal-Agent Theory, and Self-Interested Behavior", in Norman E. Bowie and R. Edward Freeman, (Eds.), *Ethics and Agency Theory: An Introduction* (Oxford University Press, New York, 1992), 131.

[537] Shaw and Barry, *Moral Issues in Business*, 16.

[538] There are counterexamples within the CSR literature. Patricia Aburdene's theory of socially responsible "conscious capitalism" is based upon "enlightened self-interest", as distinguished from altruism: "The doctrine of Conscious Capitalism holds that business bears moral and ethical responsibilities beyond short-term profit and maximum shareholder return. Equally important, it lifts the frequency of free enterprise from self-interest to the higher octave of enlightened self-interest. Enlightened self-interest is not altruism. It is self-interest with a wider view" (Megatrends 2010: *The Rise of Conscious Capitalism* [Charlottesville, Virginia: Hampton Roads, 2005], p.175).

[539] This phrase is from the title of a book published anonymously in 1680: The True Effigies of the Monster of Malmesbury: or, Thomas Hobbes in his proper Colors. Hobbes was born in Malmesbury, Wiltshire, England.

> The concept of enlightened self-interest has dominated business for a long time. Thomas Hobbes planted the seeds in the early seventeenth century. He argued that humankind was fundamentally egotistic and devoid of any genuine feelings for the needs of others.[540]
>
> Ethical egoism holds that one is always to do what will promote his own greatest good — that an act or rule of action is right, if and only if it promotes at least as great a balance of good over evil for him in the long run as any alternative would, and wrong if it does not. This view was held by Epicurus, Hobbes, and Nietzsche, among others.[541]

John Rawls, the most influential twentieth-century social contractarian, excludes Hobbes from a list of his most significant predecessors:

> My aim is to present a conception of justice which generalizes and carries to a higher level of abstraction the familiar theory of the social contract as found, say, in Locke, Rousseau, and Kant." He then comments, in a footnote: "For all of its greatness, Hobbes's Leviathan raises special problems."[542]

This is, apparently, an attempt to disassociate his own theory from Hobbes's egoism. Even Robert C. Solomon, an Aristotelian who understands that promoting the good of others is good for oneself, cannot resist the temptation to label Hobbes's theory as selfish:

> The very existence of the business enterprise and the prosperity and power of corporations suggest not the power of Hobbesian selfishness but rather the human capacity — both natural and cultural — to cooperate and organize, to serve one's own interests by serving the interests of others.[543]

If we understand ethical egoism to hold that one is always to do what will promote his own greatest good, then Thomas Aquinas was an ethical egoist and Thomas Hobbes was not. The latter was a modern philosopher, who held that ethics is about acting in the interests of others, instead of one's own interest. After listing nineteen non-egoistic laws of nature, he adds:

> And though this may seem too subtle a deduction of the Lawes of Nature, to be taken notice of by all men; whereof the most part are too busie in getting food, and the rest too negligent to understand; yet to leave all men inexcusable, they have been contracted into one easy sum, intelligible, even to the meanest capacity; and that is, Do not that to another, which

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[540] Laura L. Nash, *Good Intentions Aside: A Manager's Guide to Resolving Ethical Problems*, (Harvard Business School Press, Boston, 1990), 54.
[541] William K. Frankena, *Ethics*, 2nd Ed. (Prentice-Hall, New Jersey 1973), 15.
[542] Rawls, *A Theory of Justice*, 11.
[543] Robert C. Solomon, *Ethics and Excellence: Cooperation and Integrity in Business* (Oxford University Press, New York, 1992), 183.

> thou wouldest not have done to thy selfe; which sheweth him, that he has no more to do in learning the Lawes of Nature, but, when weighing the actions of other men with his own, they seem too heavy, to put them into the other part of the ballance, and his own into their place, that his own passions, and selfe-love, may adde nothing to the weight; and then there is none of these Lawes of Nature that will not appear unto him very reasonable.[544]

Hobbes was not an ethical egoist. Neither did he plant the seeds of enlightened self-interest. Plato did so, when he had Socrates argue that to be just is better for oneself than to be unjust and that nothing can harm a good man. Hobbes is also innocent of the charge of arguing that humankind is devoid of any genuine feelings for the needs of others. His list of the passions includes benevolence or charity, kindness, liberality, and compassion or fellow-feeling.[545]

Hobbes fundamental mistake was not egoism, but individualism. Where Aristotle maintains that "man is by nature a political animal,"[546] Hobbes believed that the natural condition of mankind is 'solitary.'[547] Given Aristotle's understanding of human nature, to be ethical is good for oneself. Given Hobbes' understanding, to be ethical often involves acting contrary to self-interest.

Thus, Hobbesian understanding of CSR is at the expense of self-interest, managers should benefit many individuals, not only shareholders. CSR conforms to standard definitions of 'egoism' that managers should promote their own highest good by promoting the common good.

5.2.2 Adam Smith's Concept of Moral Sentiments

Adam Smith is generally considered to be both an egoist and the philosophical father of capitalism, usually on the basis of two passages in *The Wealth of Nations*:

> It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We

[544] Thomas Hobbes, *Leviathan: or the Matter, Forme, and Power of a Commonwealth, Ecclesiasticall and Civill* (Andrew Crooke, London, 1651), 187.
[545] Hobbes, *Leviathan*, Part I, p.145.
[546] Aristotle, *Politics*, 1253a2-3.
[547] Hobbes, *Leviathan*, Part I, p.164.

> address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.[548]
>
> By preferring the support of domestic to that of foreign industry, [an individual] intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good.[549]

A number of business ethicists have discovered that Smith was not only a political economist, but also a moral philosopher, and that a complete reading of his works reveals that he was not an egoist.[550] In the words of Robert C. Solomon and Norman E. Bowie, respectively:

> Most economists and free enterprise lobbyists refer only to *Wealth of Nations* and ignore that book's place in the whole of Smith's philosophy. In particular, they utterly ignore *The Theory of the Moral Sentiments* and its central thesis — never abandoned in the economic theory of *Wealth of Nations* — that people are naturally cooperative and sympathetic, and that their self-interest naturally includes concern for others and their opinions.[551]
>
> The conventional wisdom says that Smith advocates a brand of ethical egoism that supports utilitarian results… Actually Smith's moral philosophy is a good deal more complicated. He believed that human beings possessed an innate sympathy for other human beings and that this capacity for sympathy is of greatest value for all of us.[552]

Solomon also maintains that "Smith is no individualist in the Hobbesian mode."[553] Nevertheless, he acknowledges that Smith understood self-interest and ethics to be separate. "*The Theory of the Moral Sentiments* makes clear even if *Wealth of Nations*

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[548] Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Forgottonbooks, London, 1776), 7.

[549] Ibid., 199.

[550] The discovery that Smith also wrote a book on moral philosophy has trickled down to the popular CSR literature: "For all his enthusiasm about the 'invisible hand' of market forces working without human intervention, his earlier work—The Theory of Moral Sentiments—laid out a comprehensive argument for morality and compassion in both commercial and governmental affairs. Smith, in short, was no hardhearted capitalist" (Hollender and Fenichell, *What Matters Most*, 36).

[551] Solomon, *Ethics and excellence*, 85-86.

[552] Norman E. Bowie, "Business Ethics as a Discipline: The Search for Legitimacy", in R. Edward Freeman, ed., *Business Ethics: The State of the Art* (Oxford University Press, New York, 1991), 36-37.

[553] Solomon, *Ethics and Excellence*, 86.

does not suggest that self-interest must always be kept in balance with benevolence and the other moral sentiments."[554] The basis of ethical theories that ask us to balance self-interest and morality is anthropological individualism.

Bowie attempts similarly to defend Smith, but also acknowledges that Smith separates ethics from self-interest:

> Smith says that as a matter of fact we are not always motivated to act in accordance with our perceived best interest. Sometimes people act for the good of another or for the good of society. Of course people benefit from a society where altruism exists. However, people don't act altruistically because they will benefit. Smith does not reduce altruism to enlightened egoism.[555]

Smith belongs to a school of moral philosophy in which the traditional virtues are classified non-traditionally as either self-interested or other-interested. "When we consider the character of any individual, we naturally view it under two different aspects; first, as it may affect his own happiness; and secondly, as it may affect that of other people."[556] Prudence, for Smith, is concerned with one's own happiness. "The care of the health, of the fortune, of the rank and reputation of the individual, the objects upon which his comfort and happiness in this life are supposed principally to depend, is considered as the proper business of that virtue which is commonly called Prudence."[557] This is a fundamental break from the philosophical tradition, in which the virtue of prudence is concerned with both the individual good and the common good.

According to Smith, "Concern for our own happiness recommends to us the virtue of prudence: concern for that of other people, the virtues of justice and beneficence; of which, the one restrains us from hurting, the other prompts us to promote that happiness."[558] These, then, are his three cardinal virtues; prudence egoistic, justice and beneficence altruistic.

Solomon and Bowie are correct in pointing out that the father of capitalism was not an egoist. With Smith, as with Hobbes, the mistake is not egoism, but individualism. For Aristotle, to promote the common good by sacrificing one's life is to promote one's own

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[554] Solomon, *Ethics and Excellence*, 87.
[555] Bowie, "*Business Ethics as a Discipline*", 37.
[556] Smith, *The Theory of Moral Sentiments*, (A. Kincaid and J. Bell, London, 1769), Part VI, Introduction.
[557] Smith, *The Theory of Moral Sentiments*, Part VI, Sect. I.
[558] Smith, *The Theory of Moral Sentiments*, Part VI, Conclusion.

good. For Smith, in contrast, private and public interest are separable: "The wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest of his own particular order or society."[559]

It is significant that Smith's ethical theory is one of moral *sentiments*. Aristotle argued that the virtues and vices are not passions, but states of character.[560] René Descartes, who became the father of modern philosophy by replacing metaphysics with epistemology as the starting point of philosophical inquiry, also transformed the traditional virtues and vices into 'passions of the soul.'[561] Smith interprets the virtues tradition is such a way that each virtue is 'founded upon' one sentiment and 'the essence' of each virtue is a feeling or emotion:

> The ancient moralists... have only endeavored to ascertain ... wherein consists the sentiment of the heart, upon which each particular virtue is founded, what sort of internal feeling or emotion it is which constitutes the essence of friendship, of humanity, of generosity, of justice, of magnanimity, and of all the other virtues, as well as of the vices which are opposed to them...[562]

For Rawls, virtues simply are sentiments: "The virtues are sentiments, that is, related families of dispositions and propensities regulated by a higher-order desire, in this case a desire to act from the corresponding moral principles."[563] Alasdair Mac Intyre, an Aristotelian, comments: "It is no accident that [Rawls] divorces our commitment to both principles and virtues from any substantial belief in the good for man."[564] Smith belongs to a tradition that uses the language of virtues in a way that would be unrecognizable to Plato and Aristotle.

In short, three levels of interpreting Adam Smith can be distinguished. According to the overly-simplistic interpretation, he is an unqualified advocate of self-interested profit-maximization. According to the simplistic interpretation, he is acquitted of the charge of egoism, because he also wrote a book on moral philosophy. At the next level, we can see that his moral theory is profoundly problematic. He is just as much a father of CSR as he

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[559] Smith, *The Theory of Moral Sentiments*, Part VI, Sect. II, Chap. 3.
[560] Aristotle, *Nicomachean Ethics*, 1105b29-1106a7.
[561] René Descartes, *The Passions Of The Soul*, (Hackett, Indiana, 1989), 18.
[562] Smith, *The Theory of Moral Sentiments*, Part VII, Sect. IV.
[563] Rawls, *A Theory of Justice*, 192.
[564] Alasdair MacIntyre, *After Virtue: A Study in Moral Theory, 2nd Ed*. (University of Notre Dame Press, Indiana, 1984), 233.

is of capitalism, because he accepts the modern dichotomy of egoism (individualism) and altruism.

5.2.3 Immanuel Kant — Ethical Duty versus Self-Love

Kant is the most influential of moral philosophers opposed to the Altruistic Tradition. It would be difficult to exaggerate the influence of his thought on subsequent ethics, including CSR. The founding document of stakeholder theory (as a theory of business ethics, rather than of strategic management) identifies itself explicitly as Kantian.[565]

The divergence of Kant's secularized Lutheranism from Altruistic ethical theory is extreme. Altruistic ethics is ethics for human persons. Both the natural law and the moral virtues are what they are because human nature is what it is. If there are in the universe rational beings with natures different from our own, their ethical theories will also differ from ours. Kant, on the other hand, attempts to develop an ethical theory for all rational beings, without reference to the peculiarities of human nature:

> Everyone must admit that a law, if it is to hold morally, i.e., as a ground of obligation, must imply absolute necessity; he must admit that the command, "Thou shalt not lie," does not apply to men only, as if other rational beings had no need to observe it. The same is true for all other moral laws properly so called. He must concede that the ground of obligation here must not be sought in the nature of man or in the circumstances in which he is placed, but sought a priori solely in the concepts of pure reason.[566]

That Kant's attempt to found his ethical theory on logic, rather than human nature and the good at which a human life should aim, was unsuccessful has been demonstrated by many authors. His categorical imperative works with a few carefully chosen examples, but is unable to distinguish the class of ethical actions from that of unethical actions. Nevertheless, his theory of ethics remains extremely popular today.

For purposes of this CSR research, the most significant feature of Kantian moral philosophy is the divergence of ethical duty and self-love:

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[565] W. M. Evan and R. E. Freeman, "A Stakeholder Theory of the Modern Corporation: Kantian Capitalism", in T. L. Beauchamp and N. E. Bowie, eds., *Ethical Theory and Business*, (Prentice Hall, New Jersey, 1993), 75.

[566] Immanuel Kant, *Foundations of the Metaphysics of Morals*, trans. Lewis White Beck (Macmillan, New York, 1959), Preface.

> It sometimes happens that in the most searching self-examination we can find nothing except the moral ground of duty which could have been powerful enough to move us to this or that good action and to such great sacrifice. But from this we cannot by any means conclude with certainty that a secret impulse of self-love, falsely appearing as the idea of duty, was not actually the true determining cause of the will.[567]

So distinct and sharp are the boundaries between morality and self-love that even the commonest eye cannot fail to distinguish whether a thing belongs to the one or the other.[568] The contrast with the classical and Altruistic teaching that to act virtuously is to love oneself is extreme: "To behold virtue in her proper form is nothing else than to exhibit morality stripped of all admixtures of sensuous things and of every spurious adornment of reward or self-love."[569] St. Augustine, who distinguishes the Earthly City and the Heavenly City in terms of "self-love reaching the point of contempt for God" and "the love of God carried as far as contempt of self,"[570] adds an implicit distinction between vicious and virtuous self-love: "Now God, our master, teaches two chief precepts, love of God and love of neighbor; and in them man finds three objects for his love: God, himself, and his neighbor; and a man who loves God is not wrong in loving himself.[571]

Instead of distinguishing ethical and unethical self-love, Kant distinguishes self-love from morality: "The possibility of such a command as, 'Love God above all and thy neighbor as thyself,' agrees very well with [his own understanding of moral obligation]." He then adds in a note, "The principle of one's own happiness, which some wish to make the supreme principle of morality, is in striking contrast to this law. This principle would read: 'Love thyself above all but God and thy neighbor for thine own sake."[572]

Kant contrasts moral duty not only with self-love, but also with prudence, sometimes identifying the two: "The maxim of self-love (prudence) merely advises; the law of

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[567] Ibid., 89.
[568] Immanuel Kant, *The Critique of Practical Reason*, Trans. Thomas Kingsmill Abbott, (Forgotten Books, Google ebook, 1954), 30.
[569] Kant, *Foundations of the Metaphysics of Morals*, 44.
[570] Saint Augustine, *The City of God*, trans. Henry Bettenson (Penguin Books, Middlesex, 1972), 892.
[571] Augustine, *The City of God*, 423.
[572] Immanuel Kant, *The Critique of Practical Reason*, Trans. Thomas Kingsmill Abbott, (Forgotten Books, Google ebook, 1954), 71.

morality commands."[573] For Altruism, prudence is a virtue, the possession of which is necessary and sufficient for possession of justice, fortitude, temperance and the other moral virtues. For Kant, prudence is contrasted to ethics: "It is a very different thing to make a man happy from making him good, and to make him prudent and farsighted for his own advantage is far from making him virtuous."[574] This false opposition of prudence and ethics is found throughout the CSR literature. Norman Barry, for example, writes, "In most cases of corporate beneficence, it is not easy to see whether corporate beneficence is genuinely moral (i.e., if it was willingly approved by the shareholders) or merely prudent."[575] Thus, Kantian concept of ethical duty and self-love encompasses CSR undertakings of individuals and corporations as it is not just duty for the duty sake rather it is an obligation for the well-being of self and others.

5.2.4 J. S. Mill — Individualism and Altruism

The "two favorite philosophers of business ethics"[576] are Immanuel Kant and John Stuart Mill. Kant, the deontologist, and Mill, the consequentialist, are usually presented as opposing alternatives in ethical theory. Mill does indeed criticize Kant for not being a consequentialist:

> This remarkable man… lay[s] down a universal first principle as the origin and ground of moral obligation; it is this: "So act, that the rule on which thou actest would admit of being adopted as a law by all rational beings." But when he begins to deduce from this precept any of the actual duties of morality, he fails, almost grotesquely, to show that there would be any contradiction, any logical (not to say physical) impossibility, in the adoption by all rational beings of the most outrageously immoral rules of conduct. All he shows is that the consequences of their universal adoption would be such as no one would choose to incur.[577]

The disagreement between the two moral philosophers, however, is less significant than their agreement. Both have an individualistic understanding of human nature, with the

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[573] Immanuel Kant, *Critique of Practical Reason*, 30.
[574] Immanuel Kant, *Foundations of the Metaphysics of Morals*, 61.
[575] Norman Barry, "Do Corporations Have Any Responsibility Beyond Making a Profit?" *Journal of Markets & Morality*, Vol. 3, No. 1 (Spring 2000), 103.
[576] Joseph L. Badaracco and Allen P. Webb, "Business Ethics: A View from the Trenches", *California Management Review*, Vol. 37, No. 2 (Winter 1995), 25.
[577] John Stuart Mill, *Utilitarianism*, (Longmans, London, 1871), 5-6.

consequence that acting ethically can involve acting contrary to one's own good. Mill's commitment to individualism is explicit:

> To give any fair play to the nature of each, it is essential that different persons should be allowed to lead different lives. In proportion as this latitude has been exercised in any age, has that age been noteworthy to posterity. Even despotism does not produce its worst effects, so long as individuality exists under it; and whatever crushes individuality is despotism, by whatever name it may be called, and whether it professes to be enforcing the will of God or the injunctions of men.[578]

Moreover, Mill's commitment to individualism is united with an aversion to authority: "Those who first broke the yoke of what called itself the Universal Church, were in general as little willing to permit difference of religious opinion as that church itself."[579] Protestantism soon disintegrated into theological pluralism, which paved the way for individualism, capitalism, liberal democracy and moral relativism, as well as the diversity of ethical theories within which CSR is now attempting to correct capitalism.

Mill opposes individuality and society. The individual is, or should be, the primary unit. Society is a composite of individuals:

> In proportion to the development of his individuality, each person becomes more valuable to himself, and is therefore capable of being more valuable to others. There is a greater fullness of life about his own existence, and when there is more life in the units there is more in the mass which is composed of them.[580]

One consequence of this individualism is that there is no natural relationship between one's own good and the good of others. Morality is separated from prudence. Human nature includes a selfish part and a social part:

> The means of development which the individual loses by being prevented from gratifying his inclinations to the injury of others, are chiefly obtained at the expense of the development of other people. And even to himself there is a full equivalent in the better development of the social part of his nature, rendered possible by the restraint put upon the selfish part.[581]

This distinction between the selfish and social parts of human nature stands in extreme contrast to the philosophy of Altruism. For Aristotle, to be self-serving is to love oneself

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[578] John Stuart Mill, *Utilitarianism, Liberty & Representative Government*, (Wildside Press LLC, Maryland, 2007), 121.
[579] John Stuart Mill, *Utilitarianism, Liberty & Representative Government*, 71.
[580] Ibid., 121.
[581] Ibid.

viciously and to be social is to love oneself virtuously. Because human nature is political, the virtues are both self-serving and other-serving. For Mill, on the other hand, we have 'self-regarding virtues' and 'social virtues.'[582] He distinguishes "the part of a person's life which concerns only himself, and that which concerns others."[583] Because there is no natural harmony of the individual good and the common good, we should endeavor to approximate such harmony artificially:

> Utility would enjoin, first, that laws and social arrangements should place the happiness, or (as speaking practically it may be called) the interest, of every individual, as nearly as possible in harmony with the interest of the whole; and secondly, that education and opinion, which have so vast a power over human character, should so use that power as to establish in the mind of every individual an indissoluble association between his own happiness and the good of the whole.[584]

Although Mill is an individualist, he is not an egoist. His ethical theory is individualistic and altruistic. He maintains that there is no "inherent necessity that any human being should be a selfish egotist, devoid of every feeling or care but those which centre in his own miserable individuality."[585] And he calls "the egotism which thinks self and its concerns more important than everything else, and decides all doubtful questions in its own favor" a 'moral vice.'[586] Whatever may be the connotations of 'utilitarian' in contemporary ordinary language, Mill cannot justly be accused of advocating egoism.

For Aristotle, to perform an act of 'self-sacrifice' is both to act virtuously and to love oneself most, because such an act awards the highest to oneself. To sacrifice one's own highest good would be highly unethical. For Mill, with the severance of one's own good from the good of others, sacrificing one's own greatest good may or may not be ethical, depending upon whether it results in a net increase of utility for everyone affected by the act:

> The utilitarian morality does recognize in human beings the power of sacrificing their own greatest good for the good of others. It only refuses to admit that the sacrifice is itself a good. A sacrifice which does not increase, or tend to increase, the sum total of happiness, it considers as

[582] Ibid., 133.
[583] Ibid., 136.
[584] John Stuart Mill, *Utilitarianism*, 25.
[585] Ibid., 20.
[586] John Stuart Mill, *Utilitarianism, Liberty & Representative Government*, 135.

> wasted. The only self-renunciation which it applauds, is devotion to the happiness, or to some of the means of happiness, of others; either of mankind collectively, or of individuals within the limits imposed by the collective interests of mankind.[587]

The resulting theory of moral philosophy is fundamentally opposed to the philosophy of Altruism. For Altruistic, to be ethical is to promote one's own highest good by promoting the good of other persons. For Mill, to be ethical is to regard one's own interest and the interests of others as separate, and to maximize aggregate utility, while assigning the same weight to one's own utility as to that of every other individual:

> The happiness which forms the utilitarian standard of what is right in conduct, is not the agent's own happiness, but that of all concerned. As between his own happiness and that of others, utilitarianism requires him to be as strictly impartial as a disinterested and benevolent spectator. In the golden rule of Jesus of Nazareth, we read the complete spirit of the ethics of utility. To do as you would be done by, and to love your neighbor as yourself, constitute the ideal perfection of utilitarian morality.[588]

Rather than being regarded as the two chief alternatives in ethical theory, the theories of Kant and Mill should be understood as corruptions of fragments of Thomistic moral philosophy, which is simultaneously deontological and teleological without inconsistency. When we gain this understanding, we also understand how much we have lost. However, it should also trigger the question instantaneously as to how much we can gain, if we can get a balance between altruism and individualism? Of course, this question is so vital to the CSR and its impetus for the progress of the society.

5.3 Convergences of Individualism and Altruism in Eastern Thoughts

Is it really possible to strike a balance between individualism and altruism? There exists a clear dichotomy in Eastern and Western thoughts that 'the East' values order and 'the West' values freedom.[589] Evident from the writings of Socrates and Lao Tzu, cultural divergences in ancient Western and Eastern philosophical view of the self are thought to have emerged early in human history. The manner in which people define themselves and

[587] John Stuart Mill, *Utilitarianism*, 24.
[588] Ibid.
[589] Martha Craven Nussbaum, *Cultivating Humanity: A Classical Defense of Reform in Liberal Education*, (Harvard University Press, Cambridge, 1997), 141.

their relation to others in their environment is referred to as self-construal style, and it is a fundamental way through which culture shapes human behavior.[590]

Individualistic cultures encourage people to be considered as independent of each other. By contrast altruistic cultures endorse viewing people as highly interconnected to one another. West and East have given ample scope for self-expression and pursuit of individuality over group goals, while altruism favor maintenance of social harmony over assertion of individuality.

Talking of Eastern tradition let us focus on Indian tradition to expose how Hindu scriptures and Indian philosophers tried to converge individualism and altruism for the benefit and welfare of the entire society. Thus, this part would be delving more into Vedas and Gita, Chanakya, Asoka, etc. to show the CSR concepts Indians have followed almost all through the history for the well-being of the society.

5.3.1 **Arthashastra** (4th century B.C) **of Kautilya/Chanakya**

Roger Boesche describes the Arthaśāstra as "a book of political realism, a book analyzing how the political world does work and not very often stating how it ought to work, a book that frequently discloses to a king what calculating and sometimes brutal measures he must carry out to preserve the state and the common good."[591] Centrally, Arthaśāstra argues for an autocracy managing an efficient and solid economy. It discusses the ethics of economics and the duties and obligations of a king.[592] The Arthaśāstra also focuses on issues of welfare (for instance, redistribution of wealth during a famine) and the collective ethics that hold a society together. Kautilya says that *artha* (sound economies) is the most important; *dharma* and *kama* are both dependent on it.[593] Hence the king shall be ever active in the management of the economy. The root of wealth is economic activity and lack of it brings material distress. In the absence of fruitful economic activity, both current prosperity and future growth will be destroyed. A king can achieve

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[590] Ed.Barbara Oakley, Ariel Knafo, Guruprasad Madhavan, David Sloan Wilson(Eds.), *Pathological Altruism*, (Oxford University Press, Oxford, 2011), 292.

[591] Boesche, Roger, *The First Great Political Realist: Kautilya and His Arthashastra,* (Lexington Books, Lanham, 2002), 17.

[592] R.K Sen,. and R.L. Basu, *Economics in Arthasastra*, (Deep & Deep Publications, New Delhi, 2006), 86.

[593] K. P. Jog (Eds.), *Perceptions on Kauṭilīya Arthaśāstra*, (Popular Prakashan, Mumbai, 1999), 47.

the desired objectives and abundance of riches by undertaking productive economic activity.[594]

The root of economies is activity or business. Today the corporations have to engage in activities to maximize profit. It is the right of the corporations to involve themselves in the activities that would fetch economies or profit. Chanakya also says that economies should be used for the welfare of the state. Chanakya clearly points out how a welfare state should be. Arthasastra describes it as:

> A concept of government in which the state plays a key role in the protection and promotion of the economic and social well-being of its citizens. It is based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those unable to avail themselves of the minimal provisions for a good life. The general term may cover a variety of forms of economic and social organization.[595]

For one of the basic duties of the king, as incorporated in Rajadharma of ancient India, was to protect every individual in every respect and ensure his happiness. Kautilya in the Arthashastra laid down thus: "In the happiness of his subjects, lies the happiness of the Ruler; in their welfare, his welfare; whatever pleases him the ruler shall not consider as good but whatever pleases his subjects, the Ruler shall consider as good."[596]

Thus, India can boast of having given birth to one of the first widely read economist of the world — Chanakya, who laid out the principles of income generation, mode of governance and sustainable development. As I attempt to delve deep into the roots of CSR concept, I can proudly say, if we are not considering Chanakya's or Kautilya's 'Arthashastra' as one of the early Indian accounts of corporate governance and sustainable development, either we have not understood him or his work. Where else can we find a better example than Arthashastra for clear mandates or guidelines on social responsibility and responsiveness?

In 'Arthashastra,' the concept of a *rajarshi* (king) is very similar to the wise king of Plato's Republic. For him the king is not a seeker of power for himself but he is using the power for the welfare of the people. In philosophical terminology, the king becomes the

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[594] S. K. Agarwal, *Towards Improving Governance*, (Academic Foundation, New Delhi, 2008), 24.
[595] Ratan Lal Basu & Raj Kumar Sen, *Ancient Indian Economic Thought, Relevance for Today,* (Rawat Publications, New Delhi, 2008), 136.
[596] Ibid., 197.

state just as a married man (or, a householder) considers himself as the whole family. His individual interest is 'in a way' surrendered to the interest of the whole group, for he merges his narrow self in a wider self in that of a family and, in the case of a king, the whole state.[597]

In his 'Arthashatra,' Kautilya maintained that a king (CEO in the context of modern corporations or firms) should have no self-interest, happiness and joy for himself, his satisfaction lies in the welfare (happiness) of his people, i.e. he has to submerge his personality into the larger personality of his people. Kautilya states in the happiness of his subjects lies the happiness of the king; and in their welfare his welfare; the King shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects — the welfare of the many and the happiness of the many. In fact, this CSR concept of the happiness of many need integrated into the area of corporate management as the basic principle. Kautilya stressed the importance of happiness to all stakeholders of an organization as in the stakeholders' theory. He stated that happiness is obtained not only by wealth and profit, but also by doing things rightly and doing right things. '*Dharma'* without wealth, according to Kautilya is toothless, and wealth without '*dharma'* is useless because a poor person cannot support the entire society.[598]

5.3.1.1 Chanakya's Nitishastra

Chanakya, apart from being a man of wisdom and unfailing strategies, propounded Nitishastra, the ideal way of living for every individual of the society. It is an in-depth study of the Indian way of life. He looked at the country like a person surrounded by problems. He worked at the total annihilation of problems. Most of his views were so farsighted that they appeared to be prophesies. Talking on the diverse subjects such as corruption, he commented very rightly, "It's just as difficult to detect an official's dishonesty as it is to discover how much water is drunk by the swimming fish."[599]

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[597] K. P. Jog (Eds.), *Perceptions on Kauṭilīya Arthaśāstra*, 48.

[598] Cited in Muniapan, B., and Dass, M. (2008), "Corporate Social Responsibility: A Philosophical Approach from an Ancient Indian Perspective" *International Journal of Indian Culture and Business Management*, Volume 1, Number 4, 2008, 408-420.

[599] K. P. Jog (Eds.), *Perceptions on Kauṭilīya Arthaśāstra*, 48.

5.3.1.2 Chanakya the True CSR Proponent

Chanakya has been described variously, as a saint, as a ruthless administrator, as the kingmaker, a devoted nationalist, a selfless ascetic and a person devoid of all morals.[600] Certainly, these words may not be enough to describe him when we consider the contributions he has given for the well-being of the humanity.

The early accounts about the welfare state must pinch each corporate to involve itself in more CSR activities for bringing happiness, in the processes of eliminating poverty and suffering, in whatever through measures we can, today. Arthashastra has relevance not only for India but also the entire contemporary world. Though written in Sanskrit, it remains unique in the entire Indian literature because of its unabashed advocacy of real politick and disciplined economic management. By taking a holistic and integrated approach, Kautilya has provided a new dimension to the field of economics. The economic growth with equity and social welfare as propounded by Kautilya is bound to render sustainability to the economic management system. Thus, I would undoubtedly state that the recent CSR concept must certainly have some of its early roots in Arthashastra. We could even say that the foundation for Arthashastra must have taken roots from concepts of Buddhism as there was so much Buddhist influence on the Maurya Emperor of Chandragupta. Possibly, it must be that Chanakya being a brilliant statesman, philosopher and politician found the absence of concern for the society and fellow beings. So he must have repackaged the same truth and presented it to his own subjects who were lead by the chariots of greed, ego and selfishness like we see the CSR emerging in India and elsewhere in the present world as responsibility and duty of every person who pass through this marvelous reality called life. Thus, modernity itself knocking at the door of human conscience in the name of CSR has to have love and concern for the poor and needy; maintain equality and equilibrium in the society in coherence with the laws of nature or naturalism.

Through *Arthashastra* and *Nitishastra*, Chanakya has become a never ending phenomena. He made a fool-proof treatise on welfare state and witnessed its success. He has truly guided the generations with his wisdom. It would ideally suit to conclude the Chanakyan

[600] S. K. Agarwal, *Towards Improving Governance*, 19.

philosophical impetus for CSR by illuminating a couple of his quotations: "The secret task of a king is to strive for the welfare of his people incessantly. The administration of the kingdom is his religious duty. His greatest gift would be to treat all as equals."[601]

"The happiness of the commoners is the happiness of the king. Their welfare is his welfare. A king should never think of his personal interest or welfare, but should try to find his joy in the joy of his subjects."[602]

Kautilya states in the happiness of his subject lies the happiness of the king; and in their welfare his welfare; the King shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects — the welfare and the happiness of the many. The leader is the distributor of wondrous wealth.[603] Kautilya's teachings would suggest clear leadership with service to the citizens and discipline of the leaders towards efficiency and wealth management.

Kautilya over-reached the modern concept (of welfare state) in that his, *Yogakshema* aims at an all-round development, material as well as spiritual, of the society as well as of the individual. It involves the well-being of the poorest of the poor. The Kautilyan state, we are told, ensured freedom, happiness, prosperity and full-fledged development of human personality. *Yogakshema* demanded higher moral consciousness both at the elites' and common peoples' levels.[604]

In Arthasatra, Kautilya has directed that a king (may be identified as a leader or CEO in the context of organization) should try to establish a welfare nature of state with a key role in the protection and promotion of the economic and social well-being of its citizens (*Praja sukhe sukham rajnya*).[605] Similarly, in today's business every company should have to satisfy the interest of the all stakeholders.

The root of any business remains in its philosophy and it is also important to maintain ethical standards in every respect.[606] Thus Kautilya emphasized to maintain the standards

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[601] V. K. Subramanian, *Maxims of Chanakya: Kautilya*, (Abhinav Publications, New Delhi, 1980), 140.
[602] Ibid., 142.
[603] Vajasaneya Samhita xxx-4.
[604] M.M. Shankhdhar, Foreword in Ritu Kohli, *Kautilya's Political Theory: Yogakshewa-The Concept of Welfare State*, (Deep and Deep Publications, New Delhi, 1995), viii.
[605] Muniapan, B. & Das M. (2008) " CSR: A philosophical approach from an ancient Indian perspective" *International Journal of Indian Culture & Business Management*, Vol. I No. 4.
[606] Ritu. Kohli, *Kautilya's Political Theory: Yogakshema, the Concept of Welfare State*, (Deep and Deep Publications, New Delhi, 1995), 63.

of public governance in the Mauriyan Empire. Kautilya provided the guideline for doing business which was basically followed vedic and traditional ethical values. He has provided strict guidelines for the traders to do business in an ethical manner and to fulfill certain social obligations. According to Kautilya, the state has to play the role of facilitator, regulator and protector. Kautilya has directed that a king should try to establish a welfare nature of state with a key role in the protection and promotion of the economic and social well-being of its citizens.[607] Arthashastra alone describes the king a servant of the state who would harbor no personal likes and dislikes; it would be rather the likes and dislikes of the servants that would be followed by him.[608] Arthashastra emphasizes that a king should surrender his individuality in the interest of his duties. Kautilya's view regarding governing a monarchy is equally applicable in successfully running a corporate sector in modern business context.

It is the duty of the state to provide the 'common good.' The term is the symbol for the total governmental actions. In ancient India, king became an embodiment of the common good for his people. King is an instrument to achieve ends related to promoting general human well-being, such as peace, order, prosperity, justice and human dignity. A king is bound to ensure that the common good (dharma) is preserved.[609] Arthashastra gives to the welfare of the citizens, the first place in all considerations of policy; the common good of the people and their sustained happiness are considered as main ends for the service of which Kautilya called out an elaborate administrative system.[610]

In this way Kautilya's accounts illustrate a blend of individualism and altruism to achieve common good. Thus, ensuring (Yogakshema) the greatest happiness of the greatest number which is both at individual level and at societal level could be the focal point of CSR even today. If we focus on the value of personal reflection and choice, we will observe that this value was stressed by Aristotle in the Western tradition, but also by Kautilya (a contemporary of Aristotle) and Ashoka (two generations later) in the Indian tradition. Kautilya and Aristotle did not believe that personal choice was important for...

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[607] Ibid., 67.

[608] R. Shamasastry, *Kautilya's Arthashastra,* (Weslevan Mission Press, Mysore, 1929), 39.

[609] O.P. Diwedi, Common Good and Good Governance: Administrative Theology - Dharma of Public Officials, *Indian Journal of Public Administration,* Vol.36, No. 3, July-September, 1990, 261

[610] P. Sharan, *Ancient Indian Political Though and Institutions*, (Meenakshi Prakashan, Meerut, 1978), 186.

The Charvaka School in India defended the pursuit of personal pleasure and satisfaction in a way closely comparable to the classical Utilitarianism of the West...Most dominant moral and religious traditions in both East and West give a prominent place to altruism and duties to others.[611] East has been a fertile soil for all sorts of pluralism and tolerance. Especially Indian tradition has a legacy of accepting and fostering every kind of good and bad.

5.3.2 Ashoka's Concept of Welfare State

We discover that the enlightened emperor Ashoka, in the third century B.C., converted himself to Buddhism. He erected a large number of public stone inscriptions describing the essentials of good public life. The inscriptions gave essential emphasis to the value of plurality, both in public policy and in the private conduct of citizens.[612] In order to achieve welfare, the *dhammamahamattas* were charged to develop, propagate and implement a series of field programs, designed to further the overall *dhamma* competence of the citizens, which meant to introduce sustainable measures to nurture, in all strains of society, a well-defined set of generic primary qualities, such as: kindness, forbearance, compassion (*daya*), generosity (*dana*), truthfulness (*satya*), etc...With his management team in place, Ashok started giving body to the program, under the well-chosen project headline of *Dhammavijaya*, or, the Conquest through Righteousness Project.

Furthermore, Ashoka and his *dhamma* task force encouraged harmlessness towards all forms of life (*avihisa bhutanam*), which entailed both absolute non-violence and strict veganism; and moderation in spending as well as in saving (*apavyayata apabhadata*), obviously a combined form of reducing unsustainable consumption and at the same time enhancing the national cash flow. Generally, Ashoka suggests, treating people properly (*samyapratipati*) is the key. Asoka attempted to bring out a new cult of philosophy and human values with highest of its order to the corporate governance.

With all the above, Ashoka truly ranks among the illuminated forbearers of our modern CSR policies, and careful examination of the Ashoka program can help us set out an

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[611] Martha Craven Nussbaum, *Cultivating Humanity: A Classical Defense of Reform in Liberal Education*, (Harvard University Press, Cambridge, 1997), 141.

[612] Ibid.

effective program of sustainability for ourselves, as well as provide us with the answers and solutions to what might go wrong along the way.

5.4 Echoes of CSR in Vedic Literature

Human vices are as old as the civilization itself. We think Vedas can be considered as the oldest proof for echoes of CSR. The great sages who delivered universal thoughts through the Vedas were concerned about unethical and profit driven human activities and its impact on individuals, society and the environment. Based on the Vedas, CSR can be looked at from three dimensions constituting the individual, social and cosmic perspectives.

5.4.1 Vedas

The individual dimension of CSR focuses on the concept of *dharma* (righteousness). The Vedas call upon one to speak the truth and follow the righteous path. "One who does not work is a social evil."[613] I think, it is grass-root level of CSR that Vedas have propagated at the individual level to respect one's existence and discharge his duties for the welfare of the self and society.

The Vedas assert that there shall be proper distribution of wealth from the wealthy to the poor. They also condemn those who enjoy wealth without partaking it with others. "One shall not be selfish and consume all by himself."[614] It also indicates that social distribution of wealth generously. "Wealth accumulated through 100 hands should be distributed to 1000 hands."[615]

The Vedas advocate conservation of resources to take care of future requirements. They condemn poverty and give the clarion call to eradicate it."One shall produce fair wealth for today and tomorrow."[616]

The Vedas attach great importance to environmental protection and purity. They insist on safeguarding the habitation, proper afforestation and non-pollution. "Earth, atmosphere,

[613] *Rig Veda Samhita* x-22-8
[614] *Rig Veda Samhita*, x-117-6
[615] *Atharva Veda Samhita,* iii-24-5
[616] *Rig Veda Samhita,* vi-71-6

sky, sun, moon, stars, water, plants, trees, moving creatures, swimming creatures, creeping creatures all are hailed and offered oblations."[617]

5.4.2 Vedanta and Bhagavad Gita

Vedanta is drawn primarily from the Vedic literatures. The Vedic literatures are composed of many books. The Bhagavad Gita literally means the 'song of the blessed one.'[618] It is also known as Gitopanisad, is the essence of Vedic knowledge and one of the most important Upanishads in Vedic literature. Gandhi calls it the gospel of selfless action. Vedanta is relevant to CSR as it promotes the welfare, and happiness of all beings. This is also indicated by a popular Vedic prayer — *loka samastha sukhino bhavanthu*— which means that all may be happy, healthy and prosperous.

Vedanta promotes the concept of *nishkama karma*; a perspective on the action and decision making that emphasizes performing one's duties without attachment to the fruits thereof — and where both the action and the fruits are offered to the divine. In the context of CSR, the societal contribution must not have with any expectations in return but rather as a duty needs to be done to the society.

In Vedanta, the law of *karma* (cause and effect) is expected to motivate the business people to carry out their duties to serve humanity (CSR). This philosophy implies that the present nature of an individual's life (effect) or organizations is determined by their previous actions (cause). Good *karma* needs to be accumulated by business for long term benefits.

In the context of CSR, organization should not only be interested in their own welfare but also the welfare of all stakeholders and society (*sarva loka hitam*) "Let the rich satisfy the poor with a broader vision."[619] Thus, transcending the individual and altruistic limitations for the welfare and happiness of the entire world is the epitome of *sarva loka hitam*.

Vedanta emphasizes that the corporations should not run away from their *dharma*. The Bhagavad Gita stressed that duty (*dharma*) needs to be done without attachment and for

[617] *Taittiriya Samhita* i-8-13.
[618] Ramesh N. Patel, *Philosophy of the Gita,* (Peter Lang Publishing, New York, 1991), 10.
[619] *Rig Veda Samhita*, x-117-5.

those who do their duty without attachment will attain the supreme goal.[620] "On action alone be thy interest, Never on its fruits. Let not the fruits of action be thy motive, Nor be thy attachment to inaction."[621] It is a wakeup call for every responsible person to go beyond boundaries of individualism and altruism to become selfless persons.

Ashrama dharma or duties of life's stages is a developmental *dharma*. The natural process of maturing from childhood to old age through fulfillment of the duties of each of the four stages of life namely are *brahmacharya* (student) *grihastha* (householder), *vanaprastha* (elder advisor) and *sannyasa* (religious solitaire). This is the individual social responsibility in relation to the society, family, organization and society.

Rita dharma or the universal duty and the protection of the environment falls within this scope of *dharma*. This is global social responsibility, universal social responsibility or even environmental social responsibility.

Varna dharma or social duty defines the obligations and responsibilities within the nation, society, community and business. This is directly relevant to social responsibility (CSR).Duty or *dharma* is given great importance in Vedanta. *Sarva loka hitam* in Vedanta referred to "well-being of stakeholders customers and society." There are four principal kinds of dharma known as *chaturdharma* which are highly relevant to CSR namely: *Rita dharma, Varna dharma, Ashrama dharma* and *Svadharma.*

Throughout the Bhagavad Gita, Krishna and Arjuna discuss the virtues and vices of human character. Today, these same personal qualities can be seen driving decision-making in the workplace. In chapter 7 of the Gita, Krishna describes two main types of human character — *sattvic* and *rajasic*.[622]

Sattvic leaders are driven by the harmony between the self and the surroundings and are repelled from provoking confrontation or disparity. In addition, they do not hesitate to accept suffering if such hardships cause peace and harmony for the people in their organizations.[623]

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[620] *Bhagavad Gita*, 3.19.
[621] *Bhagavad Gita*, 2.6.
[622] Julius J. Lipner, *The Bhavagadgītā for our Times*, (Oxford University Press, New Delhi, 1997), 72.
[623] Eknath Easwaran, *The Bhagavad Gita*, (Vintage Books, New York, 1985), 40.

"Sattvic leadership radiates calmness, purity, and righteousness. It embodies happiness and knowledge," says Krishna.[624] Leadership character should thus incorporate integrity and a focus on people and competency. The central leadership message of the Gita directs people to become *sattvic* leaders who put the interest, needs and wants of others ahead of themselves. When leaders act with purely selfish motives, they tend to emit negative energy to those within their firm. This negative energy can have grave ramifications in the workplace. Krishna calls this type of leadership character *rajasic*. *Rajasic* leaders "create chaos and darkness in their organizations"[625] by their egotistical desires.

For Krishna, this objective is the highest level of consciousness and self-awareness that transcends the physical world and physical senses. In the context of management and business, this 'supreme state' refers to a higher level of leadership consciousness and firm value. Krishna would view the theory through a holistic approach, seeing it as a way to bring out the best in each individual who is important to the wellbeing of the overall organization.[626]

In the text of the Bhagavad Gita lies the 'crisis and emancipation'[627] of the modern corporate executive. Like Arjuna, today's business leader has to overcome both an internal and external dilemma, whether to ceaselessly pursue the bottom line for the sole benefit of shareholders or whether to broaden the scope of the firm by balancing the relationships of all stakeholders who are impacted by the firm. The challenge for today's business executive is to place individuals before profits, so that employees and customers can inevitably benefit shareholders. The Gita requests leaders to accept this challenge and be the *sattvic* frame of reference for ethics and morality that the corporate world has lacked for many years.

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[624] Pujan Roka, *Bhagavad Gita on Effective Leadership*, (iUniverse, Inc., New York, 2006), 116.
[625] Ibid., 115.
[626] Ramesh N. Patel, *Philosophy of the Gita*, 158.
[627] Stephen Mitchell, *Bhagavad Gita*, (Harmony Books, New York, 2000), 219.

If not we all will sit tight asking the same old questions: How do I (We) CHANGE to inculcate these values in my personal life and organizations? Thus Tolstoy said it rightly, "Everybody wants to change the world, but no one thinks of changing himself."[628]

Conclusion

Rich philosophical heritage of East and West have contributed enormously to the concept of CSR in maintaining ethical balance in the society which leads to welfare and progress of the society. It demonstrates that corporations are a part of society just as much as each of us is an individual. In other words, it gives CSR wider scope and responsibility for both individuals and corporations.

The sages of ancient East and West expressed their views thousands of years ago that can still make people calm, shocked and sober. They lived in a time when what they admired and cherished were going to fade away, which is quite similar to today's world. Aristotle explored the nature of the world; Confucius the nature of human beings whereas Buddha explored the unlimited nature of human wants. In spite of the differences in their thinking, they shared a lot in common. They tried their best to save kind-heartedness, restore reasoning, and reduce people's greed for power and profit. According to Aristotle, there are mainly three types of life — life of ease and comfort, life of a statesman, and life of a thinker, with the last being the happiest and the best. Only those who are moral can gain the best and be the happiest in life because happiness means the realization of high morality.

According to them, one is happy not only because he lives a good life but also he makes others live a good life while continually elevating his own morality. They all regard the mean as the highest level of morality. People should not go to extremes is the legacy of all great philosophers of East and West left us is invaluable. Thus, theoretically speaking, it is clear the philosophy of East and West can still guide our life and society today for this world we are living in needs justice, generosity, kindness, benevolence, and the mean.

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[628] Quote from Leo Tolstoy cited in Ben Lowe, *Green Revolution: Coming Together to Care for Creation*, (InterVarsity Press, Illinois, 2009), 104.

The goodness of human nature manifests itself from within. This sense of internal goodness is not merely a being but a generative activity, indeed a creative impulse that expresses human care in the context of human relatedness. Self-realization depends on innate subjectivity as well as social environment. It is also predicated on an anthropocosmic vision that human beings in their all embracing fullness are co-creators of the cosmos through the great transformation which CSR is trying to bring about in the modern world. The 'co-creator' status obligates us with responsibility and freedom — choiceless choice. And of course, freedom with responsibility will force us to ask the existential question which philosophers and sages have been asking for ages: What is the purpose of life as a human being? Is there a purpose in life at all?

However, we have to understand that we have purpose in life. Our lives are not just for vanishing like mushrooms that pop up after a rain. It is even ridiculous to use the imaginary of mushrooms. They do have a purpose and end to fulfill. Every human being and every living being has a responsibility to himself, others and nature. This fact we cannot ignore whether we follow altruism or individualism.

However, the serious question now is that, are we ready to undertake the universal responsibility by contributing voluntarily for a better society and a better environment? Whatever may be the answer, the next chapter will deal with how important CSR is for the progress of the society? How significant is it in maintaining the equilibrium in the society? What is that in us that withhold every human being from CSR friendliness? What are stumbling blocks to CSR in the realistic world?

Chapter 6

Significance of CSR for the Progress of the Society: Mediation between Individualism and Altruism

Introduction

Society gets contaminated with viruses of selfishness, self-interest, egoism greed etc. It eventually hinders the perpetual growth and progress that affect everyone in the society. Such sick society gradually denies the basic human needs that are present in our core nature. The fatal illusion that all the time that is invested in love, friendship and humanness is wasted and lost, is the beginning of such a sick society. This denies basic human needs inherent in our very nature.[629] This chapter will give clear glimpse of the denial of our basic human nature which is inherent in each human being. Unless we re-instigate that basic nature, progress and wellbeing in the society would remain as a far distant dream.

Human beings are like reptiles hatched into the world, completely self-reliant and totally independent. Other mammals are forced to rely upon the welfare of social networks in the nature to survive, but not humans. Unlike other mammals human being is leeched off parents until the adulthood is obtained. This peculiar leeching nature in humans sow the seeds of 'I,' 'Me and Me Only' and nurture it as they grow — culminating a ripple effect of greed, selfishness, self-interest which hamper progress and thereby creating a sick society.

Descartes' maxim, "I think, therefore I am,"[630] projects the existence-by-self or self-support, self-sufficiency of self or ego. When the core philosophy of human existence is ego or selfishness why should anyone, for that matter, engage in CSR activities? It is a possible question that might pop up in anyone's or everyone's mind as we speak of CSR. Human beings have a core tendency of being selfish in whatever they do. Thus, the possible question that can arise from the selfishness is what am I going to gain or how do I benefit? This question can only be bypassed when every human being takes the

[629] Pandikattu Kuruvilla, *This too will pass away!, (*Jnanam, Pune, 2003), 84-85.
[630] "Cogito_ergo_sum" <http://en.wikipedia.org/wiki/Cogito_ergo_sum>, Retrieved on 14-12-2011.

individual responsibility of overcoming selfishness which is common to the core of self. This happens when we consider more into the responsibilities that we have towards ourselves and the society. And of course, it is a cosmic law or the law of nature that each of us has to shoulder that responsibility for the progress and development of the society at large. Emmanuel Levinas in his second major work, *Otherwise than Being*, or *Beyond Essence* clearly indicated the ethical standpoint 'response and responsibility'[631] that CSR is trying to impart to individuals and corporate.

This chapter will amplify ethics which entails with the relationship with the other — very presence of the other person obligates me to respond.[632] Also this chapter will try to address the much debated question on CSR: should a corporation or an individual be socially responsible? The debate over this question can be simplified once we have reduced the issue to a pair of foundational but contrary world views — altruism/communitarianism and individualism. So let us see how we can make that paradigm shift in the selfish nature of human beings, thereby establishing the importance of CSR for the progress of the society.

6.1 Selfishness as the Core Human Nature

Selfishness is a pre-requisite for survival and maintenance for any living being on earth. Richard Dawkins argues that a predominant quality to be expected in a successful gene is ruthless selfishness. This gene selfishness will usually give rise to selfishness in individual behavior.[633]

To be selfish is to be motivated by concern for one's self-interest. This requires one to consider what constitutes one's self-interest and how to achieve it — what values and goals to pursue, what principles and policies to adopt. If a man were not concerned with this question, he could not be said objectively to be concerned with or to desire his self-interest; one cannot be concerned with or desire that of which one has no knowledge.

> The selfish person is interested only in himself, wants everything for himself, feels no pleasure in giving, but only in taking. The world outside

[631] Eugene Thomas Long, *Otherwise Than Being or Beyond Essence*, (Springer, The Netherlands, 1981), 17.
[632] E. Levinas, *Otherwise Than Being or Beyond Essence*, (Springer, The Netherlands, 1981), 67.
[633] Richard Dawkins, *The Selfish Gene*, (Oxford University Press, Oxford, 2006), 2.

> is looked at only from the standpoint of what he can get out of it; he lacks interest in the needs of others, and respect for their dignity and integrity. He can see nothing but himself; he judges everyone and everything from its usefulness; he is basically unable to love.[634]

According to Thomas Hobbes, "man in the state of nature seeks nothing but his own selfish pleasure, but such individualism naturally leads to a war in which every man's hand is against his neighbor."[635] Hobbes describes man as being naturally vain and selfish. He declares that:

> Whatsoever is the object of any man's appetite or desire that is it which he for his part calleth good; and the object of his hate and aversion, evil; and of his contempt, vile and inconsiderable. For these words of good, evil and contemptible are ever used with relation to the person that useth them…[636]

In other words, man by nature perceives a thing as being good or evil not in terms of how it may affect the interests of others, but in terms of how it affects his own self-interest. Hobbes argued that the basic attribute of human nature is egoism, which inevitably leads to a savage and brutal competition for resources in the absence of constraints imposed by a ruling monarch.[637] John Stuart Mill Wrote, "Of the social virtues it is almost superfluous to speak; so completely is it the verdict of all experience that selfishness is natural."[638] Selfishness makes human beings individualistic rather than a social being. Because, man has a code of ethics primarily for his own sake, not for anyone else's.[639] Human beings operate on this code which is intrinsic to their nature. No one is devoid of this nature. Thus this traditional understanding of human behavior by exalting a psychological mind-set utterly divorced from anything outside the self.[640] Thus there is a need for breaking that core nature which is selfishness. And Dawkins would put it sarcastically yet seriously, let us try to teach generosity and altruism, because we are born selfish. Let us understand what our own selfish genes are up to, because we may then at

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[634] Erich Fromm, *Man for Himself*, (Routledge, London, 1999), 130.
[635] Charles George Herbermann, Edward Aloysius Pace (Eds.), *The Catholic Encyclopedia*, (Appleton, New York, 1911), 191.
[636] Thomas Hobbes, *Leviathan*, (Forgotten Books, New York, 1976), 31.
[637] "Thomas Hobbes & the Seeds of Liberalism" <http://www.ashbrook.org/publicat/respub/v6n1/kahl.html> , Retrieved on 14-12-2011.
[638] Alfie Kohn, *The Brighter Side Of Human Nature: Altruism And Empathy In Everyday Life*, (Basic Books, New York, 1990), 182.
[639] Jennifer Burns, *Goddess of the Market: Ayn Rand and the American Right*, (Oxford University Press, 2009), 42.
[640] Ibid.

least have the chance to upset their designs, something that no other species has ever aspired to.[641]

It is almost impossible to think about CSR when people operate with selfishness. The "selfish individual who is the product of the stunted moral development environment is not likely to contribute to the social good,"[642] because there is very little to be said in favor of an individualism which takes its orientation from a conception of the individual as essentially "the proprietor of his own person, for which he owes nothing to the society." But the next question that persuades us would be, Is everyone selfish in the world? What is the level of selfishness that can be noticed around? Unless we delve into the nitty-grittys of this concept, it is difficult to bring an awareness in the society to work for the progress and development of it.

6.1.1 Isn't Everyone Selfish?

Animals seek their own pleasure and do not think about the consequences to others. Those species that do live together have the fewest appetites to gratify. This clearly shows that selfishness is not only the trait of humans but it is also prominent in animals. The plant species also the same. They try to absorb minerals and water for themselves first. They even change their directions for getting enough sunlight which decide their growth. "Evolutionary biology is quite clear that 'What's in it for me?' is an ancient refrain for all life, and there is no reason to exclude *Homo sapiens*," writes David Barash.[643]

As I already mentioned any living organism has an intrinsic call towards selfishness. Man being at the top of the pyramid with intellect, reason out this intrinsic nature a bit more intensely for his own self-interest. "Everyone does what he really wants to do—otherwise, he wouldn't do it." Or: "No one ever really sacrifices himself. Since every

[641] Richard Dawkins, *The Selfish Gene*, 3.
[642] Jay Black, *Mixed News: The Public/Civic/Communitarian Journalism Debate*, (Routledge, New Jersey, 1997), 88.
[643] Alfie Kohn, *The Brighter Side Of Human Nature: Altruism And Empathy In Everyday Life*, (Basic Books, New York,1990), 184.

purposeful action is motivated by some value or goal that the actor desires, one always acts selfishly, whether one knows it or not."[644]

It is pretty clear that the nature of existence catapult a drive in every living organism to take care of its growth, sustenance, and survival. May be we call it as selfishness. However, we need to question ourselves, how can we survive in the competitive world without looking to one's own needs and progress? It is a healthy note for anyone to be what one ought to be. But some of us go a few steps further than this limit in the world of 'me and me' only. Ayn Rand in her essay, *The Virtue of Selfishness*, defines selfishness as "concern with one's own interests."[645] It is very dangerous as it leads to corruption and manipulation in the world. A genuinely selfish man chooses his goals by the guidance of reason — and because the interests of rational men do not clash — other men may often benefit from his actions. But the benefit of other men is not his primary purpose or goal; his own benefit is his primary purpose and the conscious goal directing his actions.[646] For Spinoza, "The more each person strives and is able to seek his profit, that is to say, to preserve his being, the more virtue does he posses; on the other hand, is so far as each person who neglects his own profit, is impotent."[647] What I mean by selfishness here is the tendency to seek and promote my own comfort and satisfaction before that of anybody else. They grab the best for themselves before anyone else. Selfish people in this sense are the people who (for instance) always try to get the finest piece of chicken, or the largest glass of wine, or the best seat for themselves.

Dawkin's argument would substantiate the selfish gene theory that everyone is born selfish and we are selfish at our gene level. The fundamental unit of selection, and therefore of self-interest, is not the species, nor the group, nor even, strictly, the individual. It is the gene, the unit of heredity.[648]

Thus, I would not hesitate to doubt that it is the man's selfish gene and the ability to reason which drives him to be selfish and thereby leads to egoism.

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[644] Ayn Rand, *The Virtue of Selfishness: A new concept of Egoism*, (Penguin Books USA Inc., New York, 1962), 53.
[645] Ibid., 495.
[646] Ibid., 54.
[647] Benedictus de Spinoza, *The Ethics*, (Echo Library, Middlesex 2006), 20.
[648] Richard Dawkins, *The Selfish Gene*, 11.

6.1.2 Selfishness to Egoism

The transition or transformation that happens from a caterpillar to a butterfly would be the best comparison for this scenario — viz., selfishness to egoism. At the caterpillar stage it works with itself. There is no world around. No need to interact with the world. The shell is the end of the world for the caterpillar. But as a butterfly, it has the possibility to interact with the world outside. That which is called '*atta'* (which is just the ordinary word for 'self' or 'oneself') or 'self' corresponds to the Latin word 'ego.' If the feeling of the self-consciousness arises, we call it egoism because once the feeling of 'I' arises, it naturally and inevitably gives rise to the feeling of 'mine.' Therefore the feeling of self and the feeling of things belonging to the self, taken together, are egoism.[649]

But then what happens to such selfish people as they are used to their own shell, they try to protect themselves more closely and try to safeguard themselves from others around. Sartre's maxim "Hell is other people,"[650] has much relevance in this situation. After experiencing the selfishness in the shell of one's own comfort, it is very likely to feel much of threat and insecurity in the open world. So naturally the selfish beings would try to tighten up and become more centered to themselves — a transformation into egoist. The egoistic person first serves for his/her ego and won't respect to others and most of the times hurt others.

The egoist has an overwhelming sense of the centrality of 'Me,' of their personal qualities.[651] Egoism means placing oneself at the core of one's world with no concern for others, including those loved or considered as 'close,' in any other terms except those set by the egoist.[652] An egoist is a man who lives for himself.[653] Gorden Graham in his book describes Plato's views on egoism:

> Egoism is most powerfully represented in two of Plato's dramatic dialogues, the *Gorgias* where Socrates argues at length with (amongst others) a character called Callicles, and the *Republic*, in the earlier part of which the egoistic point of view is articulated by a character called

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[649] Buddhadasa Bhikkhu, *Heartwood of the Bodhi Tree: The Buddha's Teaching on Voidness*, (Wisdom publications, Massachusetts, 1994), 13.
[650] Dermot Moran, *Introduction to Phenomenology*, (Routledge, New York, 2002), 396.
[651] William Walker Atkinson, (2010 [1909]), *The New Psychology*, Cosimo, Inc., 30.
[652] "Egoism" <http://en.wikipedia.org/wiki/Egotism>, Retrieved on 18-12-2011.
[653] Jennifer Burns, *Goddess of the Market: Ayn Rand and the American Right*, (Oxford University Press, Oxford, 2009), 42.

> Thrasymaschus. Both Callicles and Thrasymaschus argue that it is our desiring thing which makes those things valuable to us, and that the good life, consequently, consists in being successful at getting what you want. If this requires the domination of others and the suppression of their aims in pursuit of your own, so be it. I lead the best life when I get what I want, regardless of how this affects others.[654]

According to Kant, human beings, too, have inclinations. They are inclined to pursue things that they 'want.' He also says that what differentiates humans from other animals are their choices about how to fulfill their inclinations and they can act against their inclinations for the sake of duty.[655] Emile Durkheim says, "Man is more vulnerable to self-destruction the more he is detached from any collectivity, that is to say, the more he lives as an egoist."[656]

If the world was only full of egoistic human beings, how can we think of progress or CSR in the society? What is the interplay of ego to do with the society? How does the ego reflect in the society tampering its progress? The answer to many of these questions would be nothing but greed.

6.1.3 Egoism the Foster-father of Greed

"There is enough wealth to meet everyone's need, but not everyone's greed,"[657] intelligently asserted Mahatma Gandhi. In his own words:

> I suggest that we are thieves in a way. If I take anything that I do not need for my own immediate use, and keep it, I thieve it from somebody else. I venture to suggest that it is the fundamental law of Nature, without exception, that Nature produces enough for our wants from day to day, and if only everybody took enough for himself and nothing more, there would be no pauperism in this world, there would be no man dying of starvation in this world.[658]

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[654] Gordon Graham, *Eight Theories of Ethics*, (Routledge, London, 2004), 20-21.

[655] Ronald F. Duska, *Contemporary Reflections on Business Ethics*, (Springer, The Netherlands , 2007), 29.

[656] Peter L. Callero, *The Myth of Individualism: How Social Forces Shape Our Lives*, (Rowman & Littlefield, Maryland, 2009), 13.

[657] Quoted in Sam Pizzigati, *Greed and Good*, (The Apex Press, New York, 2004), xviii.

[658] Mahatma Gandhi, Krishna Kripalani (Ed.), *All Men Are Brothers: Autobiographical Reflections,* (Address to Students, YMCA. Auditorium, Madras, 1916, text uncertain), (Continuum International Publishing Group, New Yourk, 1980), 119.

Greed has become unavoidable. We live today, amidst a kind of greed that seems to define our culture, to taint almost everything we touch. Where does this greed originate? Definitely, it is the egoism that dictates it. Sam Pizzigati in his book *Greed and Good*, comments that man's soul even gets possessed by greed:

> The greed for gain gets such possession of men's souls that they become demons. They rush into the maelstrom of money-getting, and soon lose all fear of God and love for their fellow-men, and before they realize it, they have become slaves to a passion which is as cruel as fate and remorseless and unrelenting as death.[659]

Thus, egoism fosters greed which leads to significant socially irresponsible or unethical actions of individuals and firms. Some of the more significant relevant scandals of our time include Enron, WorldCom, Satyam, 2G Scam or Bernie Madoff's massive Ponzi scheme. Many have suggested that the 2008 US financial crisis, primarily involving sub-prime mortgages, was caused by unrestricted egoism or self-interest on the part of the mortgage lenders and investment banks.[660]

6.1.3.1 What is Greed?

Someone must wonder: What is greed? Where does it come from? Are all people greedy? Greed has been defined as action to gain something, typically money, wealth, power, or status, in an insatiable and excessive manner.[661] Greed is an excessive desire to acquire or possess more than what one needs or deserves, especially with respect to material wealth.[662] People tend to be naturally greedy, rarely content with what they have achieved. All for me nothing for you is the inherent concept that fosters greed in the society. The feeling of 'I' and 'mine' is the inner nucleus which gives birth to greed, hatred, and delusion.[663] When it emerges as greed, blind desires and craving for things propel the individual to amass anything and everything for the self. Greed or lust (*lobha*

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[659] Cited in Sam Pizzigati, *Greed and Good: Understanding and Overcoming the Inequality That Limits Our Lives*, xix.
[660] Mark S. Schwartz, *Corporate Social Responsibility: An Ethical Approach,* (Broadview Press, New York, 2011), 35.
[661] Ibid.
[662] Cited in David E. Y. Sarna, *History of Greed: Financial Fraud from Tulip Mania to Bernie Madoff*, (John Wiley & Sons, New Jersey, 2010), 22.
[663] Buddhadasa Bhikkhu, *Heartwood of the Bodhi Tree: The Buddha's Teaching on Voidness*, 16.

or *raga*) pulls the object in, gathers it into itself.[664] Greed dominates all other human sentiments, greed is the master, the others are the slaves. Greed can make people happy, and sad. Greed makes us curious or ignorant, possessive or docile, aggressive or gentle and so on. Greed is the driver of everyone's personal sentimental software and guides our behavior.[665] Thus, when a person is excessively egoistic about himself, greed functions as the major driving force that boosts the computer.

6.1.3.2 Why Are We Greedy?

Greed is part of the nature itself. The river that flows silently starts eating up the shores or river banks gradually. Isn't that we call greed? Thomas Hobbes built from the ground up; he began with a notion of human nature based on the continuity of egotistical behavior, or what we would call desire or greed.[666] We as a species seem wholly unable to prevent ourselves from taking what we want. It is like when small kids are playing and they see another kid with a cooler toy and decide they should have it. Nine times out of ten the little brat just grabs it. There is an old saying that states "the grass is always greener on the other side of the fence." No matter what we have, we always want more. At least sometime or a few times in life we must have questioned ourselves with a 'why?' The simple answer to it is that, man is a great paradox. He is the greatest enigma for himself. The greatest cosmic secret and the closest to remains — Man… On the one side man is a slave of necessity, and on the other side he is a being with many possibilities.[667]

Greed is a bottomless pit. Especially when it is triggered by ego it is endless. We also noticed that it is the formulation of our gene where selfishness is embedded. So looking at the individualistic philosophical view we tend to be selfish, egoistic and greedy. That is the design we all have at our gene level. However, later in this chapter, I will discuss about individualism versus altruism where the gene designs would allow human beings to bypass it for the sake of the greatest happiness of the greatest number. That is where each of us takes the responsibility for the progress of the society, even though there is a slight

[664] Ibid.
[665] Ferry Frank, *Greed: How Human Attitude Affects Planet Earth*, (AuthorHouse, London, 2011), 11.
[666] David Denby*, Great books*, (Simon & Schuster, Washington, 1996), 208.
[667] George Therukattil, *Becoming Human*, (JIP Publications, Bangalore, 1999), 10.

friction within. Because, man is a tension towards the infinite. He experiences, in the words of St. Augustine an "existential uneasiness."[668]

All the abilities we have were probably instrumental to our survival at one time or another. The human condition is a constant fight between raw urges and getting along and surviving in this world. In the words of Darwin, "a mere survival of the fittest." Wanting more can be a kind of safeguard for the possibility of things changing in the future. If we're just happy surviving, drawing water from the well that's been providing for centuries, it's possible that well may dry up one day. Without the experience of a well drying up, it may never occur to us to make a second one. With greed, we can open a second well and get more water, more than we need but maybe want. But then greed can damage things too. Like most things in life, it's a double edged sword. It's good for some things but possibly not good for others.

Thus, we need to be greedy but we have to transcend it to a level where it will pump water to the growth and development of the society rather than focusing at self-centered individualistic framework. This is where I would like to even place the greed, when one starts looking through the glass of CSR.

6.2 Individualism

The term 'individualism' is rather ambiguous; but Friedrich A. Hayek, in his *Individualism and Economic Order*[669] stated that the term was created by the Saint Simonians, in opposition to their centrally-planned 'socialism.' 'True' individualism began its intellectual development with John Locke, Adam Smith, and Edmund Burke, but a second kind of individualism was developed by the French — Descartes and Rousseau being the most famous of these thinkers. This strand of thought is called 'rationalistic individualism,' which F.A. Hayek claims "tends to develop into the opposite of individualism; namely, socialism or collectivism."[670] A central theme of Adam Smith

[668] George Therukattil, *Becoming Human*, 10.
[669] Friedrich A. Hayek, *Individualism and Economic Order*, (The Ludwig von Mises Institute, Alabama, 2009), 3.
[670] Ibid., 4.

and Edmund Burke was that "combined efforts of individual actions often create things greater than their individual minds can comprehend."[671]

The term 'individualism' opens up a labyrinth of meaning that goes well beyond mere disagreement about positive and negative connotations.[672] Encyclopedia Britannica defines individualism as the moral stance, political philosophy, ideology, or social outlook that stresses "the moral worth of the individual."[673] Individualists promote the exercise of one's goals and desires and so value independence and self-reliance while opposing external interference upon one's own interests by society or other institutions such as the government.[674] There is a dichotomy of self versus society. The idea that the person and the group are independent and completely distinct entities is a serious concern of the relationship between one's self and one's society.[675] And it promotes the self-interest, selfishness, greed leading to individualism.

In this CSR study, we will consider individualism as the entry of an individual into the society to further his or her own interests, or at least demands the right to serve his or her own interests, without taking the interests of society into consideration. This makes him an 'individualist.' It also prompts us to look into Rudolf Bultmann's understanding of individualism. According to him individualism is "the isolation of ego."[676] In this study, this definition comes very much handy as we are delving more into the subjective behavior of human beings. Such subjective behavior plays a vital role in digging out the importance of CSR for the progress of the society where a subject or individual becomes an individualist as he isolates his ego. Thus, making him an end in himself in the society.

The individualist does not lend credence to any philosophy that requires the sacrifice of the self-interest of the individual for any higher social causes. Individualism in modern

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[671] Ibid., 7.

[672] Daniel Shanahan, *Toward a Genealogy of Individualism*, (University of Massachusetts Press, Massachusetts(1992), 13.

[673] "Individualism, on Encyclopædia Britannica Online" <http://www.britannica.com/EBchecked/topic/286303/individualism>, Retrieved on 30-12-2011.

[674] "Individualism" <http://www.thefreedictionary.com/individualism>, Retrieved on 30-12-2011.

[675] Peter L. Callero, *The Myth of Individualism: How Social Forces Shape Our Lives*, (Rowman & Littlefield, Maryland, 2009), 29.

[676] Roger A. Johnson, *The Origins of Demythologizing: Philosophy and Historiography in the Theology of Rudolf Bultmann*, (BRILL, The Netherlands, 1974), 27.

times has greatly influenced social and political institutions, views of the self, and liberal, democratic values associated with the universal rights of man and human rights.[677]

Probably, there can arise a profound question as to why am I talking about individuals or individualism in study that is dealing with CSR and its importance? I deal with it with the presumption that without the individual (human being) and his varied behavioral tendencies there can't be a CSR study. If the individual is eliminated there is no society. Similarly, if there is no transformation at the individual level, there can never be progress in the society.

Heidegger uses the expression *Dasein* to refer to the experience of being that is peculiar to human beings. Thus it is a form of being that is aware of and must confront such issues as personhood, mortality and the dilemma or paradox of living in relationship with other humans while being ultimately alone with oneself.[678] Heidegger used the concept of *Dasein* to uncover the primal nature of '*Being'* (*Sein*).The fundamental mode of *Being* is not that of a subject or of the objective but of the coherence of *Being-in-the-world*.[679] Thus I feel that Heidegger attempted to maintain the definition of *Dasein* as we all are, in our average *everydayness*.[680]

6.2.1 Features of Individualism

Individualism holds that the individual is the primary unit of reality and the ultimate standard of value. This view does not deny that societies exist or that people benefit from living in them, but it sees society as a collection of individuals, not something over and above them. Under individualism, the individual is sovereign.[681] The essential characteristics of true individualism are (1) that it is a theory of society, an attempt to understand the forces determining the social life of man, and that (2) it is a set of political maxims, derived from those forces determining the social life of man.[682] Individualists

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[677] Cited in Erica Brindley, *Individualism in Early China: Human Agency and the Self in Thought and Politics*, (University of Hawaii Press, Honolulu, 2010), x.
[678] "Dasein" <http://en.wikipedia.org/wiki/Dasein>, Retrieved on 30-12-2011.
[679] Ibid.
[680] Ibid.
[681] Michael Perelman, *Manufacturing Discontent: The Trap of Individualism in Corporate Society,* (Pluto Press, London, 2005), 87.
[682] C. F. Hayek, Friedrich, A., *Individualism and Economic Order*, 1948, 5.

see people dealing primarily with reality; other people are just one aspect of reality. Individualism holds that every person is an end in himself and that no person should be sacrificed for the sake of another.[683]

It holds that the individual is the unit of achievement.[684] While not denying that one person can build on the achievements of others, individualism points out that achievement goes beyond what has already been done; it is something new that is created by the individual. Undoubtedly, this specific nature of human being or individual or *Dasein* is the subject matter of this research and is the end as well as means of CSR which is important for the progress of the society.

6.2.2 Individualism and CSR

Individualism is the more realistic view that each person has moral significance and certain inviolable natural rights. Each person exists, perceives, experiences, thinks, and acts in and through his own body and therefore from unique points in time and space. It is the individual who thinks and has the capacity for original and creative rationality.[685] Individuals' minds can interrelate but thinking requires a specific, unique thinker. The individualist assumes responsibility for thinking for himself and for acting on his own thought.

Milton Friedman and others have argued that a corporation's purpose is to maximize returns to its shareholders, and that since only people can have social responsibilities, corporations are only responsible to their shareholders and not to society as a whole. Although they accept that corporations should obey the laws of the countries within which they work, they assert that corporations have no other obligation to society.[686]

Assigning primary emphasis to the individual does not devalue social cooperation. Humans are not only distinct individuals but also social beings.[687] Cooperative action

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[683] Michael Perelman, *Manufacturing Discontent*, 87.
[684] Michael Perelman, *Manufacturing Discontent*, 89.
[685] John K. Roth, *Ideology and American experience: essays on theory and practice in the United States,* (Washington Institute Press, Washington, 1986), 137.
[686] "Corporate Social Responsibility" <http://en.wikipedia.org/wiki/Corporate_social_responsibility>, Retrieved on 30-12-2011.
[687] Edward Wayne Younkins, *Capitalism and Commerce: Conceptual Foundations of Free Enterprise*, (Lexington Books, Maryland, 2007), 18.

affords growth possibilities and brings benefits which otherwise would be unattainable by isolated individuals. Man's rationality allows him to cooperate and communicate with others.[688] In a free society, all cooperative social ventures are entered voluntarily. In fact, individualism provides the best theoretical basis for a genuine community that is worthy of human life. The uniqueness and worth of the human person is affirmed when membership in a community is freely chosen by the individuals that comprise it.

Individualism denies that a community or a society has an existence apart from the individuals that make up that community or society.[689] A community or society is a collection of individuals — it is not some concrete thing or living organism distinct from its members. To use an abstract term such as community or society is to refer to certain persons sharing particular characteristics and related in specifiable ways. There is no such thing as the general will, collective reason, or group welfare apart from, and other than, that possessed by each individual in a group. Human society or community is an association of persons for cooperative active, resulting in greater productivity and mutual benefits.[690] Coordinated group action is a function of the self-directed and self-initiated efforts of each person within the group.

Individualism involves the idea that society is no more than the sum of individuals comprising it. Created by the interaction of individuals, society is what individuals make it. The social contract is a fiction. Corporations are viewed as expressions of individual freedom, do not derive their power from society, owe nothing to the community, and need only pay taxes and adhere to government regulations. Closely related to individualism are the ideas of equal opportunity and contract. But, Aristotelian concept of an ideal citizenship comprising duties as well as rights, an ideal of the common good transcending the good of any individual.[691]

Thus, individualism with all the vices such as self-interest, selfishness and ego do not foster the societal interests rather it is interest of the self. In the language of Levinas; the

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[688] Ibid.
[689] Ibid.
[690] Edward Wayne Younkins, *Philosophers of Capitalism: Menger, Mises, Rand, and Beyond*, (Lexington Books, Lanham, 2005), 67.
[691] James T. Kloppenberg, *Uncertain Victory: Social Democracy and Progressivism in European and American Thought, 1870-1920*, (Oxford University Press, New York, 1998), 176.

"other is not an Other in the full sense, but told to be exploited."[692] Humans employed in corporations can certainly meet the Other and attempt to manage the corporation in line with their own ethics. But the fact remains as ever it is, that corporations are not individuals. Thus, similar criticism has been made using Heidegger,

> Corporations cannot fully act in socially responsible ways because they possess a perspective on nature that is extremely limited.... Corporations cannot be citizens because their value systems are highly constrained and unable to handle concepts of value beyond instrumentality.[693]

However, acting in the interest of the individual will not serve the purpose of common good or good of the society. Hence, a basic insight is that when CSR is treated as an instrument for reputation and self-interest, it will not come across as a 'good deed' in itself. Mises asserts that prosperity is expressed by the fulfillment of diverse human responses. His ultimate concern is that survival of the human race, which he views as prosperity in the broadest sense. Thus, social cooperation is required for the achievement of human prosperity and happiness.[694] CSR in reality is trying to get across the same through the cooperation of individuals and corporate for the welfare of the society.

What we need is like Aristotelian concept of both rights and duties which helps the individual to transcend limitations to enter an enlightened paradigm which is beyond self-interest, selfishness, egoism that ensures common good and altruism.

6.3 Altruism/Communitarianism

The study of man and society begins from man whose whole nature and character is determined by his interaction with other men; not from the wide misconception that society is a collection of completely isolated individuals. Thus, Mises views society as the concerted action or cooperation of individuals that is a product of their conscious and purposeful behavior.[695] Unless we are born and dropped in a wilderness containing no humans, we cannot develop without interaction with other humans and thus be affected by that interactions. J. S. Mill, believed that all human activities should be aimed at the

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[692] Cited in *The Handbook of Communication and Corporate Social Responsibility*, Øyvind Ihlen, Jennifer Bartlett, Steve May (Eds), (John Wiley & Sons, West Sussex, 2011), 564.
[693] Ibid.
[694] Edward Wayne Younkins, *Philosophers of Capitalism: Menger, Mises, Rand, and Beyond*, 68.
[695] Ibid., 67.

good of our fellow beings; in fact, "at the greatest happiness of the greatest number."[696] Altruism can be defined as a tendency to perform acts or to promote attitudes that are not solely or primarily motivated by the agent's own self-interest, but, instead, by concern for the well-being of others.[697]People and societies who are given to altruism in this sense can be seen as unselfish, and they are normally not purely egoistic in their behavior or thinking. Thus, here I have used the terms 'Altruism/Communitarianism' as synonymous by passing the philosophical or hermeneutical depths for the sake of this research and to simplify the understanding.

According to Altruism/Communitarianism, society is more than the sum of the individuals in it. Society exists prior to any particular individual's existence.[698] And the society itself is complex and varied in nature. In a complex society, people have different perspectives and different interests.[699] Nevertheless, the corporation, a possession of the community rather than of individuals, holds a social contract with society from which it derives its power and, therefore, serves a constellation of interests. The communitarian ethic is based on the view that, in a socially interdependent society, no manager can act ethically without considering the claims of others. While managers have direct obligations to stockholders and employees, they must also recognize other claimants (e.g., customers, suppliers, and the community itself from which the corporation derives its existence). Thus, corporations do have to consider that interdependency and engage in those activities which benefit the society.

Jean-Jacques Rousseau would argue, however, that his concept of 'general will' in the 'social contract' is not the simple collection of individual wills and precisely furthers the interests of the individual. Rousseau stressed the role of the individual as a responsible member of society. The social contract that he proposed was a contract in which the members of society agreed to be ruled by their general will. Although Rousseau never made it clear how the general will would operate in actual practice, he believed that all members of society would participate in the formulation of the general will, which would

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[696] Trames, by Tuija Takala, Matti Hayry, *Journal of the Humanities and Social Sciences*, Vol.8, No.3, 2004, Estonian Academy Publishers, Tartu, 280.
[697] Ibid. 278.
[698] John Sutton, *Law/Society: Origins, Interactions, and Change*, (Pine Forge Press, California, 2001), 34.
[699] Ibid., 36.

then be executed by a small group. The Social Contract (1762), Rousseau's treatise on politics and government, opens with the words: "All men are born free, but everywhere they are in chains."[700]

Communitarians view communities and society as living organisms existing independently of their individual members and believe there is a general common will separate from the wills of the individuals comprising them. For some communitarians, the 'general will' is the will of the state as Leviathan — the earthly equivalent of God.[701] Communitarians believe that communities and society have moral significance and rights that are at least equal to the rights of individuals and that sometimes and somehow override individual rights. They fail to realize that a community or a society is not a being, is not capable of self-directed thought or action, and, therefore, cannot possess rights. Durkheim holds the view that individuals in modern society are not, in fact, autonomous; rather, they are bound together in dense webs of inter-dependence.[702]

Often there has been talk about balancing the rights of individuals with the rights of the community. In addition, they tend to view the state as the agent of social betterment and support laws that force people to serve communities and society by taking part in programs that some intellectuals, speaking for the community, have declared to be for the common good or in the public interest. Communitarianism stifles the decision making power of individual persons by subordinating their preferences to community purposes which tends to be the same as majority rule. The communitarian vision of self-interest is thus often defined in terms of community service.

Communitarianism is closely related to social contract theory and emphasizes the social nature of the corporation which exists as the result of a highly implicit and flexible contract that determines its duties and rights. The corporation is portrayed as responsible to and subject to the will of society (i.e., the people). Both the state and the law are creatures of society. They are creatures of the state, in the sense that the state's legal mechanisms bring them into existence. The state determines how individuals and

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[700] Kenneth Pearl, *Cracking the AP European History Exam, 2004-2005 Edition*, (Princeton Review, New York, 2004) 99.

[701] Christopher W. Morris, *The Social Contract Theorists: Critical Essays on Hobbes, Locke, and Rousseau,* (Rowman & Littlefield, Maryland, 1999), 205.

[702] John Sutton, *Law/Society: Origins, Interactions, and Change*, 36.

corporations are created as coherent entities entitled to act as such in society.[703] Since, from the perspective of communitarians, corporations are created by the government which, in turn, owes its existence to society, it follows that corporations are actually made by society and are responsible to the public to serve whatever is deemed to be in the public interest or for the common good. Since the corporation only exists because of social permission, society is said to be able to legitimately demand that a corporation perform certain activities that the owners and managers do not wish to perform.[704]

Altruism holds "each man as his brother's keeper;" in other words, we are each responsible for the health and well-being of others. This is incompatible with individualism, yet many people who are basically individualists uphold altruism as the standard of morality. There are many reasons to engage in CSR — some noble, some very pragmatic. It was Saul Alinsky who said, "The fact is that it is not man's 'better nature' but his self-interest that demands that he be his brother's keeper... This is the low road to morality. There is no other."[705] Social crusaders believe that corporations should be socially responsible both out of gratitude for their existence and a moral sense of reciprocation for benefits received from society, including the purchase of their goods and serves as an access to, and use of, public goods.[706]

During the 20th century, society has been reassessing its expectations of corporations and has pressured them to balance profit-making with social responsibility.[707] Communitarians believe that corporations should be socially responsible both out of gratitude for their existence and a moral sense of reciprocation for the benefits received from society, including the purchase of their goods and services and the access to, and use of, public goods. In essence, the corporation is viewed as more like common property than as private property. Some communitarians even propose that the corporation be brought under government control to assure the common good.

Whatsoever it be, Altruism/Communitarianism demands involvement at individualistic level as well as group level, because, man is a social being. According to Marx, "my own

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[703] Martha Fineman(ed.), *Transcending the Boundaries of Law*, (Taylor & Francis, New York, 2010), 164.
[704] Edward Wayne Younkins, *Capitalism and Commerce: Conceptual Foundations of Free Enterprise*, (Lexington Books, Lanham, 2002), 88.
[705] S. D. Alinsky, *Rules for radicals*, (Vintage, New York, 1971), 23.
[706] Edward Wayne Younkins, *Capitalism and Commerce: Conceptual Foundations of Free Enterprise*, 89.
[707] Ibid.

existence is social activity, and therefore that which I make of myself, I make of myself for society and with the consciousness of myself as a social being."[708] It is necessary to strike a balance between individualistic outlook with altruism for the good of the society. The existentialist tradition also emphasizes that the self is always a self-in-the-face-of-others. Being-with, is an existential characteristic of *Dasein* (human being) even when factically no Other is present-at-hand or perceived, according to Heidegger "even *Dasein's* Being-alone is Being-with in the world."[709] CSR in the altruistic/communitarian outlook seeks not kindness from the individual or corporate but empathy. We need individuals who are with empathy for effectively letting the CSR practices without prejudice to aspire for the welfare and well-being of the community not as commitment but as one's responsibility towards the other being. Individuals with empathy at the corporate level can only feel the acuteness of the situation to discharge effective CSR practices for the benefit of the society.

Thus, it is clear how cultural values, practices, and beliefs shape social norms regarding when and how people should experience empathy and express altruism toward others. The fundamental cultural dimension of individualism — collectivism, in particular, prescribes vastly distinct ways of interacting with others. So being empathetic and sympathetic towards the other, instills such responsibility and awareness in each of us— a clear transformation at very individuals level.

6.4 Empathy – Ethical Balance Striker between Egoism and Altruism

Altruism and egoism are complex psychological and ethical concepts.[710] One central concept within the perennial philosophy is that of community. For human persons to belong to communities is natural. One characteristic of a community is that there is no conflict between the good of the individual members and the good of the community as a whole. Consequently, to be ethical, to promote the common good, is good for oneself.

[708] Alfie Koh, *The Brighter Side Of Human Nature: Altruism And Empathy In Everyday Life*, (Basic Books, New York, 1992), 253.
[709] Ibid.
[710] Trames, by Tuija Takala, Matti Hayry, *Journal of the Humanities and Social Sciences*, Vol.8, No.3, 2004, (Estonian Academy Publishers, Tartu), 276.

Thus, CSR is considered to be a global phenomenon than just referring to a particular group, society or a culture…

Among the most distinctive features of modern moral and political philosophy, including social contractarianism, is its individualism. Human persons are naturally individualistic and artificially social. In the words of economist Milton Friedman, writing under the influence of modern philosophy, "Society is a collection of individuals and of the various groups they voluntarily form."[711]

This individualism results in what Henry Sidgwick has called the "dualism of practical reason,"[712] the dichotomy between egoism and altruism. The interest of an organization is the aggregate of the conflicting self-interests of its individual members. Ethics is no longer about promoting one's own good by promoting the good of the community, but about promoting the interests of others instead of self-interest, or about striking some ethical balance between egoism and altruism. This is true of most modern moral philosophers, no matter how sharp their disagreement at other points.

Man is extraordinarily selfish, cunning, and stubborn, but capable of being socialized, if he believes he can profit by it. Even in ordinary social situations like dinner parties, social interactions and expectations can vary dramatically depending on whether one thinks of themselves as autonomous or highly connected and interdependent with others.[713] Such thoughts evolve only when one has a social sensitivity which we call empathy?

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[711] Milton Friedman, "The Social Responsibility of Business Is to Increase Its Profits", New York Times Magazine, 13 September 1970. Cf. Edward W. Younkins: "To use an abstract term such as community or society is to refer to certain persons sharing particular characteristics and related in specifiable ways.... Society is no more than the sum of individuals comprising it.... Corporations are viewed as expressions of individual freedom, do not derive their power from society, owe nothing to the community, and need only pay taxes and adhere to government regulations.... The social responsibility of corporations is limited to respecting the natural rights of all individual parties" ("Two Perspectives on Corporate Social Responsibility", Capitalism & Commerce [Montréal, Quebec, Canada], No. 84, 9 June 2001.

[712] Henry Sidgwick, *The Methods of Ethics, 7th Ed.,*(Macmillan, London, 1907), xxi.

[713] Barbara Oakley, Ariel Knafo, Guruprasad Madhavan, David Sloan Wilson(Eds.), *Pathological Altruism*, (Oxford University Press, Oxford, 2011), 297.

6.4.1 Meaning of Empathy

The idea that empathy is essential for morality has a rich heritage in Eastern and Western thought. "For at least 300 years philosophers in the Anglo-American (or utilitarian) tradition of ethics have assumed that man has an innate social sensitivity which plays an important role in moral development."[714] Historically, philosophers such as David Hume and Adam Smith as well as social scientists such as George Herbert Mead have given a significant role to empathy in their theories. Smith defines empathy as "our capacity to interpret the feelings of others in terms of sympathy."[715] Smith opens up the fascinating insight into human behavior and the way we perceive others.

The origin of the word 'empathy' can be traced from the German word *Einfuhlung*, which is translated as 'feeling into.' Empathy is different from sympathy though both sound alike. *Mitfuhlung* is sympathy in German which is translated as 'along with.'[716] A sympathetic person feels *along with* another person but not into a person. Empathetic behavior implies a convergence. Thus, a person with empathy converges egoism and altruism in the view of CSR. That is the simple reason in Taiwan, the motivation for CSR and corporate philanthropy revolves around the Confucian philosophy of *Ru Shang*, in which it is the businessman's responsibility to give back to the society that helped to create the business. Confucianism values empathy for all human beings, while socialism is committed to sharing and promoting the common good of the whole society.

Martin Hoffman has proposed the most integrated and conceptually coherent theory of empathic development.[717] His view of human nature was founded in the altruistic foundation of empathy.[718] There exists an egoistic motive of self-protection or the enhancement of one's own condition and on the other hand, there exists an independent altruistic motive that promotes the other's welfare "without conscious regard for one's

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[714] Robert Hogan, *Moral Conduct and Moral Character: A Psychological Perspective*, (Psychological Bulletin 79, 1973), 222.

[715] Broadie, Alexander, "Sympathy and the impartial spectator," in *The Cambridge Compassion to Adam Smith*, K. Haakonssen (ed.), (Combridge University Press, Cambridge, 2006), 159.

[716] Arnold Buchheimer, (1963), The Development of Ideas about Empathy, *The Journal of Counselling Psychology* 10, 63.

[717] Hackney, H.L., (1978), The evolution of empathy, *Personnel and Guidance Journal*, 57, 36.

[718] Ibid., 35.

own self-interest."[719] Thus, Hoffman's accounts envision empathy as the source of this care for others. Accordingly, both an egoistic motive and an altruistic motive are necessary, as both motive systems allow for an optimal level of human adaptability and therefore of human survival.[720]

Hoffman defines empathy as "an affective response more appropriate to someone else's situation than one's own."[721] It is a similar feeling though it does not duplicate one's own feeling with others which allows for an accurate interpretation of another's state. Simply getting into the other person's shoe and feeling with him. I personally think, that nothing but empathy in a person can arise concern for the society and happiness of other human beings around. This feeling of being one with the other requires mutual respect and thereby responsibility. Thus, Hoffman appears to recognize the satisfaction that prosocial actions have for the person, yet he maintains that empathic responding serves as a distinctively prosocial action that supports the view of the altruistic human nature.[722] In this research, Hoffman's view point supports us to establish empathy as a synch between altruism and egoism, which bridges the gap with responsibility as moral duty in the larger universal design.

However, several aspects of the evolution of human nature include an increasing circle of concern that goes beyond simple self-interest. To the extent to which human nature is defined according to particular dispositions and behaviors, the social pressures on the evolution of the human mind have produced a capacity for attachment and cooperation with others that has become a major aspect of human nature. Hoffman may call it as empathy which is 'feeling into'; Smith would term it as "our capacity to correspond with the feelings of others with our own" and some others something else. This is not to deny the existence of self-interest or even selfishness in human nature but rather that selfish genes produced a core human nature that is ultimately selfish. Selfishness and concern for others exist on a continuum in human nature (and other animal natures as well). It is our duty to nurture egoism and altruism through empathy. How far can we make that

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[719] Martin L. Hoffman,(1981), Is Altruism Part of Human Nature? *Journal of Personality and Social Psychology* 40, 124.
[720] Charles M. Shelton, *Morality of the Heart*, (Crossroad, New York, 1990), 41.
[721] Ibid., 42 Quoted from (Hoffman, *The Contribution of Empathy*, 45).
[722] Charles M. Shelton, *Morality of the Heart*, 54.

synchronization possible through CSR at individual and corporate levels? Let us be reminded of the blanket truth that if at all someone could make difference in the society, it is each of us. Thus, each human being should strive for the enlightened interest of the progress and welfare of the society. That will place an important role for CSR in the development of the society.

Conclusion

The chicken or egg story — business or philanthropy? Egoism or Altruism? Individual or society? Here the question is not who is first or who is important, rather it is the existential question of what I am doing for the society where I play key role. Do I feel empathy towards the other human being? Do I take responsibility for the welfare and well-being of the society?

One must not forget that a flow in one direction cannot last long until and unless backed by other reciprocating flows. This implies that the role played by society is not a passive one or a neutral one. The growing responsibility of the society and the community in general cannot be denied at all. The awareness level of the society, which in turn is correlated with the literacy level, the standard of living, the preference pattern is a major determinant in this area — which helps individuals to voice their demands and grievances in a systematic manner ensuring that organizations in that locality practice CSR in a way that truly benefits society. The aim of every organization is to produce and distribute goods and services in such a way that income exceeds cost. Society expects the organization to be socially responsible as the economic environment of the society is dependent on the business environment. Socially responsible business is a common term today as business and societies are unthinkable without each other.

Thus, human capacity to empathize with human beings around is the clarion call for CSR and it is the converging point of individualism and altruism. Managers or Executives with empathy are necessary for expanding their support for the societal welfare not as charity but as responsibility of every human being. It should spring not out of compulsion by the government or authorities instead should spring from the heart out of one's mutual respect for the human being and universe. It is each one's responsibility. This

responsibility is emerging out of freedom. Thus, freedom with responsibility can take CSR in the 21st century to a new paradigm. I think, that CSR will have significant role to play in bringing an effectual impact for the progress of the society whether as an individual or as a corporate. Appropriate mediation of individualism and altruism can generate empathy in each one of us. CSR practices should emerge not out of sympathy instead it should spring up from the heart where empathy originates. The goodness of human nature manifests itself from within. This sense of internal goodness is not merely a being but a generative activity, indeed a creative impulse that expresses human care in the context of human relatedness. Self-realization depends on innate subjectivity as well as social environment. It is also predicated on an anthropocosmic vision that human beings in their all embracing fullness are co-creators of the cosmos through the great transformation which CSR is trying to bring about in the modern world. The 'co-creator' status obligates us with responsibility and freedom — choiceless choice. And of course, freedom with responsibility will force us to ask the existential question which philosophers and sages have been asking for ages: What is the purpose of life as a human being? Is there a purpose in life at all?

However, we have to understand that we have a purpose in life. Our lives are not just for vanishing like mushrooms that pop up after a rain. It is even ridiculous to use the imagery of mushrooms. They do have a purpose and end to fulfill. Every human being and every living being has a responsibility to himself, others and nature. This fact cannot be ignored whether we follow individualism or altruism.

Chapter 7

Purpose of Life as a Human Being: A Philosophical Critique

Introduction

"Life is something extraordinary."[723] Life in any form is precious and invaluable. The significance of life is *living*. Be it of human beings, animals, plants or any other species in the universe — life is nothing less than *living*. Many people live their lives without ever reflecting on life itself or its meaning for them. Their lives may be full of activities. They may marry, have children, run a business, or become professionals or artists, without ever obtaining any degree of understanding of why they do these things. Their lives have no overall purpose to give meaning to separate events, and they may have no clear idea of their own nature or identity, of who they really are. Human existence tops all other species with peculiar nature of reasoning.

But if plants are the organisms that feed and grow, and animals are the organisms that feel and sense, what functions has man in the scheme of things? Aristotle's answer was that reason alone distinguishes human beings, and the good for man must in some way involve our reasoning faculty.[724] Descartes says, "Humans are the rational beings ('thing that thinks')."[725] Hence, he notes that human being's purpose in living must be connected with the proper use of this central and primary ability.

The meaning of life or purpose of life is a concept that provides an answer to the philosophical question concerning the significance of life or existence in general. It can be expressed through answering a variety of related questions, such as "Why are we here?" "What is life all about?" "What is the purpose of life" and "What is the meaning of life?" It has been the subject of much philosophical, scientific, and theological speculation throughout the history. There have been a large number of theories to these questions from many different cultural and ideological backgrounds.[726]

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[723] J. Krishnamurti, *What are You Doing with Your Life: Teen Books on Living*, (Krishnamurti Foundation of America, California, 2001), 60.

[724] Burton Frederick Porter, *The Good Life: Alternatives in Ethics*, (Rowman& Littlefield, Maryland, 2001), 137.

[725] Ibid.

[726] "Purpose of life" <http://en.wikipedia.org/wiki/Purpose_of_life>, Retrieved on 06-03-2012.

The meaning of life as a human being is deeply entrenched in the philosophical and religious concepts of existence, social ties, consciousness, and happiness etc… The value of the question pertaining to the purpose of life as a human being may coincide with the achievement of ultimate reality, or a feeling of oneness, or even a feeling of sacredness.[727] Christianity postulates purpose of human life is to love God and thereby attain heaven. Similarly, Hinduism postulates the purpose of human life as realizing the fundamental truth about oneself — "*Tat Tvam Asi*." All religions and philosophers propagate spiritual or metaphysical ends of the purpose of human life. But, an existentialist point of view is to look where people find meaning in life because one's life arises only after one comes to existence (*existence precedes essence).*[728] And to a pragmatist meaning of life is discoverable only via experience.

The question of the destiny of our lives is very serious, as it concerns the most important question for human being for what purpose are we here on earth? If human being takes a correct stance on this issue; if he finds his true destiny; then he will be able to take a correct viewpoint in relation to particular questions that arise in our daily life; in our relationships with our fellow men; in our studies, profession, marriage and the bearing and upbringing of children. If he does not relate correctly to this basic issue, then he will also fail in life's particular purposes, for what meaning can a particular purpose have if human life as a whole has no meaning?

Interestingly in this research on CSR and its impact on society, purpose of human life plays a significant role in establishing the purpose of human existence. So this chapter will make an attempt to establish the purpose of human life from a commoner's perspective delving into the nuances of responsibility to the self and to the society (to the other).

7.1 Life both as a Question and Answer

Life is a question, life is an answer. The question is hidden in the answer and vice-versa. I would undoubtedly, answer *life*. Life is the answer to life. Life is what happens between conception and death. A journey that starts in the womb and ends at the tomb. In the

[727] Ibid.

[728] Famous Existential dictum of Jean-Paul Sartre's lecture in 1946 on *Existentialism Is a Humanism.*

meantime whatever happens is nothing but, what we call as life.[729] From the time of the ancient Greeks, scholars have debated the proper moment at which human life comes into existence.[730] Many argue that human life begins at conception, which occurs when a human egg becomes fertilized with human sperm and becomes a zygote. Though, we all know it in black and white, the question of 'what is life' bothers us every moment. Here is what Robert Morison has to say about it:

> Life is not a thing or a fluid any more than heat is. What we observe are some unusual sets of objects separated from the rest of the world by certain peculiar properties such as growth, reproduction, and special ways of handling energy. These objects we elect to call 'living things.[731]

What is life?, is surely one of the oldest questions. Richard Dawkins would describe life as genes. "They are inside you and me, they created us, body and soul; and their survival is the final reason for our existence."[732] Some other biologists would describe it as diffusion of atoms. The history of philosophical approaches towards the concept of life confirms this conception that rational man, who is constantly confronted with life, cannot distance himself from life. It is always life that happens to him, with him, through him.[733] The experience of life, therefore, is neither pure recognition of self nor merely reaction to outside stimuli. Reality can be understood only in living, not in escape. When you seek purpose of life, you are really escaping and not understanding what life is.[734] Philosophers like Husserl, Wittgenstein and Habermas prefer to use the terms 'living world' and 'living experience' rather than life.[735] So I try to define life as an experience of living — living in the world; living with the world; living through the world. Life is a process, and the process is living. It is common to all organic beings. So life is *LIVING*. Thus, Aristotle's famous quote says it all — "It is better to be than not to be."[736]

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[729] Joji Valli, *The Canvas of Life*, (CreatiVentures, Pune, 2011), 39.
[730] William A. Wallace, "*St. Thomas on the Beginning and Ending of Human Life*", in John P. Lizza (ed.), *Defining the Beginning and End of Life*, (The Johns Hopkins University Press, Baltimore, 2009), 470.
[731] Quoted in Lynn Margulis, Dorion Sagan, *What is Life?,* (University of California Press, California, 2000), 1.
[732] Richard Dawkins, *The Selfish Gene*, 51.
[733] Lynn Margulis, Dorion Sagan*, What is Life?*, 26.
[734] J. Krishnamurti, *What are You Doing with Your Life: Teen Books on Living*, (Krishnamurti Foundation of America, California, 2001), 63.
[735] Lynn Margulis, Dorion Sagan*, What is Life?*, p.26.
[736] Wendy Toliver, *The Little Giant Encyclopedia of Inspirational Quotes*, (Sterling Publishing Company, Inc., New York, 2005), 323.

7.1.1 Life is LIVING

All organic beings have a peculiar nature of coming into existence — living the life. We are born, mature, age, and die — Life implies everyday actions, everyday thoughts, everyday feelings along with the struggles, the pains, the anxieties, the deceptions, the worries, the routine of the office, of business, of bureaucracy, and so on. So life goes for me, you, and just about everyone, allowing sort of small individual and cultural variations that affect the form but not the fact of routine. These activities constitute everyday life. Everyday life is, what life mostly is. Keeping it going, however, involves constant struggle. The struggle for existence or *living life* is inevitably common to all organic beings.[737] J. Krishnamurthy notes that no one has escaped from this struggle without understanding it.

> To understand the full significance of living, we must understand the daily tortures of our complex life; we cannot escape from them. The society in which we live has to be understood by each one of us — not by some philosopher, not by some teacher, not by a guru — our way of living has to be transformed, completely changed. I think that is the most important thing we have to do, and nothing else.[738]

Though each being lives its life, everything in the universe is inter-connected. The entirety of organic and inorganic existence is interconnected that nothing escapes anything. The process of living entails cooperation between living and non-living.

> Cooperation is the basis of life and of evolution — this already becomes clear on the lives of the simplest microbes. The American scientist James Shapiro found during his investigations that even bacteria form organized associations, go hunting for prey in teams, and are more similar to cells of an organism, than to autonomous loners. He came to the conclusion that most — if not practically all — bacteria live their lives in community.[739]

There is cooperation within and among the species. The vicious cycle of life is nothing but living in cooperation with everything around. It is said that ants have a 'social

[737] Charles Darwin, *The Origin of Species*, (Forgotten Books, USA, 1965), 414.
[738] J. Krishnamurti, *What are You Doing with Your Life: Teen Books on Living*, 62.
[739] Hans-Peter Dürr, Fritz Albert Popp, Wolfram Schommers (Eds.), *What Is Life?: Scientific Approaches and Philosophical Positions*, (World Scientific, Singapore, 2002), 17.

stomach,' because all the members of the colony of ants share their nourishment and feed each other if necessary.[740]

One species become food for the other. Organic beings, indeed, contain within themselves a special principle of dissolution.[741] On the process of living life with its struggles and complexities all species irrespectively cooperate and undergo this evolutionary process — being the feed for each. This grand fact of grouping of all organic beings under what is called the Natural System, is utterly inexplicable on the theory of creation.[742]

Perhaps, we humans who claim to be the top of all species with rationality are even subject to this evolutionary phenomenon. Though human beings claim to be the superior species in the organic plethora, we have no escape from admitting ourselves to the natural process and law of nature. Thus, having a close glimpse at human being would positively help this research to approximate the purpose of life as human being.

7.2 Human Being — a Being with a Purpose

I think, it is appropriate to illustrate the following incident to understand what a human being is. During the Holocaust in France, in a tiny mountain Huguenot village called Le Chambon-sur-Lignon, 350 miles from Paris, 5000 Jews, mostly children, found shelter with 5000 Christians, almost the entire population of the village. Defying the Vichy government, which was collaborating with the Nazis, the villagers of Le Chambon hid Jews in their homes for years. They provided the refugees with forged identification and ration cards, as well as education for the children, and then sent them to safety in Switzerland.

The Chambonnais were descendants of the Huguenots, the first Protestants in Catholic France. Having endured persecution in France, they were able to understand the plight of the Jews. Under the leadership of a young French pastor, Andre Trocmé, the people of Le Chambon felt it was their duty to help people in need, never considering their actions

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[740] Ibid., 16.

[741] Martyn Paine, *Medical and physiological commentaries, Volume 3*., (Collins, Keese, New York, 1844), 30.

[742] Charles Darwin, *The Origin of Species*, 416.

heroic or dangerous. Trocmé told a Vichy official who had threatened him about sheltering the Jews: "We do not know what a Jew is… we only know humans." [743]

It is important to understand what we are as human beings. It lies at the heart of the philosophical questions of human beings' place and purpose in a world that is being discovered and transformed in the name of humanity, the highest of all values. The present state of knowledge of the human being is one which has been informed by the materialistic reductionist thinking of modern technological science. It is commonplace for people generally to think of the human body as being merely an elaborate machine, with all the non-material aspects of the human being — thinking, feeling, attitudes, emotions, mores, imagination, etc., as being merely the result of the physico-chemical activities which take place in the physical body. However, we should be aware that life is common to all living beings. Then what differentiates human beings from other living things and generally from the natural world in which they live?

7.2.1 Eastern Concept of Human Being

Now, I would like to give the nature of human beings from the perspective of Indian philosophers. Unlike Western philosophers, Indian philosophers do not define human beings in terms of reason or certain attitudes, such as caring, etc., or in terms of certain emotions, such as anxiety. This is due to the fact that these properties are present in higher animals, such as chimpanzees.

According to Indian philosophers, human beings exhibit not only rationality at the level of thought, or anxiety at the level of emotion, but also certain other characteristics which will distinguish them from other higher animals. The form of life of a human being can be described as some of their actions are guided by the concept of ought or ought not. In other words, human beings are guided by the concept of *dharma* (righteousness), or *adharma* (unrighteousness).[744] The word '*dharma'* has been used in a very wide sense by

[743] "Weapons of the Spirit: The astonishing story of a unique conspiracy of goodness" <http:// http://www.chambon.org/weapons_en.htm>, Retrieved on 22-07-2012.

[744] Sri Aurobindo, Aurobindo Ghose, *Wisdom of the Gita: Second Series*, (Lotus Press, Twin Lakes, USA, (1992), 51.

Indian philosophers. The core meaning of the word '*dharma'* is derived from the root '*dhr'*, meaning 'to hold', 'to support', etc.[745] Hence x is a *dharma* means:

> 1. x supports the world (*dharatilokan*) ,
> 2. x supports the human society as well as the world (*yo-lokan-dharayati, yena-manava-samajo-dhrtah-sa-dharmah*),
> 3. x will help those who have fallen, are about to fall, or will fall (*patitampatantam-patisyantam-dharayatiti-dharmah*),
> 4. x is the foundation of the universe as well as the world (*dharmo-visvasya-jagatah-pratistha*),
> 5. x is real or truth (*yo-dharmah-satyam-vaitat*),
> 6. x also leads to something higher, such as peace and bliss (*ya-eva-sreyaskarah-sa-evadharmasabdena-ucyate*),
> 7. If you put an end to x (dharma), then it will put an end to you; if you restore x, then it will restore you (*dharma evahatohanti, dharmoraksatiraksitah*).[746]

From these uses of the word *dharma* it follows that our total wellbeing is dependent on *dharma*. The laws of *dharma* are as real as the laws of nature. Hence any type of violence, which is a type of *adharma*, will cause our suffering and would ultimately lead to the elimination of living beings.

Human beings can realize metaphysical freedom or liberation (*moksa* or *nirvana*) in varying degrees. Systems of Indian philosophy have interpreted the term *moksa* or *nirvana* in different ways. The connotations may be classified as positive or negative. Negatively, it is a state of mind free from sorrows, suffering, craving, selfishness, or defilements.

The word '*nirvana'* consists of the word '*ni*' plus '*vana*' or ('*nir*' plus '*vana*').[747] The negative particle '*ni*' signifies absence, or cessation, and the word '*vana*' signifies weaving or craving. Hence the word '*nirvana*' means cessation or extinction of all types of craving, including physical, vocal, imaginary, or dispositional.[748] If there is no craving then there is no transgression of ethical conduct. Therefore, the state of nirvana does not imply the extinction of the individual or the person, but only the cessation of one's

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[745] Ibid., 50.
[746] "The Nature of Human Beings, Philosophy and Culture" <http://www.philosophyandculture.org/PDFs/09_09_Jay_Shaw.pdf>, Retrieved on 24-03-2012.
[747] Ben-Ami Scharfstein, *A Comparative History of World Philosophy: From the Upanishads to Kant*, (SUNY Press, Albany, 1998), 98.
[748] Ibid.

craving or desires which are due to attachment, greed, aversion, or delusion. It implies the extinction of the life of illusion, passion, and craving.

Positively, *moksa* or *nirvana* is a blissful experience.[749] The Advaita Vedanta characterizes it as realization of truth, knowledge and bliss. Dhammapada, a Buddhist text, has also emphasized its blissful nature. To quote: "Health is the highest gain; contentment is the greatest wealth; trustful are the best kinsmen; *nibbana* (derived from '*nirvana'*) is the highest bliss."[750] The life is also characterized by enlightenment as there is wisdom or higher knowledge. Hence, the mind of a liberated person is characterized by peace, bliss, compassionate feeling, or love for all beings or the entire creation. Even if these are ideals, human beings can realize these ideals in varying degrees in this life.

7.2.2 Western Concept of Human Being

Traditionally, human beings are defined as rational animals. Hence, x is a human being if and only if x has rationality and animality.

> The distinctive features of human nature have to do with the mental functioning of human beings — more specifically, with their intellectual and mental powers... It has been widely agreed that if there is some respect in which human beings differ from even the higher animals, it must be their capacity for rational thought that makes the difference.[751]

It is claimed that the essence of a human being (*Dasein*) lies in its 'to be.' Heidegger postulates a 'Being' (*Dasein*) out of which man's being (*being in the world*) is created. 'Being' is the inner light through which we become aware of our meaning, of what is reality for us.[752] There is always something outstanding in *Dasein* which has not yet become real, although it remains as a possibility of its being. "A constant unfinished quality thus lies in the essence of the constitution of *Dasein*."[753] In other words, we cannot give an account of a human being without reference to his or her projects, hopes, aspirations, intentions, etc. Hence, a human being is always in the process of becoming.

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[749] David Edward Cooper, Simon P. James, *Buddhism, Virtue And Environment*, (Ashgate Publishing, Ltd., Aldershot, 2005), 43.
[750] Nārada (MahaThera), *The Dhammapada*, (Maha Bodhi Society of India, Calcutta, 1970), 57.
[751] Frederick A. Olafson, *What Is a Human Being?: A Heideggerian View,* (Cambridge University Press, Cambridge, 1995), 2.
[752] R.C.Solomon, *Existentialism*, (Random House, New York, 1974), 96.
[753] Ibid., 300.

The reference to the process of becoming, or striving for something, will define or describe a particular human being. Hence, an individual is necessarily unfinished or incomplete. According to Heidegger, we can never grasp the wholeness of *Dasein*. This is due to the fact that it reaches its wholeness in death, and when it happens, *Dasein* loses its being there. Hence this view emphasizes the becoming aspect of our being.

Becoming is an essential element of growth. Becoming reflects a process of significant change that occurs in the form and nature of human beings. In the words of Heidegger, "To be human means that one is not a static entity just 'there' among other things. Rather, being human is always a process of becoming oneself, living into possibilities, into one's future."[754] For him, such becoming is not optional but necessary.

Man is radically unfinished in himself.[755] Becoming human is a process that involves the cooperation with the other beings. To become Human is a call, a vocation, and an imperative coming from the other.[756] Operating in the society and mingling with other human beings reveals the nature and shapes a personality for each one of us.

> Thus man has to create a human personality accepting the responsibility for the Other and claim by the Other, 'by choices that must fulfill, deepen and enrich him as a human person. It is a never-ending series of changes and struggles, striving to make use of even the most difficult situations in order to grow more fully into manhood.[757]

Emmanuel Lévinas criticizes the concept of man (human being) found in the Western and Eastern philosophy. He accuses them as 'egology,'[758] because they left out the important problem of *the Other*. According to Lévinas it negates *the otherness of the other person*, which is integral to human life.[759] Because for the simple reason that it denies the face-to-face relationship with other. What makes each of us a human being is nothing but the *otherness of the other* and *face-to-face* relationship which is the basis of the society. I think, this is the basis of CSR too. Blindness towards the other, or not co-operating with the other eliminates the possibility of doing good to others or the so-called society. Lévinas concept of man clearly hints the importance of the Other. He says, if the Other is

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[754] Martin Heidegger, *Being and Time*, (SUNY Press, Albany, 1996), 57.
[755] George Therukattil, *Becoming Human*, 1.
[756] Ibid., 3.
[757] Ibid., 3.
[758] Ibid., 43.
[759] Ibid., 45.

not there, there is no philosophy, only partial philosophy, (only Egology) because philosophy is about the whole reality.[760] So his starting point of philosophy is ethics. Ethics begins with the relationship with the other. It is my obligation to respond to the other. Ethical response is not at the conceptual level but happens in the very life itself. This opens the possibility for the human being to engage and entangle in the web of relationship.

7.3 Life is LIVING a Relationship

Man cannot live alone. He must satisfy certain natural basic needs in order to survive. He has to enter into relationships with his fellow beings for living a life. No man can break the shackles of mutual dependence. This begins perhaps between the embryo and the mother and continues till his last breath. The need of the embryo may be more physical than mental, but the mother's need is the other way round. "Society friendship and love/divinely bestow'd upon man," sang William Cowper, portraying the pangs of solitude of Alexander Selkirk who had been marooned on an uninhabited island for years. The words of the great philosopher Aristotle would substantiate how important relationship is:

> Man is by nature a social animal; an individual who is unsocial naturally and not accidentally is either beneath our notice or more than human. Society is something that precedes the individual. Anyone who either cannot lead the common life or is so self-sufficient as not to need to, and therefore does not partake of society, is either a beast or a god.[761]

Thus, man is by nature a social animal. He is born in society lives in society and dies in society. Society is indispensable for man. Man cannot live as man, without society. Isolation from society is regarded as a punishment. Ignoring the existence or alienating a person in the society is considered to be the cruelest punishment. Similarly, when I think from a CSR point of view when people are deprived of the living conditions, they are being punished. Because their very life is simply ignored by the alienating conditions of their existence, as people are there to cooperate and collaborate in the everyday living.

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[760] Ibid., 51.

[761] "Aristotle Quotes: Quoted from Aristotle, *Politics"* <http://www.goodreads.com/quotes/183896-man-is-by-nature-a-social-animal-an-individual-who >, Retrieved on 24-03-2012.

Solitary life is unbearable for him. Social life is necessary for man. The instinct for some form of social life is innate in human being where relationship plays an indispensible role. Life is a relationship within and between organisms. The reality of relationship happens in living.

> Reality can be understood only in living, not in escape. When you seek purpose of life, you are really escaping and not understanding what life is. Life is relationship, life is action in relationship; when I do not understand relationship, or when relationship is confused, then I seek a fuller meaning.[762]

Action is the crux of living a relationship. Everything happens in life, when we are able to take that extra step in life. When we bottle ourselves within us or in an island, the possibility of relationship to certain extend is shut. That does not eliminate us from relating to the environment and other beings around. Life is a relationship with things, people, and ideas, and if we do not meet these relationships rightly, fully, then conflicts arise from the impact of the challenge.[763]

Martin Buber speaks about 'the Other' in his famous '*I-Thou'* relationship. For Buber, to be is to be in relation, in dialogue. "In the beginning," Buber writes, "is the relation."[764] This beginning is also a saying. To be human being, for Buber is to hold oneself in an attitude of relation by saying a 'basic word.' There are Buber insists, two basic words, *I-Thou* and *I-It*.[765] One cannot utter the word I without relating to the world outside the self. These two basic words mark two ways of being in relation to the world. *I-It* relations are characterized by experiencing and using objects. These are one-way relationships. The *I* or *I-It* relations understand and experience the world as one composed of objects locatable in space and time. This way of relation to the world makes no distinction between people and things.

I-Thou relationships, on the other hand, are two-way relationships based in dialogue, one being encounters another with mutual awareness. Mutual awareness about the needs of the other beings and empathy to the other beings are the pre-requisite for CSR. The

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[762] J. Krishnamurti, *What are You Doing with Your Life: Teen Books on Living*, (Krishnamurti Foundation of America, California, 2001), 63-64.
[763] Ibid. 194
[764] Martin Buber, *I and Thou*, (Scribner, New York, 1958), 18.
[765] Ibid., 20.

relations between the corporate and the society are also coming in the purview of *I-Thou* relationships. Thus, such an awareness is not only at the individual level but even at the corporate level *I-Thou* relationships are characterized by what Buber calls *presentness*. For Buber the present is not "the abstract point between past and future, but like the eternal now of the mystic, it is the present of intensity and wholeness" and "exists only insofar as meeting and relation exist."[766] *I-Thou* relationships live in what Buber calls 'the between,' the relational space created by the encounter.[767] Even in the corporate framework, *I-Thou* relationships live in the 'the between' and that relation can be very well fostered through CSR. The nature of the *I-Thou* relationship is best depicted in Buber's own poetic language:

> If *I* face a human being as my *Thou*, and say the primary word *I-Thou* to him, he is not a thing among things and does not consist of things. Thus human being is not He or She, bounded from every other He or She, a specific point in space and time within the net of the world: nor is he a nature able to be experienced and described, a loose bundle of named qualities. But with no neighbor, and whole in himself, he is Thou and fills the heavens. This does not mean that nothing exists except himself. But all else lives in his light.[768]

The experience of *I-Thou* is so powerful that it is not sustainable. In Buber's words, "It is not possible to live in the bare present. Life would be quite consumed if precautions were not taken to subdue the present speedily and thoroughly."[769] Therefore every *I-Thou* relationship must become an *I-It* relationship. In other words, once one experiences the *Thou* as a person with qualities that can be appreciated separately, the evanescent *I-Thou* relationship disappears. Once an *It* has been a *Thou*, however, *It* always has the potential to become a Thou again. Thus, when there has once been an *I-Thou* relationship with another, the ongoing relationship is characterized by a continuous alternation between *I-Thou* and *I-It*.[770]

For Buber, to overemphasize our ability to use and experience comes at the expense of our power to enter into relation.[771] It is *I-Thou* relationships which give meaning to our

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[766] Ibid., 58.
[767] Martin Buber, Ronald Gregor Smith, *Between man and man*. (Routledge, New York, 2002), 241.
[768] Martin Buber, *I and Thou*, 8.
[769] Ibid., 34.
[770] Ibid., 17.
[771] Ibid., 39.

lives and make us fully human.[772] Thus, *I-Thou* and *I-It* relationships give meaning to CSR and make it a fully human enterprise. Martin Buber's concepts of *I-Thou* and *I-It* provide a useful theoretical framework and a conceptual model of life as living relationships in the larger context of purpose of life as a human being where CSR plays a vital role for the progress of the society.

For Lévinas, the Other is always 'higher' than me. I must serve the Other because the Other needs me. Thus, the responsibility to relate and serve as an ongoing connection between the human beings and the world. However, J. Krishnamurthy would encourage us to take a deep dip in the ocean of relationship than running away from it. Thus he says:

> We never admit to ourselves that this life is all we know and that it should therefore be understood fully and completely. We prefer to run away from ourselves and that is why we seek the purpose of life away from relationship. If we begin to understand action, which is our relationship with people, with property, with beliefs and ideas, then we will find that relationship itself brings its own reward. You do not have to seek. It is like seeking love. Can you find love by seeking it? Love cannot be cultivated. You will find love only in relationship, not outside relationship, and it is because we have no love that we want a purpose of life.[773]

Of all the people you will know in a life time, you are the only one you will never lose. This relationship with the 'me' inside is crucial; the better we know ourselves, the better we know others, since our perception of our own self provides us with our primary means of understanding all other humans.

C.H Cooley's famous 'looking-glass-self' theory gives more clarity into the awareness of self and others. Cooley (1902), in his work *Human Nature and the Social Order,* his 'looking-glass self' involved three steps: the imagination of our appearance to the other person; the imagination of his judgment of that appearance, and some sort of self-feeling, such as pride or mortification.[774] According to him, "society and individual denote not separable phenomena but different aspects of the same thing, for a separate individual is

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[772] Ibid., 34.

[773] J. Krishnamurti, *What are You Doing with Your Life: Teen Books on Living*, (Krishnamurti Foundation of America, California, 2001), 64.

[774] Charles Horton Cooley, *Human Nature and the Social Order*,(Charles Scribner's Sons, New York, 1902), 152.

an abstraction unknown to experience, and so likewise is society when regarded as something apart from individuals."[775]

Cooley's theories were manifested in response to a threefold necessity that had developed within the realm of society. The first of which was the necessity to create an understanding of societal phenomena that highlighted the subjective mental processes of individuals yet realized that these subjective processes were effects and causes of society's processes. The second necessity examined the development of a social dynamic conception that portrayed states of chaos as natural occurrences which could provide opportunities for 'adaptive innovation. 'Finally, a need to manifest public that were capable of exerting some form of 'informed moral control' over current problems and future directions. Thus, for him there is no separate existence for individuals and society or apart from the close-nit relationship with the other. It is very evident from his own words, "just as there is no society or group that is not a collective view of persons, so there is no individual who may not be regarded as a particular view of social groups."[776] He has no separate existence. A person is bound into the whole of which he is a member, and to consider him apart from it is quite as artificial as to consider society apart from individuals.[777] The Looking-glass self is created through the imagination of how one's self might be understood by another individual. This would later be termed 'Empathic Introspection.' This theory applied not only to the individual but to the macro-level economic issues of society and to those macro-sociological conditions which are created over time. Thus, Cooley felt that each individual has to decide the boundaries for our concern for the society. In his word, "we find on the frontier: for plain dealing, love of character and force, kindness, hope, hospitality and courage."[778] So the relationship with 'the Other' or the society is a inseparable conjunct in the life of an individual as well as in the CSR framework of the 21st century.

Similarly, when we have no relationship with the self, with the Other and the world, life becomes purposeless. The essence of existence as a human being itself not accomplished

[775] Charles Horton Cooley, *On Self and Social Organization*, (University of Chicago Press, Chicago, 1998), 132.
[776] Ibid., 133.
[777] Ibid.
[778] Charles Horton Cooley, *Social Organization: A Study of the Larger Mind*, (Transaction Publishers, New Jersey, 1983), 355.

and life becomes aimless. Hence the question of why it happens to human beings, arise in our mind. Understanding ourselves probably aids self-acceptance, self-control, and good relationships. But self-understanding only comes from interacting with others; we know ourselves in comparison to others. So, the two — self-awareness and insight into relationships — develop together. Indeed, we have a relationship with ourselves as well as with others. This paradigm calls for responsibility towards oneself, Other and the environment. According to Hans Joans, Our fundamental responsibility is to that which allowed us to come into being, nature herself, but this responsibility is exercised first of all in our relationships to other human beings.[779] It is said that ants have a 'social stomach,'[780] because all the members of the colony of ants share their nourishment and feed each other, if necessary. If human beings forget the element of relationship and their responsibility towards the other, I am sure there are enough reminders in the nature itself. Life is living together. Living with each other, for each other, and from each other. Because, life is based on life, life lives on life-and above all by one living thing feeding on another living thing.[781] We cannot live as an island and end our life. Instead, living together is cooperation which requires responsibility and empathy.

> A man can live his whole life without struggle or battle or war — but not a minute without cooperation. Without the coordinated cooperation of its cells his body would be a single cancerous tumor. Without the symbiosis with the bacteria of his intestinal flora he would die of starvation.[782]

Indeed, these words are the upheaval of responsibility to the Self, Other and Nature.

7.4 Human Being — A Responsible Being

Kant in his moral imperative assigns being responsible and being rational as qualities of a human being.[783] To live implies, encountering the other and being part of the society.

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[779] Hans Jonas, Lawrence Vogel, *Mortality and Morality: A Search for the Good After Auschwitz,* (Northwestern University Press, Illinois, 1996), 15.
[780] Hans-Peter Dürr, Fritz Albert Popp, Wolfram Schommers, *What Is Life?: Scientific Approaches and Philosophical Positions*, (World Scientific, Singapore, 2002), 16.
[781] Ibid., 18.
[782] Ibid., 18.
[783] Robert B. Louden, *Kant's Human Being: Essays on His Theory of Human Nature*, (Oxford University Press, Oxford, 2011), xxvi.

Thus, responsibility is woven into our createdness and precedes our subjectivity.[784] Responsibility for the self; responsibility for the Other; responsibility for the environment; responsibility for the society or let us say in simple words as social responsibility in totality.

Responsibility can be defined as the desire of the person to respond to the other. It is the ability to respond to self, others, and environment. To be responsible is to be answerable. Now the question is answerable to whom? Answerable to myself. My ability to be answerable to myself before I answer anyone else in the world.[785] I would even go to the extreme and say that the foundation of CSR is responsibility to the self with the intimate feeling that I am answerable to myself. Corporate who are not answerable to themselves do not care about the welfare of the society. They are neither answerable to themselves nor to the society because they live in the utopian world of cut-throat business and accumulating profits. Nevertheless, it is clear that responsibility lies in the agent who stays with his action, who accepts the consequences in the form of reactions and looks forward in a present deed to the continued interaction.[786]

Responsibility for the other comes from encounter with the other and similarly for the self too. Not rules, regulations or order that directs me to respond to the need of the other, it is the face of the other that demands a response.[787] The face of the other, that element of the other that is the ground of interpersonal contact, indicates an immediacy with the other person that Lévinas, calls 'proximity.'[788] Proximity is felt as immediate contact. Lévinas, writes:

> ... the proximity of the Other is not simply close to me in space, or close like a parent, but he approaches me essentially insofar as I feel myself — insofar as I am — responsible for him. It is a structure that in nowise resembles the intentional relation which in knowledge attaches us to the object — to no matter what object, be it a human object. Proximity does

[784] Therukattil, *Becoming Human,* 66.
[785] Joji Valli*, Melody of the Heart,* (CreatiVentures, Pune, 2010), 146.
[786] Helmut Richard Niebuhr, The Responsible Self, (John Knox Press, Westminster, 1999), 64.
[787] Michael L. Morgan, *Discovering Lévinas (Cambridge University Press, Cambridge, 2007),* 85.
[788] See Andrew Tallon, "Intentionality, Intersubjectivity, and the Between: Buber and Lévinas on Affectivity and the Dialogical Principle," Thought 53 (1978): 304.

> not revert to this intentionality; in particular it does not revert to the fact that the other is known to me.[789]

Responsibility is an inherent attitude in every human being. When I see the face of the other, I am moved to action as I have the feeling of being answerable to myself. The other's vulnerability originates from our relationship — relationship with self, other and environment. The relationship with other gives me the freedom to make a choice of responsibility.[790] The proximity of the other demands a response; thus, Lévinas, claims that proximity is responsibility, or the ability to respond.[791] Though, I agree with Lévinas, I would go a step further and say, proximity to myself, makes me more responsible. The more I am related to myself, the more I am connected to myself, my ability to respond expands to the other. Gabriel Marcel argues that the 'to whom' of responsibility is both to oneself and everyone else.[792]

Responsibility should not be understood in an exclusive manner as if one were responsible only for the other who stands before him but also to every other. Thus, all others come under my umbrella of responsibility who are near or far away. In other words, universal responsibility calls me away from myself unto the ends of the earth.[793] The challenge of the CSR is the same. It reminds us to be responsible to the self, other and nature. In other words, it initiates us to an ongoing process of self to the universal responsibility.

Responsibility is inherent in every encounter that we have with the other. It is not reciprocal in nature. In view of CSR there is no reciprocal approach as the individuals and corporations undertake the responsibility for maintaining the well-being of the society. They are responsible for others not because of any statutory police of social structure. It is because their encounter with face that demands them to be responsible.[794]

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[789] Emmanuel Lévinas, *Ethics and Infinity: Conversations with Phillipe Nemo,* translated by Richard Cohen (Duquesne University Press, Pittsburgh, 1985), 97.

[790] Ibid., 95.

[791] Emmanuel Lévinas, *Otherwise than Being or Beyond Essence*, translated by Alphonso Lingis (Martinus Nijhoff Publishers, Boston, 1981), 139.

[792] Gabriel Marcel, *Homo Viator: Introduction to a Metaphysic of Hope*, trans. E. Craufurd (Harper Torchbooks, New York 1962), 21.

[793] RoggerBurggraeve, ed. "No One Can Save Oneself without Others," in *The Awakening to the Other: A Provocative Dialogue with Emmanuel Lévinas* (Leuven: Peeters, 2008), 20.

[794] Emmanuel Lévinas, *Otherwise than Being or Beyond Essence*, translated by AlphonsoLingis (Kluwer Academic Publisher, Netharlands, 1991), 114.

Thus, taking responsibility for the self and others makes one a human. In the words of Lévinas, the very identity of human starts from responsibility.[795] Hence, for him what makes life is nothing but responsibility. Corporate Social Responsibility is the extension of one's life to the society and for the society.

7.5 Nature of Responsibility

People want to know who is responsible for certain actions and who is accountable for the consequences of those actions. In other words, to be responsible means to be answerable and to be accountable for one's actions. Business historian Vincent E. Barry has defined the term responsibility, when used in business affairs, as referring to "a sphere of duty or obligation assigned to a person by the nature of that person's position, function, or work."[796] Responsibility could thus be viewed as a bundle of obligations associated with a job or function. But Lévinas, argues that human being is invested with responsibility even when he does not want to be. It is not man's choice to be responsible; he belongs to responsibility. It is an obligation of the person to respond to the need of the other. It is a responsibility to do something for the other.[797] Human beings' inherent desire to do something for the other or the society is the philosophical foundation in which the concept of CSR has been rooted. So the responsibility to do something for the other is more important than to know him. Responsibility begins as absolute heteronomy. Thus, I am made responsible, I get in touch with other as a reciprocal relation is established which becomes responsibility. Be it individual or corporate, the aspect of responsibility does not change as it is inherent in human nature.

> When I respond to natural events I do so as a social being; on the other hand, when I respond to my companions I do so as one who is in response-relations to nature. I do not exist as responsive self in two separate spheres or in two distinct encounters — with the Thou on the one, with the It on the other; with society on the one hand, with nature on the other. I engage rather in a continuous dialogue in which there are at least these three partners — the self, the social companion, and natural events.[798]

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[795] Lévinas, *Ethics and Infinity*, 95.
[796] Vincent E. Barry, *Moral Issues in Business* (Wadsworth, Belmont, CA, 1979), 27.
[797] Arokiam Stalin Dhanaraj, Lévinas on the Vulnerability of Face." *Journal of Philosophy and Education*, Vol. 16/1 (2001), 68.
[798] Helmut Richard Niebuhr, *The Responsible Self*, 80.

Thus, it is natural phenomena that the self before nature remains a social self, responding to other selves in all responses to nature.[799]

7.5.1 Responsibility for the Other — Sprouting of CSR from the Heart

Responsibility is innate to human being. Responsibility for the other begins as an absolute heteronomy. Here the 'I' cannot be the yardstick of all things, but 'I' is there as a responsible person. Responsibility is not initiative of 'I'; rather, it conditions the structure of the subject itself. Responsibility conditions the structure of my being. The face inspires the 'I' to responsibility. 'I' comes in touch with the other and the other becomes the center of my spirituality. So I realize my responsibility through the other.[800] Hence, it is not the legal responsibility, rather the responsibility by and for the other should be understood in a wider perspective, especially when many corporations are working in transnational or multi-national scenarios. Thus, the responsibility what should not be limited to nation, culture, religion etc… I, as a human being cannot eliminate anyone from my responsibility. The whole humanity is in need of my service. Universal responsibility calls me away from my selfishness and leads me to the freedom of worldwide responsibility.[801] Nothing evades my responsibility because as Indian philosophy very well puts it categorically, *aham brahmashmi* — I am Brahman. When this seed of responsibility sprouts in my heart, I become responsible to 'everything' around entrusting me with universal responsibility for the well-being and welfare of the society or the world. It also asserts the view of *tatvamasi* (That you are!) from the deep rootedness of perceiving everything around as the 'That,' in terms of a deeply rooted spiritual invitation to partake in the universal responsibility that we are endowed with as human beings and spiritual being in the phenomenon called *living*.

7.5.2 Universal Responsibility

CSR can happen only when one feels responsibility for the self and the other. Hence the fundamental duty of myself becomes universal responsibility. We live in a society where

[799] Ibid., 81.
[800] Arokiam Stalin Dhanaraj, Lévinas on the Vulnerability of Face." *Journal of Philosophy and Education*, 71.
[801] Burggraeve, *The Awakening to the Other*, 20.

the involvement with others takes place. We are always in relation with the other. A closed relation with the other always leads me to neglect the others. Indian philosophy speaks about *dharma* which can be translated here as causative responsibility. *Dharma* is at two levels, the individual level and the Cosmic level. At Cosmic level, it is '*Sanatana Dharma*,' eternal and common to all individuals at all places and all times.[802] No one can get away from universal responsibility. Though, all others are not directly present to us, our universal responsibility demands that we become accountable for others. Beyond the individual level, through corporate mediation, I can reach out to all others. It is our duty and challenge to construct an economic, social, political structure for the welfare of the people. I am sure, the historical legend Chanakya who grasped the universal responsibility in its length and breadth for all generations. It all reminds every human being that each of us has a major role to play as a responsible human being and a member of the society.

The face of the other calls us to be responsible socially even when we become part of corporations. Thus, Lévinas urges us to go beyond corporation's mere concept of profit making and plundering the society form a universal society, encompassing all of humanity. According to Lévinas, if we are not forming a universal global society, encompassing all of humanity, we are being irresponsible, both for the immediate other and for all others.[803] Thus, responsibility brings accountability to life which fulfills the purpose of living.

7.6 Responsibility becomes Accountability to Self

Responsibility becomes the expression of the self. "My responsibility is untransferable, no one can replace me."[804] This is the accountability I have towards myself. It cannot be transferred to anyone else. I am answerable to none but myself. I express myself before the other in terms of responsibility for which I am accountable to myself. Responsibility, for the other is rooted in our subjective constitution.[805] This accountability is what the

[802] R. S. Nathan, *Hinduism That Is Sanatana Dharma* (Chinmaya Mission, Mumbai, 1989), 6.
[803] Burggraeve, *The Awakening to the Other*, 26.
[804] Lévinas, *Ethics and Infinity*, 100.
[805] Roger Burggraeve, *Proximity with the Other* (Dharmaram Publications, Bangalore, 2009), 11.

Gita talks about as *nishkama karma*; Bible speaks about "love your neighbor as yourself; "Tilak speaks about *lokasamgraha*; Buddha talks about *damma*.

> Accountability applies only to individuals, and is both a personal promise and obligation, to yourself and to others, to deliver specific, defined results. Being accountable within an organization means you agree to be operationally defined as the sole agent for an outcome, regardless of the often-inadequate level of authority or control that you have been formally assigned by the organization.[806]

Corporations and individuals must transcend beyond the 'I' concept by understanding it dynamically as the responsibility. This 'responsibility to others' and the 'holding others responsible' is grounded on a radical and universal 'self-responsibility.' On the ground of self-responsibility a communicative ethic flourishes. It absorbs every form of being responsible to others and for others.[807] This understanding will make us realize that there is a definite purpose for our life here on earth. It is not just living but that understanding will make us live that purpose responsibly. Thus, CSR becomes the responsibility of every human being because I am accountable to myself and it is my responsibility to be responsible for the other. So development of the society becomes my priority irrespective of whether I am individual or corporate. When each human being takes responsibility for the self and for the other, earth becomes the happiest place to live. Thereby, each of us fulfills the very purpose of life as living in this paradise called earth. "*Loka samasta sukhino bhavantu*," let the entire world be happy.[808]

7.7 Responsibility and Naturalism

In 1980s Economists such as Milton Friedman argued that business has no social responsibility, and people should practice the work ethics rather than expect handouts.[809] But his statement was against the nature and principles of naturalism. Naturalism is an upheaval of living one with the nature where we respect and be responsible for the whole universe and existence. That is the universal responsibility naturalism endows with, each

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[806] "Bruce Klatt and Shaun Murphy, Accountability: Getting a Grip on Results" <http://www.refresher.com/!accountabilitykb.html>, Retrieved on 25-07-2012.
[807] Bernhard Walden Fels, "Response and Responsibility in Lévinas," *Rutledge Encyclopedia,* Vol.8, 39.
[808] Quoted in R. S. Nathan, *Hinduism That Is Sanatana Dharma,* 23.
[809] Burton Frederick Porter, *The Good Life: Alternatives in Ethics,* (Rowman & Littlefield, Maryland, 2001), 174.

of us. Kant formulated the categorical imperative in another way that seems to be quite different from the concept of universalizability, although Kant regarded it as essentially the same. He stated that we should "treat humanity, whether in thine own person or in that of any other, always as an end and never as a means only."[810] Kant was here emphasizing respect for persons or, more specifically, rational beings, and affirming that people should not be used just as instruments or objects. Notice that Kant said "as a means only," thereby acknowledging the fact that people must regard each other as means to some extent, whether as employers, employees, contract, strangers; but human relationships ought to be more than that. We should, Kant asserted, have regard for people as worthy of respect in and of themselves, and, insofar as possible, treat them as the purpose of our actions, not as a means for achieving our ends.[811] But a selfless finding of the other leads me to transcendence. In my economic relation with the other, the other functions for the establishment of me. Hence, my interest for the other in me is selfish — when we relate to each other for the sake of meeting my needs. Here the otherness of the other cannot be replaced and other is reduced to a means. Thus, like Kant, Lévinas also emphasizes the need for looking at the integral growth of the other, only then I can find radical otherness of the other.[812]

In this research I would like to uphold naturalism as the theory for proving my hypothesis as right. If human beings live a life in equilibrium with the natural laws, I am sure CSR becomes the responsibility of not the corporate only instead it becomes the responsibility of each human being. I am accountable to myself, I am the subject and object of life. Laws of nature are natural and everyone is governed by it. Then, why not live with it. For Aquinas, Natural law is the human 'participation' in the eternal law and is discovered by reason.[813] Thus, in this research I would like to emphasize that as a responsible human being I do have responsibility to myself and to the society. Each human being has to contribute positively towards the progress of the society as responsible being who has the accountability to the very self. Thus, understanding the responsibility will envisage the

[810] Kant, *Foundations of the Metaphysics of Morals* (Bobbs-Merrill, New York, 1959), 47.
[811] Burton, *The Good Life*, 192.
[812] Emmanuel Lévinas, *Existence and Existents,* trans. Alphonso Lingis (London, Kluwer Academic Publishers, 1995), 93.
[813] Martin Rhonheimer, (Trans.) Gerald Malsbary, *Natural Law and Practical Reason: A Thomist View of Moral Autonomy*, (Fordham Univ Press, New York, 2000), 227.

societal welfare and progress in the world. Whatsoever, may be the name that we give for this responsibility, like whatever may be the color of the cow, the milk has the same white color as it is said in the Amritabindu Upanishad:

GavaamanekaVarnaanaam
Ksheerasyspyekavarnata
Ksheeravadpasyatejnanam
Linginastugavaamyadha.[814]
— (*Amritabindu Upanishad – 19)*

Following the path of naturalism, opens a new era of the ultimate completion of every human being which Marx had foreseen long back, "the consummated essential oneness of nature and man, the true resurrection of nature, the naturalism of man and the humanism of nature both brought to fulfillment.[815] And this will ensure CSR activities to bring about welfare and well-being in the society where we live. So we must listen to the inherent responsibility to cement the naturalistic principles that are inherent in each of us for the progress of the society, as the purpose of human life — Purpose of life as living responsibly for the self and for the Other. Indeed, there is no doubt that the Hellenistic philosopher Zeno envisioned the goal of life rightly by saying, "The goal of life is living in agreement with nature."[816]

Conclusion

The purpose of human life is nothing but *living*. It is not simply living but *living responsibly* as each of us is responsible for the self, others and nature. The responsibility that is inherent in us calls for a personal accountability to oneself. Thus responsible living becomes the nature of human life. It opens up a new paradigm for altruism where one helps another person for no reward, perhaps at some cost to oneself which Indian sages in their great wisdom called as *nishkamakarma*. This calls for the dawn of a new era which already Marx had foreseen. Living a life as per the Law of Nature reminds us to be responsible to Self and to the Other. CSR is an invitation to encounter the face of the other, responsibility for both as individuals and corporate. Thus, maintaining the

[814] R. S. Nathan, *Hinduism That Is Sanatana Dharma,* 23.
[815] K. Marx and F. Engels, (1932) Historisch-kritischeGesamatausgabe (Collected Historico-Critical Works), ed. V. Adoratsky, Institution for Marxism, Berlin, Part 1, Vol.3, 116.
[816] Don E. Marietta, *Introduction to Ancient Philosophy*, (M.E. Sharpe Inc., New York, 1998), 151.

equilibrium of nature, abiding the Laws of Nature as unwritten laws that help to sustain progress and well-being of all. In the words of J.S. Mill, "the greatest happiness of the greatest number." The Stoic way of living was in keeping with considering happiness to be the goal of life.[817] In short, life is living happily in agreement with nature.

Hellenistic philosophers consider the purpose of life as living a life of Virtue that agrees with Nature. For Plato, the meaning of life was to attain the highest form of knowledge. For Aristotle, life's objective was to attain the 'highest good.' Epicureans and Charvakas defined it as a seeking of modest pleasure and freedom from fear. For pragmatic philosophers, a practical understanding is far more important than seeking abstract truths of life. Existentialists opine that each of us creates the essence of our lives. Confucianism suggests that we can realize the ultimate meaning of life in ordinary human experience. The Enlightenment philosophy stresses the need for relationship between individuals and their society. Buddhism does not speak clearly much about the purpose of life, but about the potential of human life to end suffering. Hinduism bottoms the goal of life as to realize the fundamental truth about oneself — *Tat TvamAsi* and *Aham Brahmasmi*. So this chapter already prompts us for self-examination about the CSR awareness in each of us. Do we pause to think about the purpose of living? Are we ascribing any meaning to it? Does CSR awareness compliment to fulfill the purpose of life through the ordinary human experience? Is life really LIVING? And the crucial and relevant question research would be Can CSR enhance LIVING?

[817] Ibid.

Chapter 8

Findings, Contributions and Future Directions

Introduction

Corporate Social Responsibility (CSR) activities have enormous potential to create several distinct forms of values for the society. As social and environmental factors are becoming increasingly material, awareness and good governance evolve to address the sustainability mandate. However, what is lacking in attaining the sustainability mandate is the awareness of philosophical basis and philosophical legitimacy. The loss of societal legitimacy can lead to the countervailing power of social activism, restrictive legislation, or other constraints on the firm's or even individual's freedom to pursue economic and other interests.

In this study I have made ample attempts to connect the CSR profile to the philosophical basis and philosophical legitimacy from far and wide down the centuries to keep the societal legitimacy intact. Though they exist, most human beings are not aware of it unless they are constantly reminded and motivated. That is what Heidegger would rightly say, there is always something outstanding in *Dasein* which has not yet become real, although it remains as a possibility of its being. "A constant unfinished quality… lies in the essence of the constitution of *Dasein*."[818] So too must a constant unfinished quality lie in the essence of society.[819] In other words, we cannot give an account of a human being without reference to his or her projects, hopes, aspirations, intentions, etc. Hence, a human being is always in the process of becoming. The reference to the process of becoming, or striving for something, will define or describe a particular human being. Hence, an individual is necessarily unfinished or incomplete. Heidegger reminds us that society exits only as being-possible, ever immersed in its own capacity to be and thus open to questioning and reformulating itself.[820]

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[818] Heidegger, *Being and Time*, 219.
[819] Ibid.
[820] Christine Daigle, *Existentialist Thinkers And Ethics*, (McGill-Queen's University Press, Canada, 2006), 64.

Thus, this study made attempts to enhance the becoming nature of human being as I establish the philosophical basis of CSR and enhances the *Dasein's* becoming in the society through establishing welfare and happiness.

8.1 Research Analysis

Research analysis has a very important role to play in any research. After gathering important research data, it is important to think about the significant findings. It helps the researcher to avail the significant findings for careful study and pondering. This is, perhaps, the most important part of the research process, for here one determines the relationships of elements, choosing what appears to be true and casting out false theories thereby validating the hypothesis for or against.

8.1.1 Research Problem

Once, a Journalist interviewed a hardcore Communist about the staunch concept and practice of communism. The Journalist asked the Communist, "if you were to have two houses, what would you do?"

The Communist replied, "I would certainly give to someone who does not have a house."

The Journalist was quite happy with the reply.

So he asked him again, "If you were to have two cars, what would you do?"

The Communist said unequivocally that he would give it to someone who does not have one.

The Journalist became pretty satisfied and felt sort of admiration for the man and his principles.

However, the Journalist posed a third question. "If you were to have two chickens what would you do?"

The communist instantly said, "I would keep them for myself."

"Why?" questioned the Journalist.

The Communist said, "Because, I have two chickens at home."

As we have already seen selfishness is intrinsic to human existence. It is easy to preach but to practice required conviction and awareness. In the current scenario where

individuals and corporations are frugal to part with their hard-earned money, there is a serious problem of lack of awareness of societal living and its importance. The research problem points directly at the human traits which are inherent in each of us to be selfish as it is there at the gene-level. But there is always lots of scope for reprogramming what is there at the gene-level with awareness as man is meant to be social animal and lead a societal life. Certainly, it is part of the process of becoming. Thus, without the awareness of the philosophical basis and legitimacy the process of becoming becomes difficult. So to say, CSR becomes a utopian concept unless the selfish gene is reprogrammed. Hence the research problem throws light into the importance of awareness and motivation that each human being must have to foster welfare and happiness in the society. In short, the question of philosophical basis and philosophical legitimacy axe at the grass-root of human existence where the change must be induced that CSR becomes part and parcel of human existence here on earth in this life itself.

8.1.2 Aims and Objectives

The research aimed at unraveling the philosophical implications and undertone of CSR that it could bring more awareness and motivation to bring about welfare and progress in the society. To a great extent, I think the research aims were accomplished as it necessitates the need for awareness and transformation at personal levels, emphasizing the very fact that every transformation in the society happens not at the societal level rather it is has to happen at the very grass-root level which is person itself. Undoubtedly, the entire research could trigger the concept of personal transformation only can catapult progress and welfare in the society. Thus, the objective of encouraging more corporations to undertake CSR to bring about better standards of living and to establish equilibrium in the society, is clearly accomplished through this research. Nevertheless, the research also enunciates the importance of adhering to the Law of Nature and Humanistic principles as a universal model which can be universally followed, irrespective of place and time.

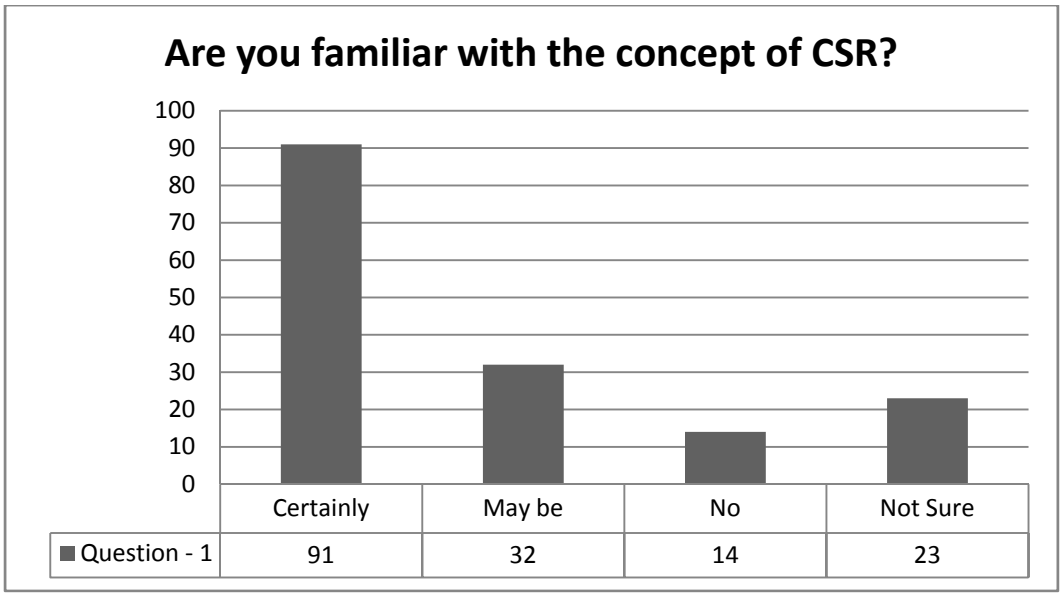
8.1.3 How Research was Conducted

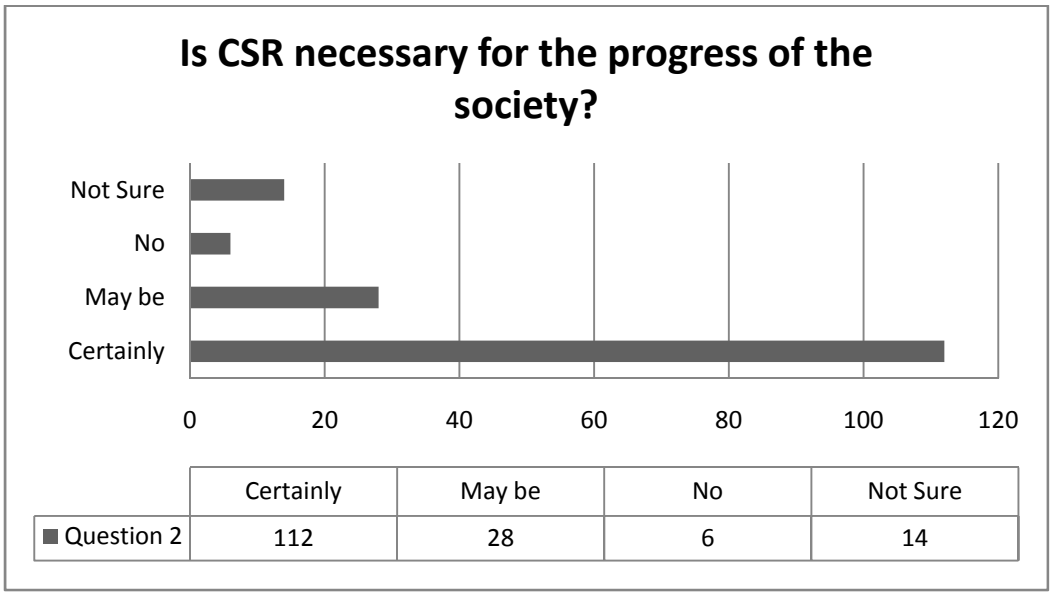
In pursuit of finding philosophical basis and philosophical legitimacy I have used descriptive research method utilizing secondary sources of literature from the present to down the centuries. So that how the practice of CSR may improve the lives of human beings and bring about happiness and welfare. I find this approach to be appropriate, as my objective is to get more information about the philosophical perceptions of thinkers from East and West as far as their personal development and the progress of the society is concerned.

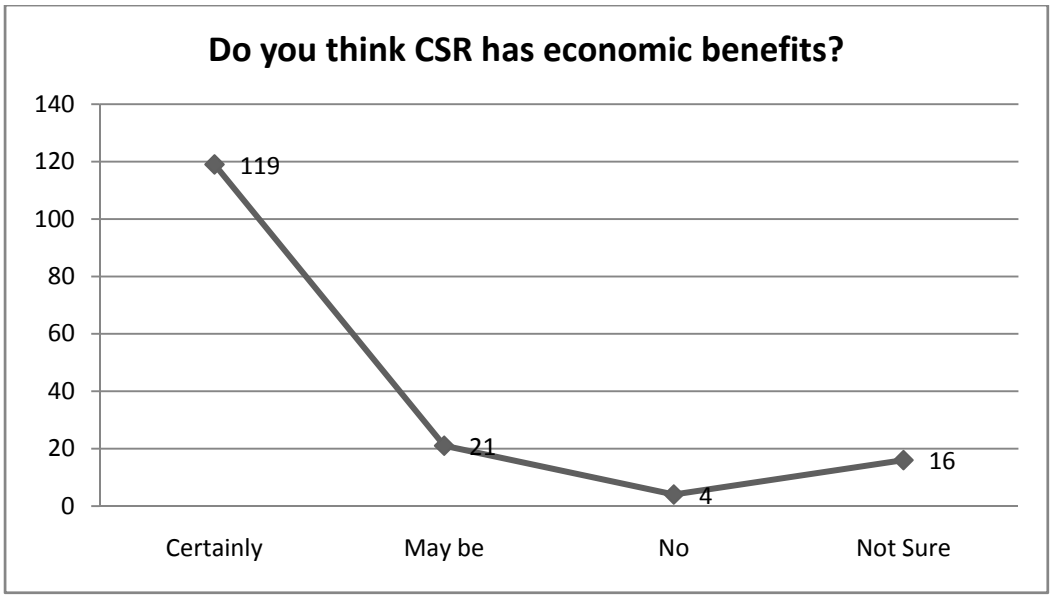
Conducting such a philosophical research offers me the opportunity to get a deeper understanding of development and welfare from the philosophical point of view. Apart from the flexibility that the research offers, it makes room for researchers to actually appreciate the changing nature of society and the dynamic characteristics of the human behavior.

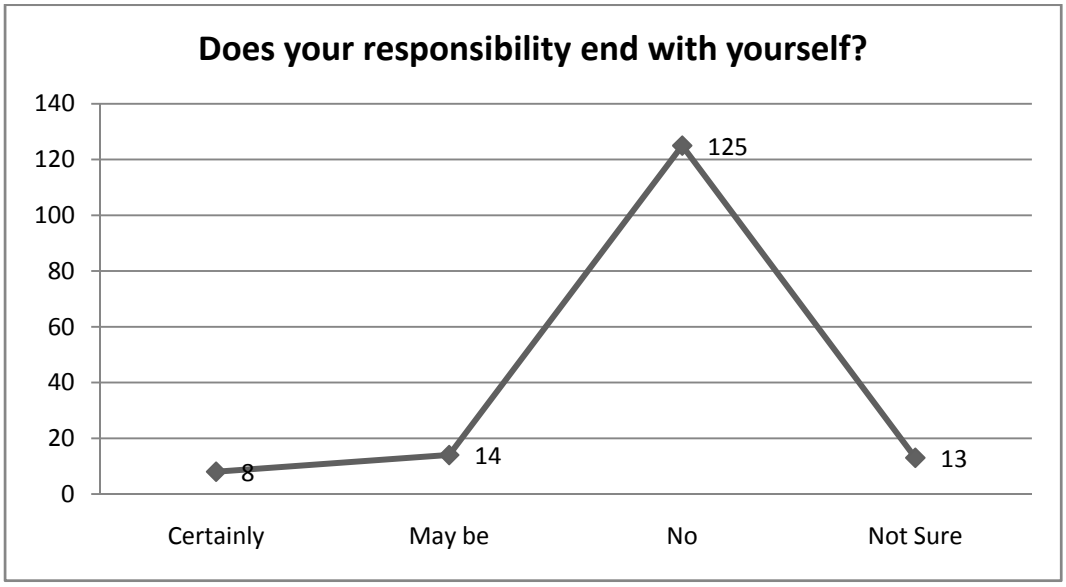
Also I made close observation of the lifestyle and development level of the modern society apart from the extrapolation of literature. The perception and thinking of human beings in the twenty-first century that I observed are very important in this research and they serve as my main source of data other than the literature motivating me to undertake an enquiry into the philosophical basis and legitimacy of CSR.

An empirical survey was commissioned in a selected few multi-national corporations to get the plus of awareness level about the CSR activities at employee levels. About 160 questionnaires were circulated among the top and middle management executive levels. Their privacy was maintained with the anonymous survey questionnaire which was posed to them with 16 relevant questions to analyze the current awareness levels in the industry and society. A few of the key questions and the responses below would give the awareness that currently society has about CSR. The rest of the questions are given in the appendix-2 with their responses.


Are you familiar with the concept of CSR?
100
90
80
70
60
50
40
30
20
10
0
Certainly
May be
No
Not Sure
Question - 1
91
32
14
23


Is CSR necessary for the progress of the society?
Not Sure
No
May be
Certainly
0
20
40
60
80
100
120
Certainly
May be
No
Not Sure
Question 2
112
28
6
14





As the graph shows out of 160 populations, most of the respondents were optimistic and were aware the concepts and the possible positive impact CSR can effect on progress and development on the society.

A sample questionnaire which was circulated among the respondents attached in the appendix which was circulated among the respondents.

8.1.4 Research Questions and its Implications

As I embarked on this research I had formulated five relevant questions which I thought would probe deeper into the subject matter to unravel the philosophical basis and philosophical legitimacy of CSR from East and West. Each of the five questions enabled me to delve deeper into the matter and bring out the best result through this inter-disciplinary research. I have taken the best of my ability to address each question in its fullness with the clear understanding that perfection is a distant dream. However, my humble efforts in addressing each question chapter-wise has become fruitful in this thesis and helped me to come out with clarity in addressing them individually at times and even in general when and where it required. I would like to enlist each question here in this session and expose the implications and relevance through the coming chapters.

1. Does CSR have a philosophical background?

Chapters 1 & 3 specifically deal with the philosophical background of the CSR. Chapter 1 begins with defining —what is CSR and then as it moves to establish that CSR is built on strong foundations of the philosophies of the thinkers from East and West. As I probed into the nitty-gritties of time and space I realized that there existed a strong foundation for CSR irrespective of time, space, color, caste, gender etc… It is meticulously embedded in the DNA of the human genes. However, the saddening fact is those most human beings or have forgotten about it or ignore about it in the rat-race of self-accomplishment or achievements. If Richard Dawkins said, it is the selfishness in the genes, then I would counter it by saying that CSR is also embedded in the genes. If we are able to by-pass the selfishness in the genes to become a social animal, then we could also become conscious of the CSR to be more altruistic. Thus, I think, selfishness and CSR are two sides of the same balance. When the selfishness side is heavy, the other side which is goodness (CSR) suffers. So it is our duty to consciously make the goodness side heavier that we really become social animals who contribute positively to the progress and welfare of the society at large. In short, these two chapters throw ample lights into the either ignored or neglected goodness in each human being with whatever name it appears with a wakeup call to look at reality constantly.

2. Is CSR a practical aspect in this modern competitive, profit making scenario?

Chapter 2, probes into CSR's relation to other disciplines. It exposes how CSR inter-connects other disciplines to work for the betterment of the society. This chapter also explores the inter-disciplinary nature of this research which unravels the multi-faceted elements which plays a vital role in fostering the CSR to maintain equilibrium in the nature and welfare in the society.

3. How relevant is CSR for the progress and the development of the society?

Chapter 4 exclusively addresses the need to promote CSR for the welfare of the society taking the ideologies of great personalities from East and West. This chapter also deals with individualism and the need for being altruistic by transcending the individualistic tendencies of human nature. Thus, convergence of individualism and altruism is what can possibly bring progress and development in the society which becomes the backbone of CSR at all times.

4. Does CSR justify corporation's role of contributing to the wellbeing and development of the nation and world at large devoid of basic human nature of greed, self-interest, self-centeredness, selfishness, jealousy, egoism etc.?

Chapter 5 specifically delve into the question with a philosophical overtone that such basic human nature can be subjugated with self-awareness and love for the other human being.

5. As a human being in this world what is my responsibility to me and to the society?

Chapter 6 directly address this research question and reminds every human being to live a responsible life in this world. Thus responsibility to self becomes the expression of responsibility to others. And that is the culmination of awareness that each human being should foster to bring about welfare and happiness in the society which is the yardstick and hallmark of the CSR philosophy itself.

8.1.5 Research Results Drawing from the Hypothesis

Is philosophy an intellectual *tamasha* (joke)? Definitely, not. The research on CSR and its impact on society have realized that philosophy has a crucial role to play in the life of a every human being as it seeks ways and means to eliminate suffering and miseries in

life to make life on earth a joyful and unforgettable event. After probing into the great wisdoms of the ages, it reminds us that for a happy and contented life we need to follow strict disciplines of philosophical concepts as it enriches and enhances human life. Life is nothing greater than living. We cannot have a different definition for life than LIVING. So every human being wants to make the LIVING a memorable experience as it is a once time opportunity. So philosophy adheres its best in making that one time experience called LIFE a pleasant one throughout the ages. As the literature review outlined from East and West of different culture and times substantiate how it has helped the humanity to find happiness amidst the misery and challenges of everyday life experiences. Always there has been a support system to give support sustain the needy and weaklings of the society all through the history of humanity. Sympathy and empathy has been there from the start of the human history. Different generations and times have branded it differently and attached their own philosophy as per the need of the time. However, the research bottom-lined the fact that society needs support at all times. The haves have the responsibility to support the poor and needy of the society. They cannot be blind towards the misery and sufferings of the society. Thus, this research has reaffirmed the need for awareness to have empathy for maintaining a happy society and responsibility for keeping the equilibrium of nature.

The research substantiated the need for awareness first at individual levels and then such awareness be expanded to the corporate levels as individuals are the lamp bearers of corporations. However, the study confirms the need for awareness and transformation at individual levels. Thus philosophical systems can really boost the awareness at the individual level which the grass-root of everything. Thus, support was found for the hypothesis that philosophical systems have positively contributed towards the better functioning of CSR practices in making its impact in the society.

Similarly, other hypothesizes such as:

- CSR practices followed by corporations make an impact on the society.
- A responsible human being positively contribute towards progress of the society.
- Corporations are successful in returning progress to the society.

Also establishes adequate support that CSR positively contribute to the progress of the society. The strongest benefit that philosophy contributes to CSR is that it instills awareness in human beings to be responsible and empathetic to fellow beings and nature thereby making this world a heaven on earth where "greatest happiness of the greatest number" or *lokasamgraha* of Tilak and such other great philosopher's thoughts, fostering the *becoming nature* of human being.

8.1.6 Theoretical Support for CSR and its Impact on the Society

Humanism and Law of Nature are two theories that would give support to the philosophical basis and legitimacy for CSR. The findings are discussed critically in this section in way off lashing further relevant insights and identifying concrete theoretical implications.

8.1.7 Limitations of the Research

The topic has an overtone of wide range making it too general and it is spread over to many disciplines. The inter-disciplinary nature of the research would likely to confuse anyone if there can be any possible outcome.

While this study has provided fruitful philosophical insights intoCSR interfaces from a theoretical perspective, the research, admittedly, has a number of limitations. The findings stem from a single-source investigation which is secondary source dependency on present and past literature. This may imply that the results cannot be readily generalized, although they are likely to have wider relevance and applicability on every nook and corner of the world. The philosophical research has adopted a descriptive style that might raise the possibility of a potential non-empirical bias. Non-empirical bias has indeed been noted to be particularly salient in the context of finding a philosophical basis and philosophical legitimacy for CSR today.

8.2 Findings and Recommendations

The research on CSR and its impact on the society stumbled upon interesting findings as it will drive attention of the individuals and corporations to be more responsible and

concerned of the societal welfare to establish social equity and justice to whatever extent it is possible. It is noted that bringing equilibrium in the society is rather a Herculean task but doing it to the extent possible is the first step towards it.

Keeping in view the broad results of the research, the following findings and recommendations are listed for serious consideration by all concerned stakeholders, researchers, CSR practitioners etc… to build a symbiotic relationship between the business and society.

- At the outset it is found that CSR has deep rooted legacy establishing the philosophical basis and philosophical legitimacy. However, there is a lack of awareness about it though everyone knew what it is. CSR has taken different forms and names over the centuries with different people and circumstances. Yet the core philosophy — being responsible for the self, others and nature — remained unchanged like the old wine in the new bottles.

- It is found that CSR is the inner call of every human being to part-take in the bigger picture to maintain equilibrium in the world to live a happy life in this life.

- It is found that over the age's sages and philosophers engaged themselves to share the ideals of Law of Nature to their fellow beings in the respective culture with the demands of the time.

- The research and survey results acknowledge the ignorance that is prevailing about CSR and its effectiveness to the progress of the society. So it is found that there is a need for creating awareness about CSR and how it can impact on the progress of the society amidst the general public to make the CSR initiatives effective. Thus, conscientization is the most important area in the CSR propaganda in India. It can bring about transparency in the approach and attitude of the common man towards CSR initiatives of corporations. Such efforts will certainly motivate corporations to venture into CSR and address issues such as access to education, health care and livelihood opportunities for a large number of people in India through their innovative CSR practices. Thus, CSR propaganda desperately needs spread awareness both at the giver and received levels to make social justice concern meaningful.

• The research findings stress the selfish nature of the human being which forces man to be selfish. However, with awareness we need to reprogram those selfish genes to be selfless. So that we are able to contribute effectively for the progress of the society and thereby accomplishing the greatest happiness of the greatest number.
• It is recommended that partnerships between all stakeholders as well as the non-public sector, employees, local communities, the government and society generally are either not effective or not effectively operational at the grassroots level within the CSR domain. This situation usually creates barriers in implementing CSR initiatives. It's counseled that acceptable steps be undertaken to deal with the issue of building effective bridges amongst all vital stakeholders for the self-made implementation of CSR initiatives. As a result, an extended term and property perspective on CSR activities ought to be designed into the prevailing and future ways of all stakeholders concerned in CSR initiatives.
• It is found that most of the companies still do not engage in CSR activities. Thus, a government initiative like CSR bill would be handy in making it mandatory for such corporations to at least spare some part of their profits for the welfare of society and get a chance to be responsible corporate citizen.
• Governmental interference is mandatory to bring small and medium enterprises (SMEs) under the CSR domain to partake in the developmental activities especially a country like India where government is currently unable to handle the basic needs of its ever growing population single handedly. Thus, the involvement of small and medium enterprises in the CSR domain will be essential.
• It is noted that currently only a few medium and large corporations are engaged in CSR activities, that too in selected geographical areas. Though the pulse of India is sensed at the rural level where still 70 percentage of Indians reside. Spreading the CSR initiatives through rural parts of the country would remain a major concern.

• It is highly recommended that a campaign be launched both spread to awareness on CSR issues amongst the general public as well as to involve SMEs to participate more actively in CSR initiatives. This will help CSR reach out to other locations and cover a large number of communities and help corporations to play a valuable role in addressing various social and developmental issues. This approach will aid the CSR concept to get ingrained into the DNA of core business activities of corporations.
• It is found that many CSR initiatives and programs are taken up in urban areas and localities. As a result, the impact of such projects does not reach the needy and the poor in the rural areas. This does not mean that there are no poor and needy in urban India; they too equally suffer from want of basic facilities and services. While focusing on urban areas, it is recommended that companies actively consider their interventions also in rural areas on education, health, girl child and child labor as this will directly benefit rural people.
• It is recommended that CSR as a subject or discipline be made compulsory at business schools and in colleges and universities to sensitize students about social and development issues and the role of CSR in helping corporate houses strike a judicious balance between their business and societal concerns. Such an approach will encourage and motivate young minds, prepare them face future development challenges and help them work towards finding more innovative solutions to the concerns of the needy and the poor.
• It is also found that in the current scenario, though governments have traditionally assumed sole responsibility for the improvement of the living conditions of the population, society's needs have exceeded the capabilities of governments to fulfill them. So the concept of CSR attracts social momentum as it becomes the need of the hour.
• It is recommended that involvement of professionals from the corporate sector, non-governmental organizations and business schools as it would be key in ensuring youth participation in civic issues.

• It is recommended that there be more researches, seminars, symposiums etc…, in order to raise the general awareness level in the society.
• It is also recommended that the government and other agencies offer scholarships and grants to undertake CSR researches to be catalyst for CSR implementation and enhancing the CSR literature.
• The research also found that life has a purpose and that purpose is accomplished through living. Thus, narrowing down life as LIVING.

8.3 Contributions & Future Direction

CSR to a certain extent reduces the imbalance in the society as it brings progress and welfare whether it is individual or corporate. There are numerous reasons why individuals and corporations should engage in CSR practices, but it is clear that most common and important reason is that it affects the bottom line. However, making profits is neither bad nor undesirable. When the survival itself is based on the amount of what you earn and how much you make, why would anyone do anything that would not him to help earn profits? In fact, making profits is part of the reason companies exist whereas finding better levels of happiness is the aspiration of every human being. However it is not the only reason. Yet, the fact that companies only resort to socially responsible practices in response to image crises is the issue. Social responsibility needs to become ingrained in the individuals and organization's modus operandi, and not just used as a short-term fix. Corporations that engage in CSR practices are not abandoning their corporate responsibility, but are also accepting the need to act socially responsible. Corporations need to understand that by engaging in socially responsible practices they will decrease their negative impacts and increase their positive impacts on local communities, as well as society as a whole. Corporations that engage in CSR practices are considered by consumers to be better companies, are viewed in a more positive light, and because of this, consumers are more likely to buy the goods and services offered from said companies. However, this desire to act socially responsible needs to be real corporation's need to think holistically.

The bottom line needs to be a focus in every company; however it cannot become the sole purpose of existence for a company, as it has for many today. We need to understand that it is more important to think holistically than to solely focus on the bottom line. A current view of a corporation's relationship to society uses the metaphor of a parasite, in which the corporation sucks all it can from society. We need to change this view, and focus on corporations acting more socially responsible because of their concern with the overall welfare of everyone. Corporations need to be motivated to do the right thing, because doing what is right is beneficial for society, and because everything is connected, it is in turn beneficial for companies as well. Corporations need to be socially responsible citizens. If this approach is incorporated in organizations their sole purpose of existence will be based upon an agreement with society, in which companies will benefit society, and society will benefit companies, establishing a reciprocal relationship between the two.

Social goals need to be given the same level of importance the economic goals currently have. A corporation's motivation for creating CSR programs needs to change from being profit-driven to a holistic approach. In order for desirable change to come about, we need to change the reason for why companies do the thing: they need to be concerned with the whole. However, if the motivation changes within companies, positive change can come about.

As a society, we need to change the definition of a good company. We need to define a good company by not only what the company does, but also the reasons and motivation behind the corporation's actions. If we are to see change, we need companies to understand that economic survival is dependent on social responsibility. It may appear that the relationship between companies and society is not inherently strong, nor present, and that there is a disconnect between the two. However, we must remember that everything is interrelated and therefore, every action a corporation takes has some effect upon society and vice versa (regardless if the effects are positive or negative). Corporations that understand this principle and alter business practices to reflect this new understanding will not only fare better in the business world, but will have accomplished

something far more important than quarterly earnings, they will have helped preserve our society for future generations.

Conclusion

In researching the philosophical basis and philosophical legitimacy, this study has surveyed the literature and explored the perceptions and interpretations for CSR and its impact on the society. The first and the most important conclusion that can be safely drawn is that CSR should not be considered and sustained independently. CSR does need a philosophical basis and support to sustain the test of time now and in the future too. Understanding the fact that there is a close-nit vis-à-vis relationship exists in between CSR and progress of the society. In order to pursue a genuine CSR each human being needs to feel a sense of responsibility and awareness which can be imparted only through the support of philosophy. Let us not forget the fact that CSR is a philosophical concept that has gained worldwide acceptance and acquired a new resonance in the global economy. CSR interventions risk being taken for societal welfare attempts particularly when the CSR orientation is not rooted in the context of a solid responsibility and philosophical foundation. Conversely, CSR is not entirely effective without a sustainable philosophical basis and philosophical legitimacy because every human being is expected to behave as per the need of the hour especially in the twenty-first century where the whole world is looking for a new world order.

These observations suggest in turn that the link between CSR and society is unequivocally a salient two-way relationship — a life of responsibility and a life of happiness. In this respect, research findings support the insights of great many Eastern and Western philosophers and philosophies that the CSR agenda is progressively an extension of the Law of Nature and is the responsibility of every human being. As noted in this study, the nature of a CSR sets the overall tone to live human life with responsibility and awareness to make it a happy event here on earth in this life. As Bentham points out, “the greatest happiness of the greatest number.” In light of this Philosophical investigation, we have put forth a number of theoretical propositions that

can serve to guide further research on the topic, suggesting importantly that CSR is a necessary pillar for maintaining an equilibrium of the nature and society.

Reflecting further on the theoretical and practical implications of this research, my findings challenge the usefulness of agency theory[821] as the dominant paradigm in this CSR research in favor of Law of Nature. Because, Law of Nature governs everything in the universe to keep an equilibrium in the nature for eternity. Thus Law of nature theory indeed seems to be a promising theoretical lens for future research relating to CSR and its impact on society. Moreover, the findings suggest that institutional theory could provide fruitful insights when exploring patterns of global convergence in CSR research. Findings of this philosophical research indeed support the path dependence hypothesis in the context of CSR, suggesting that national history trajectories and specific institutional constellations stand as potential barriers to convergence CSR domains.

Further research can seek to shed light on the diffusion of CSR and its impact on the society, particularly in developing countries, and the multi-faceted nature of CSR and their complex interfaces. There is room in this respect for research on the interplay of philosophical foundations of CSR in specific institutional contexts and how these reflect in turn and mold peculiar CSR orientations to bring awareness and responsibility in every human being. There is also room for research on the largely voluntary accountability paradigm advocated in the context of CSR, and how this agenda can be reconciled with agency theory and law of nature theory. Of particular interest is the trend to articulate international standards and obligations in the CSR domain and how these potentially cross-connect with international CSR codes and principles.

Notwithstanding the limitations, I believe this study makes important contributions and constitutes a significant awareness and advancement in the CSR practice and research. The study indeed has explored relatively new ground by investigating CSR conceptions

[821] A supposition that explains the relationship between principals and agents in business. Agency theory is concerned with resolving problems that can exist in agency relationships; that is, between principals (such as shareholders) and agents of the principals (for example, company executives). The two problems that agency theory addresses are: 1.) the problems that arise when the desires or goals of the principal and agent are in conflict, and the principal is unable to verify (because it difficult and/or expensive to do so) what the agent is actually doing; and 2.) the problems that arise when the principal and agent have different attitudes towards risk. Because of different risk tolerances, the principal and agent may each be inclined to take different actions.

from philosophies and philosophers, suggesting that both philosophies of East and West need to be considered as complementary pillars for sustainable growth in a globalizing environment. This research also embeds the awareness to the humanity that whether it is East or West, black or white, male or female that every human being is endowed with the responsibility to self, other and nature. This research, moreover, challenges the hegemony of agency theory and stake holders theory as the dominant paradigm in CSR research, highlighting in turn the usefulness of Law of Nature theory as the theoretical lens in affirming a complex blend of normative and instrumental motivations and orientations in bringing the waves of responsibility and awareness in the heart of every human being. These initial trends can hopefully be further explored and validated through future research on the topic.

Chapter 9

Indian CSR Bill: A Critical Analysis

Introduction

The CSR practices in India need to go a long way from where it is now. In order to bring transparency in the future of CSR in India and take time bound steps to mainstream, it is better to take a look at the existing state of affairs in the Indian CSR domain.

The New Companies Bill was finally passed in Rajya Sabha on Thursday, 8th 2013, making it mandatory for profit making companies to spend on activities related to CSR. The following Act of Parliament received the assent of the President on the 29th August, 2013, making it a full-pledged *Companies Act 2013*. With the new legislation, India has become the first country to have CSR spending through a statutory provision. Presenting the bill in Parliament, Corporate Affairs Minister Sachin Pilot termed the passage of the Bill as a new era for corporate law and regulation in Indian economy and said this is a 'historic moment for the country." [822] In the words of the minister, the Companies Bill 2013 is a positive, forward looking, reform oriented and investor friendly legislation. India gets the privilege as the first country in the world to have CSR in its statute.[823]

Answering the question, What is the need for making CSR mandatory? He said, that the move is to throw open this idea, put into statute, give CSR activities a framework and structure where some of the good work can be displayed.[824] He also said, that the objective is not to mandate from Delhi what CSR should be. We are leaving it to the Conscience of the Companies.[825]

An examination of the extensive literature on CSR that has emerged in the last four decades reveals the existence of different approaches adopted by corporate bodies in fulfilling their social responsibility. However, considering the tenacity of corporations to

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[822] "CSR Mandatory with passage of New Companies Bill" <http://www.firstpost.com/business/csr-mandatory-with-passage-of-new-companies-bill-all-you-need-to-know-1020695.html>, Retrieved on 08-08-2013.

[823] Ibid.

[824] "Companies have full freedom on spending CSR money: Sachin Pilot" <http://articles.timesofindia.indiatimes.com/2013-08-12/india-business/41331437_1_csr-activities-companies-bill-finance-ministry> Retrieved on 08-08-2013.

[825] Ibid.

part with a bit of their profits, force the law makers to adhere a mandate for corporate giving's in the form of a bill which is on the process of getting enacted as a mandatory proposition on corporations.

This research also proposes a "one rupee CSR model for India."

9.1 Current CSR Scenario in India

There were only 30,000 registered companies in India when the current Companies Act of 1956 was made. In 2012, there are over 850,000 companies.[826] The government of India is a considering of passing a law that would make CSR mandatory for the Indian industry. As a closer step towards the legalization Lok Sabha on 19th December 2012 voted to replace India's 56-year-old omnibus Companies Act 1956 with the Companies Bill 2011, that brings the management of the corporate sector in line with global norms.[827] The new Bill decrees that companies worth $100 million or above or that meet similar standards should dedicate 2% of their net profits to CSR activities.

The Bill, with 470 clauses, seeks to make CSR spending compulsory for companies that meet certain criteria. Firms having Rs.5 crores or more profits in the last three years have to spend on CSR activities.[828]

9.2 Should CSR be Voluntary or Mandatory?

A great deal of business, academic and government literature on CSR simply takes it for granted that CSR strategies of all varieties will be voluntary. A major theme of much of the CSR discourse emanating from the business community is the argument that regulating CSR is either undesirable or dangerous.

On the other hand, there are those who question whether voluntary CSR programs and activities by corporations are sufficient to ensure that the benefits of CSR are achieved or whether government regulation of corporate behavior is necessary. Should CSR be

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826 "Companies Bill passed with mandate on CSR spending" <http://www.financialexpress.com/news/companies-bill-approved-with-mandate-on-csr-spending/1047265>, Retrieved on 19-12-2012.

827 Ibid.

828 "Lok Sabha passes Companies Bill" http://www.moneycontrol.com/news/business/lok-sabha-passes-companies-bill_796927.html, Retrieved on 19-12-2012.

approached only on a voluntary basis or should it be complemented with a compulsory regulatory framework? If so, what type of government intervention is more effective in fostering CSR among companies? So what model could be suitable for a thickly populated developing country like India?

A country like India which is experiencing exponential population growth and massive poverty feels the pinch of under development every moment in its trail to welfare and progress, has a great relevance for CSR. Thus the question of legalization remains vital in the CSR road map of India. CSR is supposed to be voluntary in nature as it depicts the socially responsible human nature. One of the first, and probably the most famous, counterblast against CSR was an article written by Milton Friedman and published in 1970 in the *New York Times Magazine*. This article summarizes his views set out earlier in his less often cited book *Capitalism and Freedom* published in 1962. The first key statement on CSR, which can be found in Friedman's book, reads as follows: "[In a free society] . . . there is one and only one social responsibility of business—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, engages in open and free competition without deception or fraud."[829]

Friedman's philosophical argument is that: "only people can have responsibilities ...business as a whole cannot be said to have responsibilities."[830] Thus, this only concerns to people and not corporations. Because, the corporation is a legal citizen created by the law and regulations. He may be saying that therefore there is no obligation on the corporations to be socially responsible and shell out the profits for the welfare of the society. However, let us not forget the fact that corporations does not spring up like mushrooms after a rain. It is an association or a group of people who have responsibilities. If Friedman affirms the aspect of responsibility of the people, I think that is the clear point where corporations should have the responsibility for the society, as society is also a group or association of responsible human beings.

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[829] See M. Friedman, *Capitalism and Freedom* (University of Chicago Press, Chicago, 1962), 133. This quote is referred to again by Friedman at the very end of his 1970 article "The social responsibility of business is to increase its profits," *New York Times Magazine,* 126.

[830] Ramón Mullerat, International Corporate Social Responsibility, (Kluwer Law International, Nertherlands, 2010), 32.

When Kant in his moral imperative assigns being responsible and being rational as qualities of a human being, I think the same responsible human nature he is trying to represent. Or When Levinas says responsibility is woven into our createdness and precedes our subjectivity, he certainly is trying to bring out the responsible human nature. Thus, responsibility is the human being's aspiration to respond to the needs of other as one respond to the need of oneself.

In the instance, where an individual is able to handle such responsibility with awareness there is no need to impose laws. But the simple fact is that most of the human beings misuse the responsibility or ignore it. That is when laws and regulations are imposed. When a person pretends to be blind to the needs and requirements of the society, the only way to get it done is through imposing of laws and regulations. However, at the end of the day whether one acknowledges the responsibility or not, what counts is the consequence of a choice one is taking.

The choices often human beings make in life depends on the circumstances. In some circumstances empathy and sympathy plays a vital role in the process of decision making whereas in some other circumstances it is the force of the laws that make human beings to be sensitive.

It is like in the case of a school going child who has the responsibility to study and advance in life. As long as the child remains sensitive and aware of his/her responsibilities there is no compulsion from the parents. But the moment when there is a tendency of ignoring that responsibility, parents certainly intervene to make him/her realize his/her responsibilities.

So the crucial question of whether CSR be mandatory or voluntary, I think, it is a matter of awareness and convictions. When a corporation is convinced of the social responsibilities, irrespective of laws it will try to work for the betterment and growth of the society. But, when a corporation is not convinced of its responsibility, there arise the need for laws and regulations to make them aware of the responsibility. Thus, the question of mandatory or voluntary narrows down to the choices of conviction and awareness each corporation and individual exhibit. So I would rather say, make it compulsory that those who try to evade the responsibility would come under the scanner

and forced to be responsible. And the other, category anyway does it irrespective of mandatory or voluntary. Thus, laws will seal the loop-hole and chances of escape. It will certainly, help the society to be more progressive as every single drop adds upto the common pool to enhance the happiness and well-being of the society.

Philosophically it is right to argue that only people can have responsibilities. Even though a corporation is considered to be a corporate citizen, it will not have responsibilities as the persons are the executors. Similarly, people can only have feeling of empathy and sympathy. No corporate citizen would feel it. Thus, as a person if one has responsibilities, then he has to have accountabilities for his responsibilities. Now such accountability is to oneself and to others.

9.3 Possible Impact of the CSR Bill

With the increase in foreign direct investment in a developing country like India, there is a chance for plundering the domestic resource by the multi-nationals. I would not even hesitate to say, that it is a new form of colonization. For instance, if Samsung could sell their bench mark product galaxy in six months and monopolize 18% of the world market, why are we doubting about the neo-colonization strategy? The multi-national Samsung Corporation is not interested in the progress of any part of the world other than pocketing their profit and whooping up the market share. Samsung would rather be interested in spending the money to any Korean under developed locality than voluntarily investing a share of their profits in other parts of the world. The law will certainly make sure that at least certain portion of profits, earned by such companies are mandatorily spend for the progress of the local community. Let us be aware of the naked fact that when multi-nationals step into a place, they are not coming to spend their profit for the domestic development. Instead, they want to harvest as much as they can and vacate the place. Multi-nationals come to a developing or underdeveloped country with a simple logic and philosophy — minimum investment and maximum returns. In such a scenario, are they going to be responsible for the development of the society? Of course, not!, if there is a law they have to abide by the laws of the land.

Even when the domestic corporations or firms are reluctant to part with part of their profit for the welfare of the society, how can we expect a foreigner to be socially more responsible than the sons of the oil? So in my opinion, the CSR Bill will ensure at least two percent of the corporation's profit to be utilized for the domestic welfare activities. Let us be assured that something is better than nothing. Whatsoever development that 2% can bring into the ocean of 1.2 plus billion Indian population, I think, is a great step towards making a difference in the lives of a tiny chunk in the thickly populated India. So, rather than being apprehensive about what change or what good it can bring to the country, accept it and join our hands together to explore more ways and means to irradiate poverty and bring about development in India.

9.4 Corporate Citizenship — with Responsibilities come Rights

Only people can have responsibilities.[831] Corporations emerge when a group of people join hands together with same goal and profit motive. It is true that corporations are not citizens, they are artificial legal persons. However, the term 'corporate citizen', describes corporations that are attempting to be socially responsible, creates a new image of the corporation as an entity which has rights, feelings, a legitimate voice in a democracy, and which behaves in a moral manner. Though, corporation is not a person, it is a group of persons who have responsibilities. So I think, a corporation does have responsibilities like a person who is born into a society. A close look at the corporation will reveal that it is also born into the society like a child. Then it grows and flourishes in the society. So to say, a corporation's involvement is bought by its 'commitment' to CSR and 'sustainability', and gives the opportunity to dominate the agenda and put across their view of how the world should be run. Thus the power and resources of the corporate citizen are such that of a real human citizens.

In my opinion, if the corporation or business has the right to operate in the society, undoubtedly it has the responsibilities to contribute to the societal progress and welfare alike. Because, with rights come responsibilities and vice-versa. In short, corporate

[831] Adrian Henriques, *Corporate Impact: Measuring and Managing Your Social Footprint*, (Earthscan, London, 2010), 18.

conscience is the key to their responsibilities over the rights that society has attributed on them.

9.5 Reasons for Enforcement of CSR Law in India

There are various reasons for the enforcement of CSR Bill. Some of the reason I think are as follows:

1. Over a period of 60 years India has been trying the concept of voluntary CSR. Unfortunately, it did not catch up. The number of companies increased from 30,000 in 1956 to 850,000 in 2012, yet CSR the voluntary concept remained still alien to most of the profit making companies. Thus, the India Inc. has failed in making the voluntary contributions for the progress of the society.

2. Forbes latest billionaire list reveals that India has 61 billionaires as of 2012.A country with so many billionaires are still fighting for poverty eradication and welfare agenda at the grass-root levels. This portrays a sad account of the wealth accumulation pattern in the country that the wealthy are not willingly giving enough for the social welfare. So what they give in the name of charity or philanthropy is just an eye wash to evade taxes. So there is an acute need for legalization for the corporations to share their profits with the society as responsible corporate citizens.

3. India has a history of strong family ties and a well-established saving culture. So each generation tries to amass wealth for the next generation even by compromising on their own basic needs of daily life. Thus, parting with some portion of their wealth is generally difficult for the Indian minds. So, the so called giving culture is to be enforced through a law rather than waiting for voluntary initiative. Hence, there is certainly a need for a bill that would force the rich to share at least a meager percentage of their wealth for the society and partake in society building as responsible citizens.

4. A further insight into the concept of CSR takes us to the two broad approaches to CSR. The first approach is the Traditional Approach. The basic theme of this approach is "doing good to look good." Basically, this approach was followed for a long time, till recently, and the companies following this approach undertook to perform their CSR only for the sake of it, only because it would fetch them recognition in the market. It did not

practice these activities because it was genuinely interested in the well being of the society. The mere reason behind it was to build its corporate image. Commitments were short term, allowing the organization to spread the wealth over a variety of organizations and issues through the years.

The new approach or the Modern Approach has its underlying objective, "doing all that we can to do the most good, not just some good." It supports corporate objectives as well. This is a win-win situation for all because when a particular company does well to the society genuinely and for a cause, it has to be good, and along with this process, it succeeds in building a name for itself. Thus the CSR Bill will ensure bringing out the effects of the Modern Approach too even from those corporations who still have not undertaken the Modern Approach. Therefore, enabling them also to a win-win situation forcefully through the enforcement of CSR Bill.

5. The CSR law enforcement can raise lots of money for the developmental activities. Since each corporation is handling it independently, they can make sure the deployment of its effectiveness without much getting diluted in the storm of manipulation and corruptions.

9.6 One Rupee CSR Model for India

Progress and development of a country totally depend on the collective efforts of all its citizens. How understanding and aware are the people will speed up the developmental process of any nation in this globalization era. Though we have been focusing corporation's role in development, each individual has a remarkable share to contribute. So individuals cannot get away from the social responsibilities easily by blaming corporations and government. An overall development of a country needs support from all strata of the society. Here the dictum could be whoever is able to contribute for the welfare of the nation, contribute and be responsible for the same. Thus the collective efforts will bring about exponential growth in every field adding up to the growth of a nation as a whole.

India is not a poor country that has no resources. India is a country with legacy of prosperity and riches. If only we to explore and extract the indigenous resource and

productively for the growth of our country, India can secure its place among the developed countries in the near future. Wouldn't it be a great feeling to be a citizen of a developed nation? Let every Indian be reminded that it is not an impossible mission if all of us cooperate and contribute for achieving the goal.

As a step towards achieving the above goal, I would like to propose a 'One Rupee CSR Model' for India and to speed up the national growth. I have named it as 'One Rupee CSR Model' because the model proposes to collect a CSR tax from every citizen who is earning Rs.250 or more daily with a liability to pay Rs.1 to the National CSR Treasury. Approximately, even a half of Indian population comes in the purview of Rs.1 CSR tax bracket, half a billion rupees can be easily accrued daily, amounting to a 180 billion rupees per annum. It is a substantial amount of money which can be used exclusively for the various developmental purposes across the board. Thus, it gives an opportunity for every citizen to be responsible and participate in the societal welfare along with the Government, Corporations, NGOs and other Sources.

All what cost to a person for actively involving in the progress of our mother India is just one rupee per day or 365 rupees per annum. I personally think, this model, if implemented can work miracles as it becomes a catalyst for the faster growth and development of India. Thus, the citizen's contribution of mere one rupee can work miracles in a country like India where population is the biggest doom and boom. Let us not underestimate our mite to make an ocean.

Conclusion

Indians have to come out of the traditional view of 'doing for the sake of it'; instead, should come forward and realize their responsibilities more consciously and whole heartedly. When the concept of CSR begins to be understood as a business oriented concept, without which the business would become difficult, it will be the time when India may be ready for statutory backing to the CSR. Notwithstanding the above and any amount of sermonizing on the CSR platform is futile unless we remember Milton Friedman's famous quote that "the business of business is business." I think it is right. If the business of business is not business, what is it good for? It loses the spirit, it loses the

fire. That is what exactly the concept of *nishkama karma*is trying to reach to every generation. Desire is the fuel of life; without desire nothing can be achieved.[832] If *kama* is taken out, what is it good for like the business is taken out of business. Because, *kama* is not desire; it is selfish desire. The Buddha calls it *tanha*, 'thirst': the fierce, compulsive craving for personal satisfaction that demands to be slaked at any cost, whether to oneself or to others.[833] In short, without losing the thirst for making profits individuals and corporations need to engage themselves in the business and with the same spirit and passion part of the profits should be shared for the welfare of the society. According to Eknath Easwaran, *nishkama karma* is not 'good works' or philanthropic activity; work can benefit others and still carry a substantial measure of ego involvement.[834]Thus, it highlights that we need to be aggressive and passionate in business to make profit which should be shared with the society. It reinforces the view that all CSR is driven by business interests and it is best left to the judgment of a corporate as to what makes good business along with corporate conscience which actively embeds CSR in it under the globalized economy and culture.

Globalization has been a force that has been all-pervasive and has impacted India in a great way. It has led to a new global order and the success of a country lies in its ability to face the upcoming challenges, and to emerge in the global order with a winning outlook. Thus I think, the current CSR Bill is the perfect example for India's resilience and its capability to regulate its policies in a changing world arena.

[832] EknathEaswaran, *The Bhagavad Gita*, (Nilgiri Press, California, 2008), 52.
[833] Ibid.
[834] Ibid.

General Conclusion

Humanity as usual faces a tough tug of war where one end is greed and the other is responsibility. Often most of us forget the responsibility end and keep moving more and more towards greed. Like religions and other philanthropic organizations CSR enters the scene with a pure philosophy of acting with hearts and minds for the well-being and welfare of whole universe. And CSR bandwagon upholds the utilitarian philosophy of greatest happiness of the greatest number. Certainly corporations need to shoulder the responsibility along with the governments to bring about welfare and well-being in the world which is on par with the Law of Nature, as the corporate make their profit from the society itself. So their moral obligation is what CSR tries to implement. In a scenario where greed over powers responsibility, no philosophy can work miracles. So CSR is in the arena with a philosophy of making each being a responsible being for the self and for others. We become responsible human beings when we are able to understand and have empathy for the billions of human beings around the world who are under privileged.

Almost half the world — over three billion people — live on less than $2.50 a day.[835] Poverty in India is widespread, with the nation estimated to have a third of the world's poor.[836] In 2010, World Bank stated, 32.7% of the total Indian people fall below the international poverty line of US$ 1.25 per day (PPP) while 68.7% live on less than US$ 2 per day.[837] CSR has very much relevance and scope in India where more than half of the country's population lives in poverty. CSR in India is too weak; while many companies post super profits they are unwilling to invest in social services such as education, health, roads, security and so on of the community. However, this happens all over the world where the capitalist spirit has taken full roots. The real problem in India is that we always like to copy the wrong things, those things that give us a leeway, an escape route. In the current scenario where there is need to understand CSR and begin to get big and medium scale enterprise to understanding that the spirit of generous giving is part of capitalist

[835] "Poverty facts and Stats" <http://www.globalissues.org/article/26/poverty-facts-and-stats#src2>, Retrieved on 03-12-2010.
[836] "Poverty in India" <http://en.wikipedia.org/wiki/Poverty_in_India>, Retrieved on 03-12-2010.
[837] Ibid.

ethic, strip of this, capitalism becomes a banal and anachronistic economic Darwinism which undermines all peoples and communities.

CSR has meant different things to different people. It is viewed as corporate giving or donation and its real impact that connects back to the organization is not properly understood. This lack of understanding is an opportunity and threat at the same time. The market reviews which have been appearing time and again indicate that the corporate bodies pay less attention to CSR due to not being particularly convinced that it can add to strengthening corporation's image and ensure sustainability. The common belief of CSR being a cost center rather than a profit center have not entered the corporate mindsets; therefore, practical examples need to be placed in front of them and develop a sturdy academic and practical understanding of how the CSR practices are adding to corporation's image, sales and profitability, while keeping the lines of communication open with the corporate bodies.

Essentially, CSR is social service, and every corporate group must give social service unconditionally and uncomplainingly. On the individual level, we can also render social service to each other, to our communities, to interest groups and the less privileged. And until this culture of service is institutionalized and internalized by all, whether as corporate groups or as individuals, we are not likely to make much social impact. Super profits by themselves have no meaning if they do not socially impact on the less privileged. We must always realize that there is a 'common good' that needs to be protected. If threatened, the common good, the personal security and safety of companies and the rich, of everybody, is equally threatened. This is the philosophical reorientation that needs to guide our fresh outlook and commitment to the concept of CSR.

In doing so, we are restoring dignity and humanity to citizens, we are making them stakeholders. This will inspire patriotism and commitment to the nation, and it will above all check the social malaise and crisis in the country. To believe that laws, more laws, military and policing can solve our problems is to miss the point. Each one of us needs to rededicate ourselves to the basis of nationhood, why states emerged and how they are sustained in peace and harmony. I think, at this juncture a small story can enlighten each of us to become aware of the importance of personal awareness and transformation for a

prosperous and happy world which sages and philosophers have been aspiring to establish throughout the history of humanity.

Once a teacher brought a few pieces of cardboard which were pieces of the world map and put them all on the desk and asked the students,

"Can anybody come and arrange them in the right order?"

Many students tried to arrange the world in order but miserably failed.

Just one smart boy, seeing that everybody was failing and not managing to make the world map whole by putting the pieces together, looked at one piece on the reverse side.

Then, he turned all the pieces over and he found the picture of a man. He arranged the picture of the man, which was very easy, and that was the key. When on one side the man was arranged, on the other side, the world map was arranged.

Perhaps the same is true about the real world... if we can arrange man, the world will be arranged. Every trouble starts with the human being and he is either part of the problem or part of the solution. When the integrity of the human being is lost, the foundation of society is shaken. Every human being is a born creator with destructive and creative energy. However, it is upto each one of us to use it productively or destructively to uplift the world. Each human being is a miracle on earth. Transformation needs to happen at personal level to be aware of the personal and societal responsibilities that each of us has in life. Only such awareness can bring progress and welfare in the society and in the world. So let the CSR start with each one of us neither postponing nor anticipating, instead right here LIVING in your very life. Perhaps, the great wisdom of George Bernard Shaw will help each of us to make the trigger at a personal level for creating a paradigm shift in the destiny of our human existence. He wrote:

> My life belongs to the whole community and as long as I live, it is a privilege to do for it whatsoever I can. I want to be thoroughly used up when I die, for the harder I work, the more I live. I rejoice in life for its own sake. Life is no 'brief candle' to me. It is a sort of splendid torch which I have got hold of for the moment; and I want to make it burn as brightly as possible before handing it on to future generations.[838]

Let each human being start valuing life and count it as a privilege to do the best of ability to the progress of the society to experience the fullness of happiness in this life. I am

[838] "Shaw, at Brighton, 1907" <http://www.shawchicago.org/shawbio.html>, Retrieved on 13-01-2013.

sure; this attempt will certainly bring morality, prosperity and equilibrium in the today's society which is desperately looking for a new world order to start adopting a code of best CSR practices at a personal level.

The following fact about the Dead Sea can enlighten the each of us to share and enrich the society with whatever we have. Dead Sea is really a Lake, not a sea. It is so high in salt content that the human body can float easily. One can almost lie down and read a book! The salt in the Dead Sea is as high as 35% — almost 10 times the normal ocean water. And all that saltiness has meant that there is no life at all in the Dead Sea. No fish. No vegetation. No sea animals. Nothing lives in the Dead sea.

And hence the name — Dead Sea.

Unlike the Dead Sea, the Sea of Galilee is pretty, resplendent with rich, colorful marine life. There are lots of plants. And lots of fish too. In fact, the sea of Galilee is home to over twenty different types of fishes.

Same region, same source of water, and yet while one sea is full of life, the other is dead. How come?

Here apparently is why. The River Jordan flows into the Sea of Galilee and then flows out. The water simply passes through the Sea of Galilee in and then out - and that keeps the Sea healthy and vibrant, teeming with marine life.

But the Dead Sea is so far below the mean sea level, that it has no outlet. The water flows in from the river Jordan, but does not flow out. There are no outlet streams. It is estimated that over a million tons of water evaporate from the Dead Sea every day. Leaving it salty. Too full of minerals. And unfit for any marine life.

The Dead Sea takes water from the River Jordan, and holds it. It does not give. Result? No life at all.

Let us, think about it.

Life is not just about getting. It is about giving and sharing. We all need to be a bit like the Sea of Galilee.

We are fortunate to get wealth, knowledge, love and respect. But if we don't learn to give, we could all end up like the Dead Sea. The love and the respect, the wealth and the knowledge could all evaporate. Like the water in the Dead Sea. [839]

If we get the Dead Sea mentality of merely taking in more water, more money, more everything the results can be disastrous. The universe in which we all live will come to a standstill, earth will have disorder and humanity will encounter chaos. It is a good idea to make sure that in the sea of our own life, we have outlets. Not just one or two instead, many outlets. Make sure we don't just get, but give too. Open the taps. Let the water flow freely into the buckets of those needy and down trodden. Let us open the floodgates to prosperity, happiness and peace.

Lokah Samastah Sukhino Bhavantu

(May all beings everywhere be happy and free and may the thoughts, words and actions of my own life contribute in some way to that happiness and to that freedom for all.)

[839] "Dead Sea, Great Story" <http://www.helpothers.org/my/story.php?op=view&sid=18516>, Retrieved on 13-02-2013.

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Appendix - 1

Buffett and Gates Prod India's Wealthy to Be More Philanthropic[840]



AftabAlamSiddiqui/Associated Press
Bill and Melinda Gates, right, visited underprivileged people near Patna, India, on Wednesday.
By HEATHER TIMMONS and VIKAS BAJAJ
Published: March 24, 2011

India is behind only the United States and China in its number of billionaires. But by global standards, its charitable giving is miserly. A few wealthy American philanthropists — Bill and Melinda Gates and Warren E. Buffett — are hoping to change that, one rich Indian at a time. The three Americans met behind closed doors with about 70 of India's wealthiest people Thursday afternoon at the Taj Majal hotel here, for a "giving discussion" meant to start gently preaching the gospel of philanthropy.

"It is not a case where we passed around a tin cup or had a signup list," Mr. Gates said at a crowded news conference afterward. "Anything these people do will be their choice."[841]

[840] The New York Times: <http://www.nytimes.com/2011/03/25/business/global/25rupee.html> Retrieved on 24-04-2011
[841] Ibid

Appendix - 2

Corporate Social Responsibilities and its Impact on the Society — Research Survey Questionnaire

Any questions that you do not understand or cannot answer leave the section blank. Thank you very much in advance for your support.

1. Are you familiar with the concept of CSR?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure

2. Is CSR necessary for the progress of society?

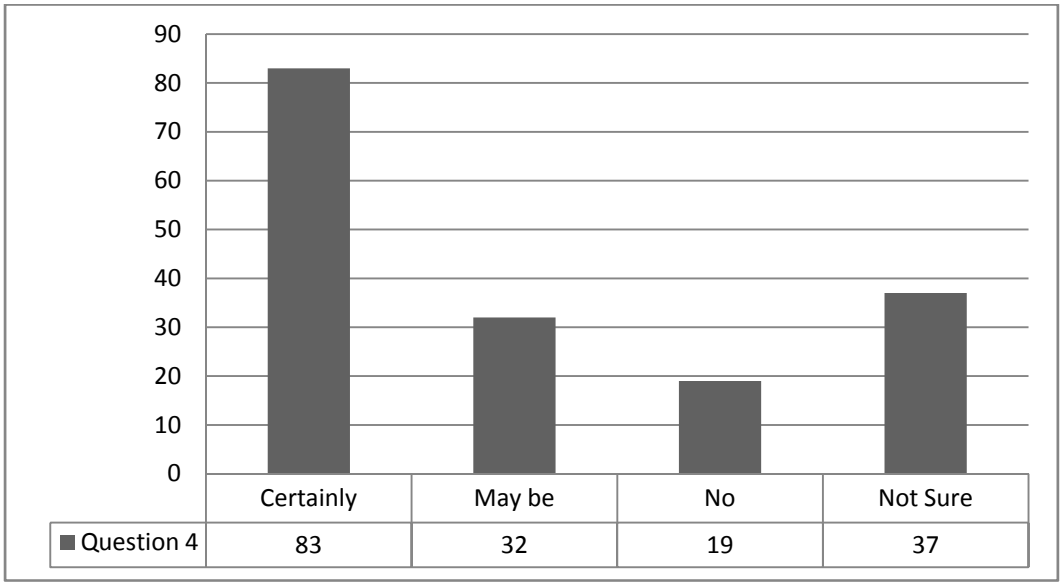
◯ Certainly ◯ Maybe ◯ No ◯ Not Sure

3. Do you think CSR has economic benefits?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure

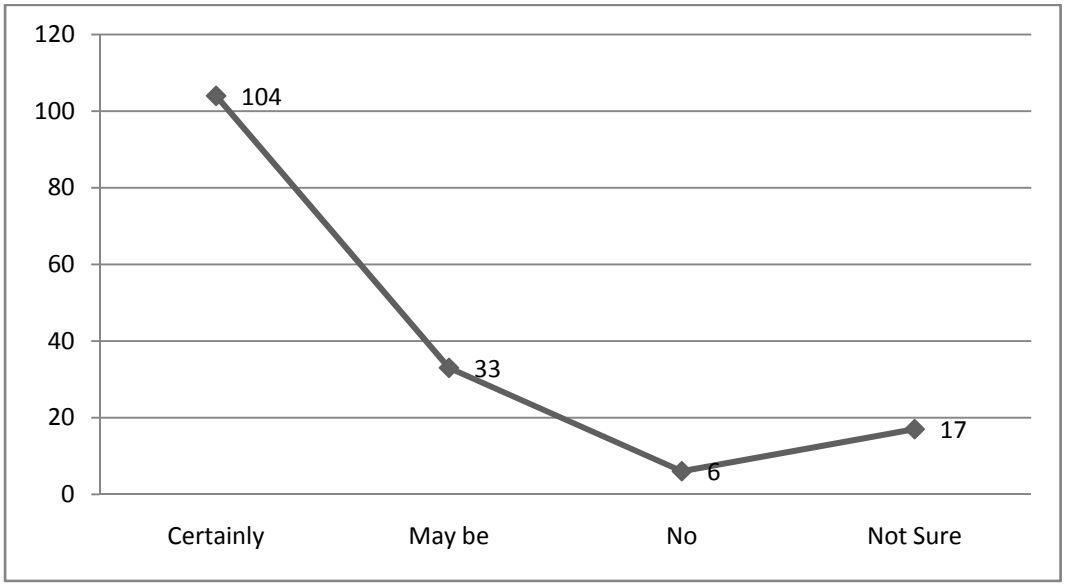
4. Do you think CSR should be made mandatory to every corporation?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure



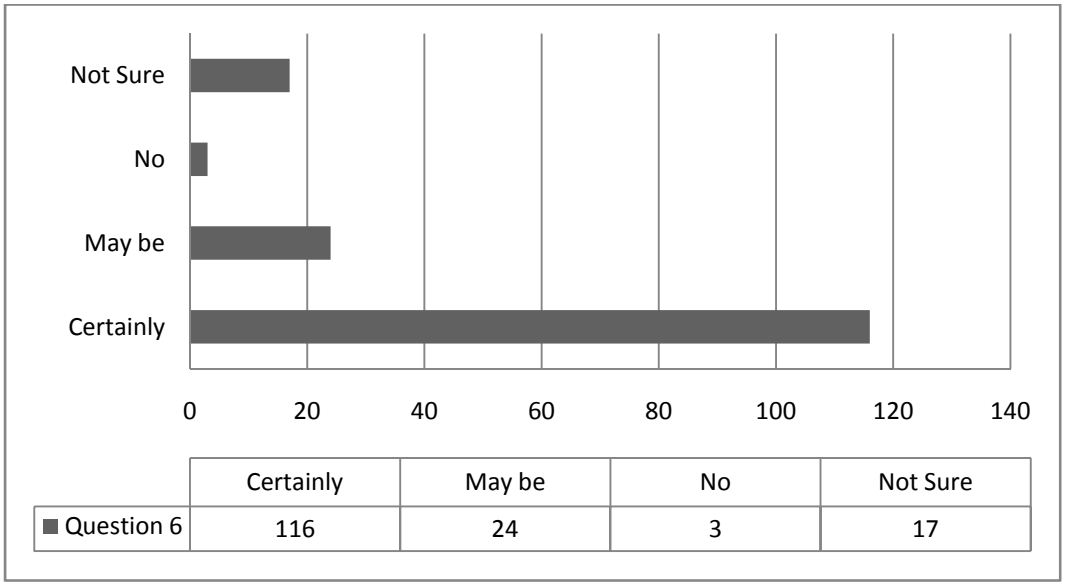
5. Do you think as an individual you need to practice CSR?

◯Certainly ◯Maybe ◯No ◯Not Sure



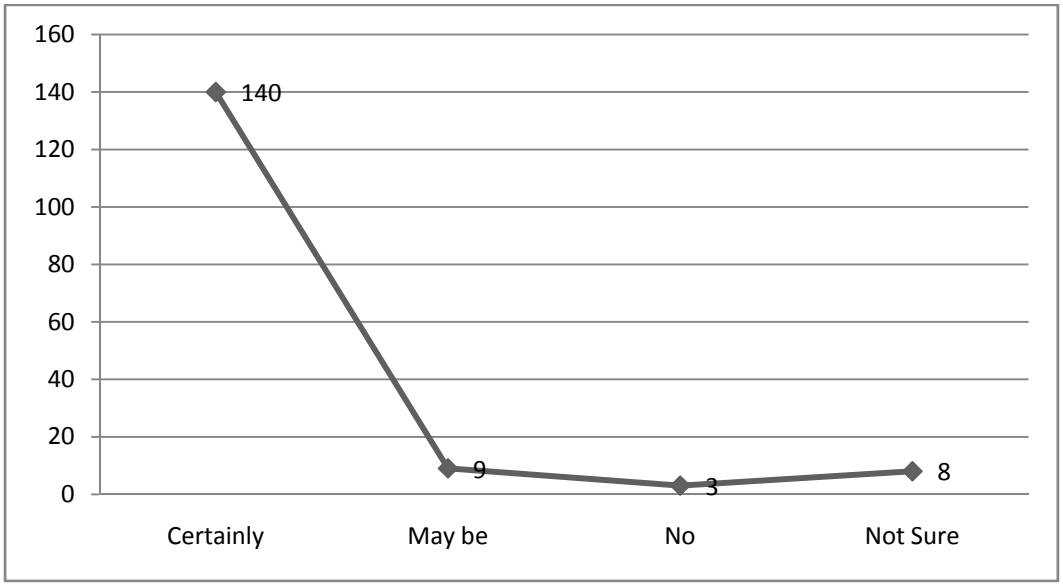
6. Does the very thought of CSR help you to be a socially responsible person?

◯Certainly ◯Maybe ◯No ◯Not Sure



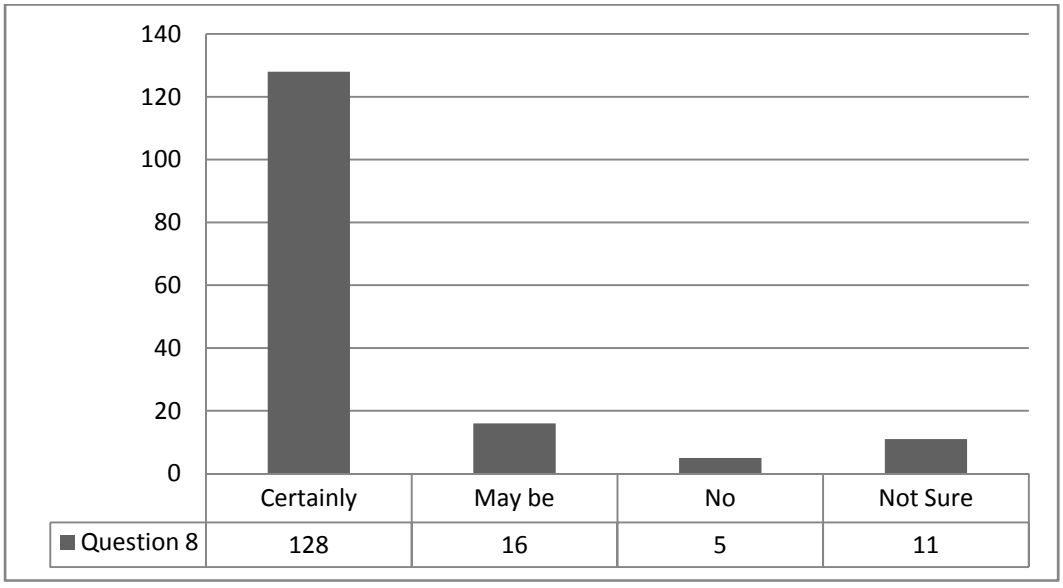
7. Do agree that CSR should start at individual level first?

◯Certainly ◯Maybe ◯No ◯Not Sure



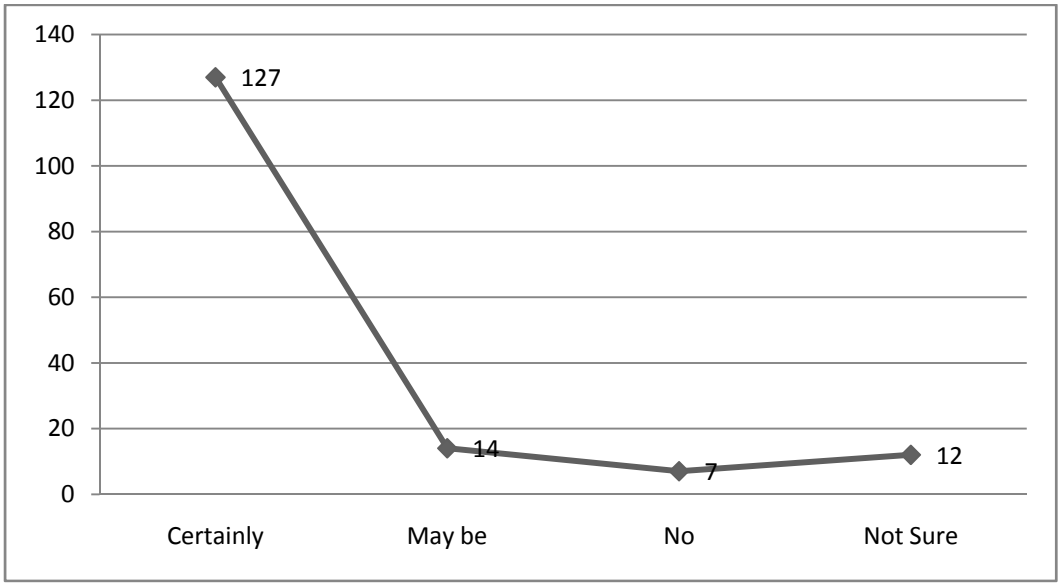
8. Do you think life has a purpose?

◯Certainly ◯Maybe ◯No ◯Not Sure



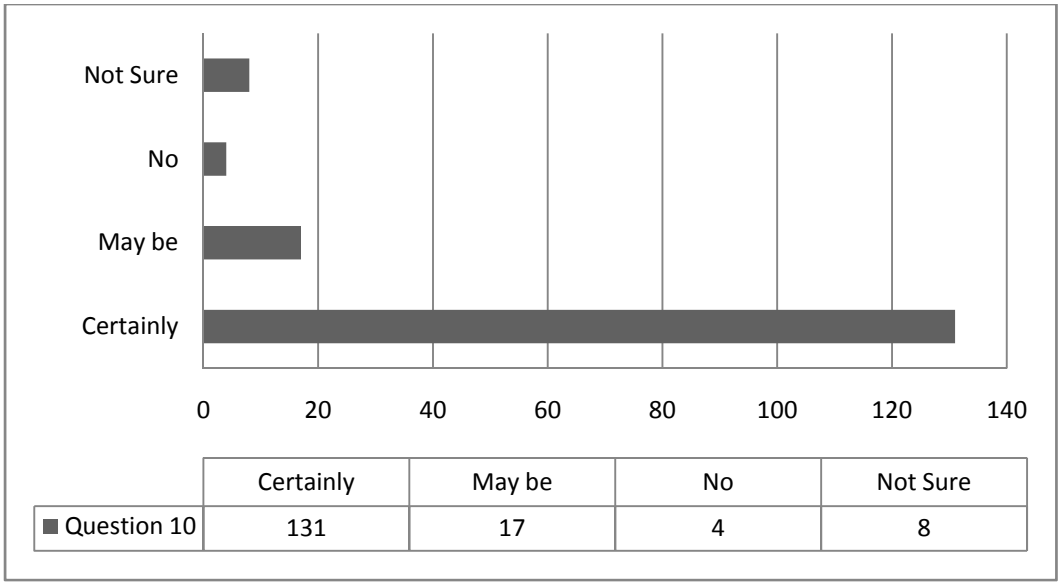
9. Do you think human being is a responsible being?

◯Certainly ◯ Maybe ◯ No ◯ Not Sure



10. Does living life responsibly accomplish your purpose in life?

◯Certainly ◯ Maybe ◯ No ◯ Not Sure



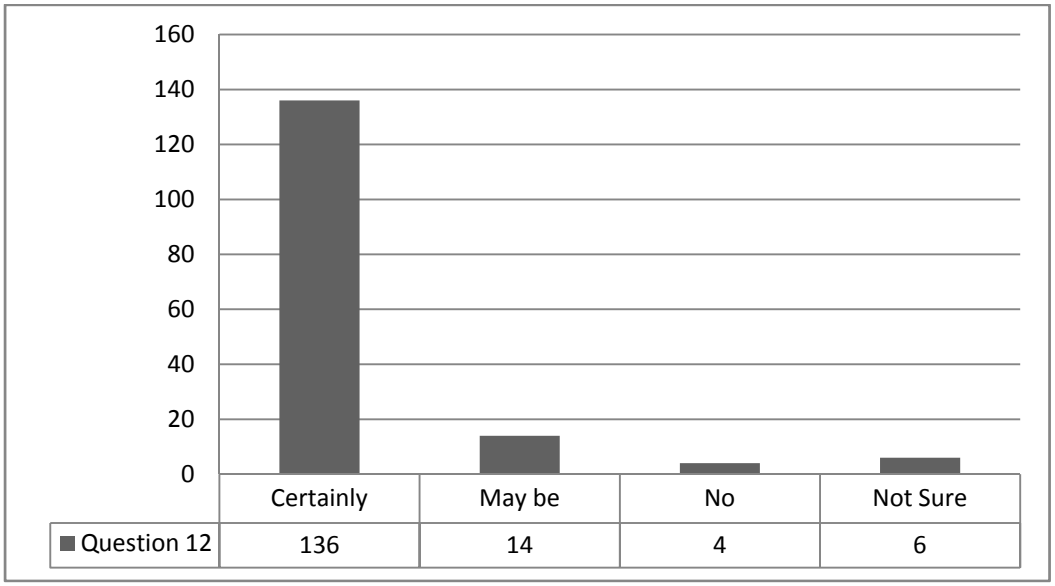
	Certainly	May be	No	Not Sure
Question 10	131	17	4	8

11. Does your responsibility end with yourself?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure

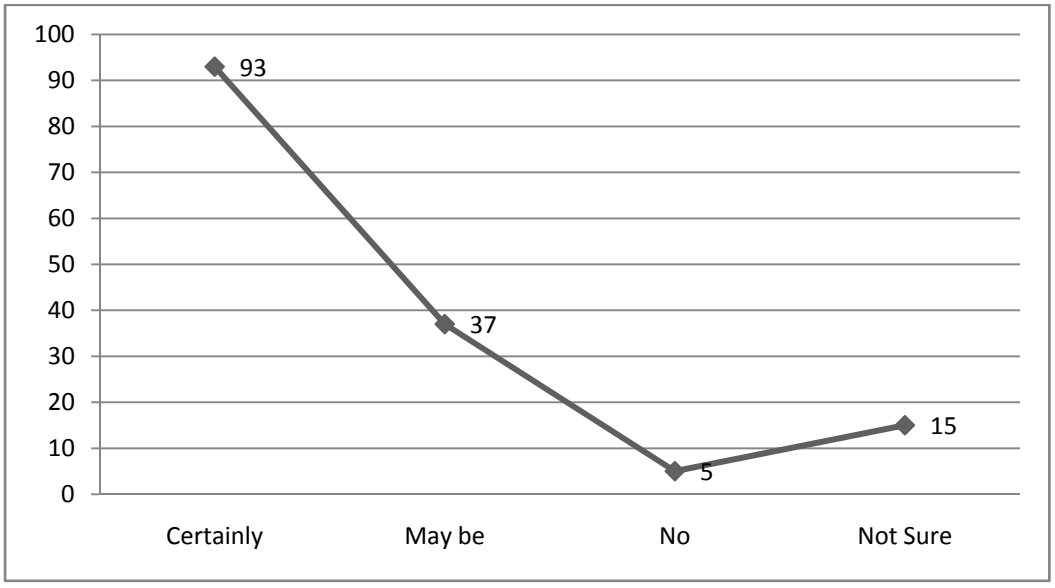
12. Do you think you are socially responsible?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure



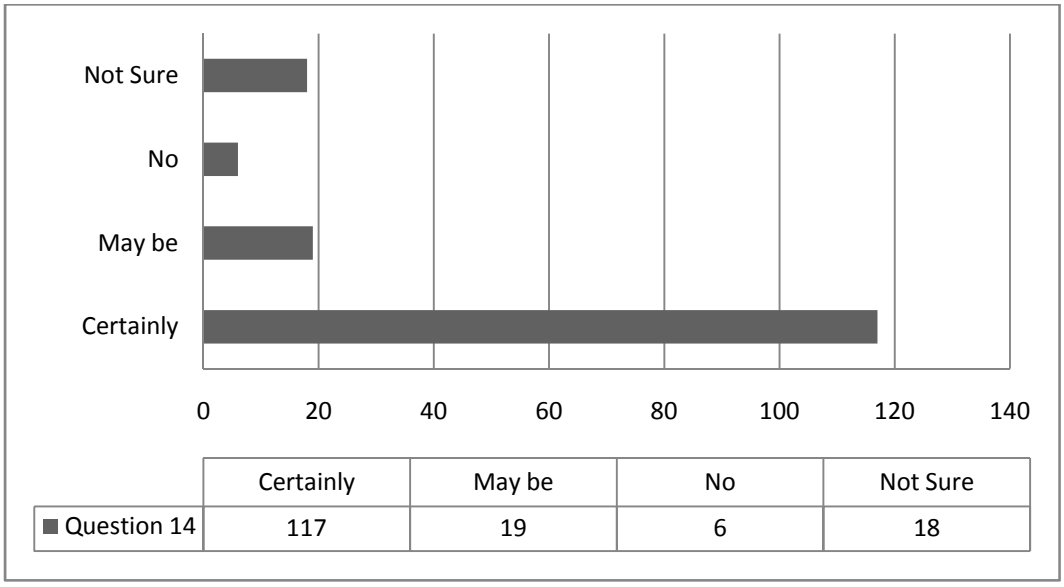
13. Do you think CSR will become more prominent over the coming years within all companies in business?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure



14. Do you feel the governments should imply legislation to ensure companies are more responsible?

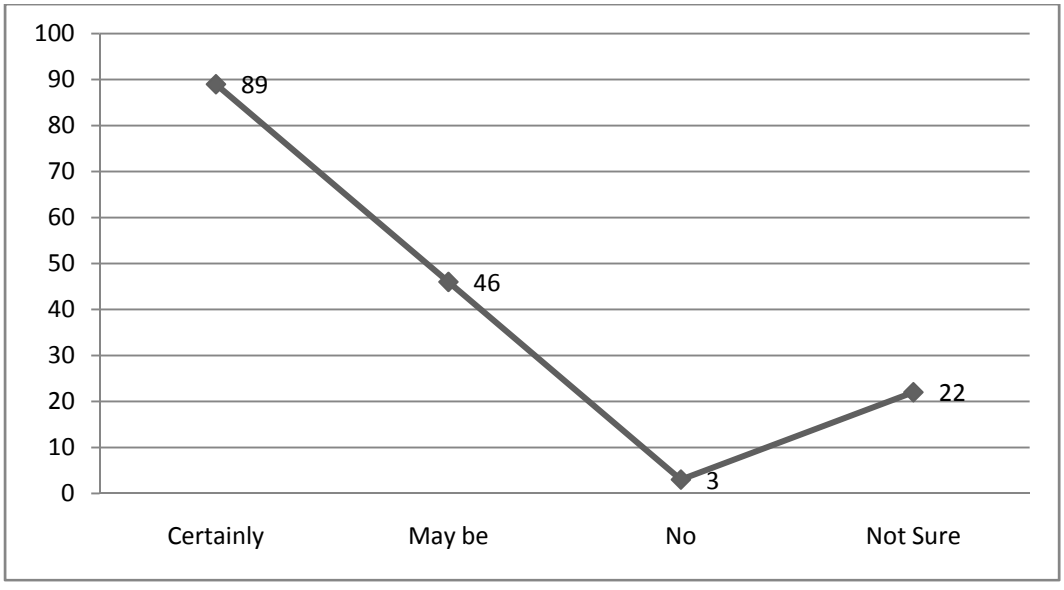
◯ Certainly ◯ Maybe ◯ No ◯ Not Sure



	Certainly	May be	No	Not Sure
Question 14	117	19	6	18

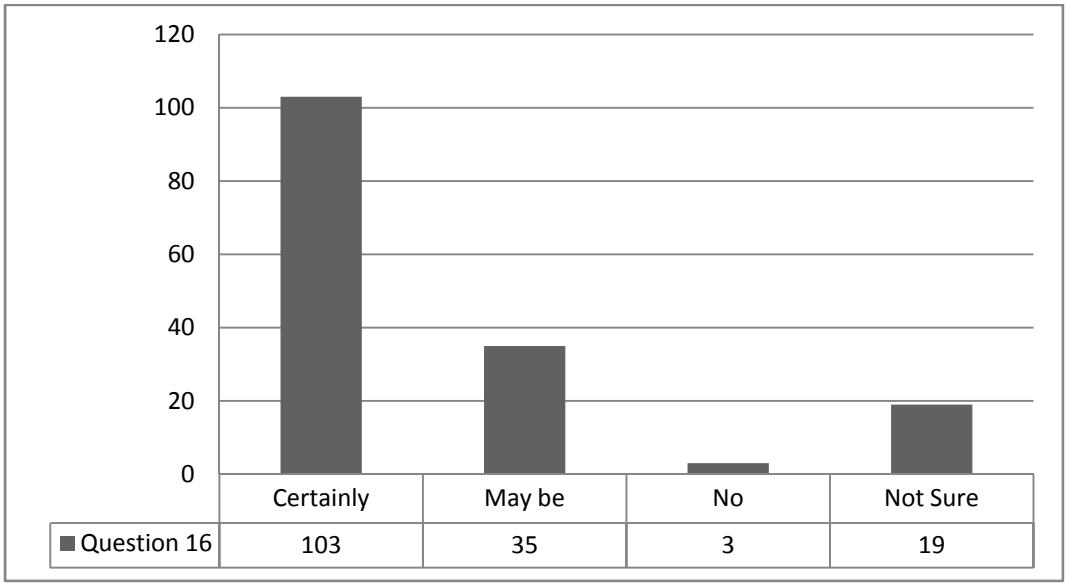
15. Would you agree that your organization's awareness on current global CSR initiatives is being implemented locally?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure



16. Would you agree that CSR maintains the equilibrium in the society?

◯ Certainly ◯ Maybe ◯ No ◯ Not Sure



PS: Question 1, 2, 3 & 11 graph representations are in chapter 7. So it is not included here to avoid repetition.

Appendix - 3

Clause Related to CSR in Companies Act, 2013

135. (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least on director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall, —

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall make every endeavour to ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three

immediate preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

SCHEDULE VII

(See section 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:-

(i) eradicating extreme hunger and poverty;

(ii) promotion of education;

(iii) promoting gender equality and empowering women;

(iv) reducing child mortality and improving maternal health;

(v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;

(vi) ensuring environmental sustainability;

(vii) employment enhancing vocational skills;

(viii) social business projects;

(ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

(x) such other matters as may be prescribed.

Summary of the Clause 135. — This new clause seeks to provide that every company having specified net worth or turnover or net profit during any financial year shall constitute the Corporate Social Responsibility Committee of the Board. The composition

of the committee shall be included in the board's Report. The Committee shall formulate policy including the activities specified in Schedule VII. The Board shall disclose the content of the policy in its report and place on website, if any of the company. The clause further provides that the Board shall endeavor to ensure that at least two percent of average net profits of the company made during three immediate preceding financial years shall be spent on such policy every year. If the company fails to spend such amount the Board shall give in its report the reasons for not spending.

Appendix - 4

Corporate Questionnaire Survey Certificates