

BUSINESS and PHILANTHROPY: A Study of Corporate Social Responsibility in
India

*Dissertation submitted to Jawaharlal Nehru University
in the partial fulfillment of requirements
for the award of degree of*

MASTER OF PHILOSOPHY

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2016



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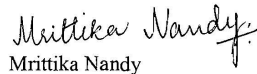
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DECLARATION


This dissertation titled '**Business and Philanthropy: A Study of Corporate Social Responsibility in India**', is a presentation of my original research work. Wherever contributions of others are involved, every effort is made to indicate this clearly, with due reference to literature, and acknowledgement of collaborative research and discussions. The work was done under the guidance of Prof. T.G. Suresh, Centre for Political Studies, School of Social Sciences, Jawaharlal Nehru University, New Delhi.

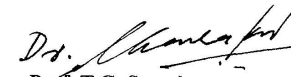

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CERTIFICATE

In my capacity as supervisor of the candidate's dissertation titled '**Business and Philanthropy: A Study of Corporate Social Responsibility in India**', I certify that above statements are true to the best of my knowledge.


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Acknowledgements

For this dissertation to have achieved fruition, I would like to express my heartfelt gratitude and profound admiration for my supervisor Prof T G Suresh, whose able stewardship and nurturing nature have facilitated my research like no other. The innate empathy, and compassion that he has bestowed on me during the days of Masters; and even more during the course of M. Phil, have helped me overcome the tribulations of academic rigour, material insecurities, and those occasional bouts of anxiety. The patience and magnanimity with which he accepted all those late submissions, missed deadlines, and shoddy research output are certainly deserving of praise. His firm yet flexible approach to the evaluation of my writing has assisted me greatly in augmenting my quite-rudimentary skills in argumentation. In those dark hours; when being bogged down by the inadequacy of research material or when beholding a theoretical dead-end, it became difficult for me to sustain my interest and enthusiasm in the research theme, her gentle words of encouragement saw me through. Thank you so much, Sir!

Apart from the excellent mentorship of my supervisor, I have also benefitted immensely from the guidance and wisdom offered by Prof. Vidhu Verma, Dr.Rajarshi Dasgupta, Dr. Manindra Nath Thakur, Dr. Gopal Guru and Dr. Amir Ali, among other esteemed academics. Their insightful comments on the synopsis of the dissertation have helped clarify several of my theoretical queries and shape my arguments better.

This dissertation marks a very humble commencement of my intended journey in academics. During the course of research, the desire to unravel the multiple and intertwined realities of my research theme often faced impediments other than the academic, and how better to deal with them than with the company of friends-particularly the ones facing a similar arduous trajectory in research! Much love, gratitude, and good wishes to Aditi, Roshni, Charu, Proma, Ankur, Arpita among others for those sessions of sharing theoretical conundrums, political concerns, existential anguish, heartbreaks, hearty laughs and what not.

The penultimate round of thanksgiving certainly belongs to where it all began - My Parents. Their unceasing enthusiasm to survive and thrive, despite the overwhelming

trials that life has thrown their way, continues to inspire me to no end. Thank you both for giving me strength to reach for the stars and chase my dreams. A special recognition to my aunt, Suman who constantly checked up on me at odd hours of the day to enquire about my research progress and the number of meals skipped in the process of writing my chapters. Thank you so much auntie for stepping into the shoes of my mother.

I would also like to thank my extended family – Grandpa, Grandma, Amitabh, Krishna, Tapas, Meghna , Tushar, Swarup, Rakhi, Sneha, Debjani, Satadal, Utpal, Mitali, Mayurakshi, Ujjal, Seema, Jishnu for understanding and encouragement in my many, many moments of crisis. Thank you all for making this research- a wonderful experience.

Finally, heartfelt gratitude to the reader; if there might be any, who surely needs to rely heavily on his/her reserve of patience and magnanimity to get through this piece of work. This dissertation is supposed to reflect on a long-pending query of mine- that is the Business and Philanthropy: The Study of Corporate Social Responsibility in India Needless to say, the query has not yet seen an effective resolution, and hence the search for one would persist. Happy reading!

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CHAPTER ONE

GENERAL INTRODUCTION

The year 2013 has been a landmark year for the Government of India, which has enumerated a legislation that is the Companies Act. The Companies Act of 2013 was an advancement over the previous act such as the Companies Act of 1956. The 2013 Act laid down comprehensive provisions regarding governance, e-management, compliance and enforcement, disclosure norms, auditors and mergers and acquisitions. Unlike the previous legislation, the Companies Act 2013 introduced new notions such as one-person company, small companies; dormant company; class action suits, and corporate social responsibility have been included. It took almost 10 years for Central Government to enumerate a law that can withstand the visible transformations in the Indian Corporates by making it more transparent and sustainable in nature.

One of the most prominent parts of this landmark legislation is section 135 (B). This section enumerated a long list of dos' and don'ts' for the public and private enterprises while engaging in a host of charitable activities. For a very long time in India, charity or philanthropy was voluntary feature rather it came from within. Further, the altruistic or sympathetic behavior patterns were visible only during natural calamities or man-made disasters. One may recall the Haiti earthquake in 2010 Utrakhand Flash Floods in 2013 or the very recent Nepal earthquake 2015; where State Governments, Corporates, International or Regional organizations were frontier leaders in dispatching necessary items or contributing towards relief work and restoration activities. Thus, the involvement of corporates in such activities out of goodwill gesture has been a matter of concern.

India became the first country in the world to enact a mandatory law under which growing business community operating within the geographical territory of India must contribute 2% of their profits to charitable activities. Interestingly, the Companies Act also chalks down the list of activities where corporates must be engaged such eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and

improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, 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 and Tribes other backward classes, minorities and women and others. The Government of India was extremely clear that in order to engage in Corporate Citizenship or Corporate Social Responsibility, companies must have a market turnover of more than 500 crores or more or their yearly turnover is rupees one thousand crores or more or a net profit of rupees five crores or more during any financial year.

Moreover, India on the economic front performed comparatively well and could sustain the impact of the financial crisis of 2008 by enacting the provisions laid out by the 6th Pay Commission in 2006. As a result, India has often been considered as the next best destination to do business. However, in the coming years with projects like Make in India, Start Up and Stand Up India – the ease of doing business in India going to become more transparent and lucid. By creating an amicable environment to pursue profitable ventures, then the next big concern is the role of the state with respect to the growing business community. With many Corporates establishing their off-shore offices in the country, which not only entails enormous economic opportunities for skilled or unskilled labour force here in India, but has it in any way reduced nature of socio-economic inequalities that continues to be a major obstacle for the individual and nation's growth? Though, the employment opportunities may have increased by the exodus presence of businesses and startups ventures, but has it anyway contributed in upgrading India's rank on the Human Development Index (HDI)?

HDI is conducted by United Nations Development Program (UNDP), which measures the average achievement of a nation in the three dimensions of human development such as a long and healthy life, being knowledgeable and have a decent standard of living. The recent report on HDI by UNDP ranks India as 130th out of 188 countries with a score of 0.609. This implies that India has been performing very poorly in the aforementioned parameters as compared neighboring states such as

Indonesia, Malaysia, China and Sri Lanka. It also becomes a cause worry when a huge segment of the population is currently living Below Poverty Line or Average Poverty line. The growing retraction of state from welfare activities, it becomes extremely difficult for communities to live with less than a dollar for a day in rural and urban areas of India. So, one may wonder if Corporate Social Responsibility or Venture Philanthropy or Strategic Social Responsibility can be the new agent of social change that not only eradicates persistent inequalities but also contributes to Nation's overall growth and development.

Research Problems:

It is perhaps no secret that most Corporates, who initiate or engage in charitable activities, may not have clean or transparent background. Some of the well-known Corporates have been accused of floundering economic and environmental legislations like the baby milk formula and Maggie noodle composition manufactured by Nestle, the gas leak from a Union Carbide plant in Bhopal, Coco Cola company polluting water resources in Plachimada, Kerala, Wal-Mart recruiting child labors in factories of Bangladesh, the Exxon Valdez oil spill, Royal Dutch/ Shell Group behavior in Nigeria, Nike sweatshops in Vietnam or the alleged involvement of foreign firms in overthrowing the Chilean President, Allende, the Bill and Melinda Foundation has been accused of vaccine fraud and conducting illegal tests on tribal girls of India and very recently Government of India unilaterally shut down operations of many NGO's and foundation on the context of violation of Foreign Contribution Regulation Act, 2010.

Thus, in spite of all these hazardous activities Corporates have been involved so far, why is it that successive governments continue to recognize and appreciate their efforts in social sectors by giving them the highest civilian awards or ranking them as Navratnas or Maha-Navratnas of India. Most public sector companies' feature in the coveted list of Navratnas while a foreign NGO, The Bill and Melinda Gates Foundation receives the Padma Bhushan award for their contribution towards global development and healthcare. The second research problem is should India do away with the mandatory legislation for CSR considering the fact that most Companies can pursue charitable activities when the global economy is not going through a gloomy

or a rough period. Thus, there may be a directly proportional relationship between profits and philanthropic activities. The third research problem is whether corporate social responsibility projects carried out under the banner of reputed corporates have actually made a difference in the life of beneficiaries or not. Or is it just a marketable tool that allows the Corporates to maintain the social trust between them and the consumer community.

Research Objectives:

Firstly, the research will draw out the lineage between the Trusteeship model of Mahatma Gandhi and modern day Corporate Social responsibility. This is because handful numbers of Annual reports of Companies on CSR continue to proclaim that they are driven by Gandhi's ideas on Trusteeship and are intrinsically working towards establishing an egalitarian society. The objective of this research is to disseminate between Gandhian notion of Trusteeship and modern day form of Corporate (Strategic) Social Responsibility. Secondly, one will try to locate the presence and significance of CSR in the times of Globalization and Neoliberalism and at the same time understand the perspective of International Organization United Nation persistent emphasis on fulfilling the Millennium Development goals. Finally, is analyzing the contribution of 2 reputed business houses- Mahindra & Mahindra and Bill & Melinda Gates Foundation in the field of girl child education and women empowerment respectively.

Review of Literature:

As Ravindra Varma, VKRV Rao, and Raghav Iyer explain the different facets of the Gandhian notion of trusteeship model. They also draw the connection between Gandhi's opinion on Trusteeship with the spiritual and cultural tradition of India. Varma, Rao and Iyer are of the same opinion that Gandhi's model of Trusteeship has an indigenous factor. While others like M.P. Guruswamy and UB Dhebar argue that Mahatma's Gandhi Trusteeship Model draws its origin from western jurisprudence. However, J.D. Sethi aligns with Mahatma Gandhi's argument on that Trusteeship model can withstand the ravages time and it will be India's gift to the world in order to encounter the surmounting challenges arising from capitalist world economic order.

Furthermore, Bhiku Parekh, Anthony J Parel, Judith Brown and Richard Glyn writings have contributed in sketching out Gandhian economy philosophy in the context of Sarvodaya, modern civilization, John Stuart Mill's Utilitarian principle and many others.

Renowned writer Pushpa Sundar's volume *Business and Community: The Story of Corporate Social Responsibility* forms the basis of this research. Sundar very clearly maps out the origin of CSR from the pre and post Independence era with a subtle emphasis on the changing nature of state after the initiation of economic reforms in 1990. In the same volume she shares innumerable examples of CSR projects endorsed by reputed business houses in India. Even Gurucharan Das's work on Unbound India has contributed extensively for sketching the changing nature of Corporates during the pre and post Liberalization, Privatization and Globalization era. Among the other contributions to this research are Adam Smith's classic writings on Wealth of Nations and Theory of Moral Sentiments, David Harvey, Edward Freeman, Rajesh Venugopal, David M Kotz, David Carruthers, N. Klein, Saad-Filho, and Johnston, Perry Anderson have helped in comprehending the neoliberal ideology from all possible perspectives. Joseph Stiglitz on Globalization and its Discontent not only helped in understanding the impact of economic globalization but recognizing the growing significance of Trans National Corporations in the world. The arguments of Milton Friedman and Maja Savevska all helped in asserting the same notion that business has nothing to do with social responsibility and corporate social responsibility is either a promising social innovation or neoliberal disguise. Finally, the insightful analyses by Amartya Sen and Jean Dreze on various kinds inequalities in India have contributed to this research idea.

Drawing heavily upon the insights provided by this body of scholarship, this dissertation intends to distinguish CSR from Trusteeship model and its significance in modern times after the enumeration of Companies Act in India in 2013.

Theoretical Framework:

Apart from studying the interface of Business in Philanthropy, this dissertation also tries to weave this idea within the context of market and inequalities. Adam Smith in

the classic work of *Wealth of Nations* developed a strong critique of the corrupt and self-aggrandizing mercantilist state that accumulated revenues from trade and licensing monopolies. With an aim of not depleting the revenue reserves, the mercantilist state had to constantly engage in expensive warfare's by maintaining an advanced or upgraded level of military apparatus. While, Karl Polyani in *The Great Transformation - The Political and Economic Origins of Our Time* (1944) emphasizes the market society was an outcome of a conscious endeavor led by the state and not a reality. The self-regulating markets destroyed the social unity and created dislocations by commodifying land, labour and money that in turn initiated the counter movement in the form of protectionist measures. David Harvey in *A Brief History of Neoliberalism* attempts to invoke this notion based on present realities such as the post-war Iraqi state of affairs, adoption of Neoliberal economic policies by China, post-apartheid South Africa and a host of newly independent countries around the world. The central tenet of neoliberalism is that human well-being can be best advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and trade. There is a restricted involvement of state in market domains and new markets must be created in areas like land, water, education, healthcare, social security or environment pollution if they were absent. In the context of well-being and development, Amartya Sen's capability approach has emerged as the new theoretical dimension. The notions of functionings and capabilities can be employed as elements in explanations of social phenomena, or one can use these notions in descriptions of poverty, inequality, quality of life, and social change.

With the aid of above-mentioned framework, the dissertation attempts to comprehend the study of Corporate Social Responsibility in the Indian context from the period of 1990's by analyzing the estranged relationship with the Gandhi's economic philosophy with respect to *sarvodaya*, power, private property and rising inequalities. These tropes, which constitute the discursive framework, adhered to by the aforementioned associations; will contribute to a holistic understanding of the concept of Corporate Social Responsibility in modern times.

Methodology:

In terms of research methods, this dissertation has primarily undertaken interpretations of the already existing literature, thereby making it dependent on secondary sources to a great extent. Attempts, however, have been made to conduct a limited set of field-observations regarding the utilization of CSR funds by NGO's in the field of public policy, international relations and national development. Due to the limitations of time and resources, the primary observations could not be extensive.

Outline of Chapters:

The dissertation is divided into three chapters. The first is titled as '*Mahatma Gandhi's Theory Of Trusteeship*' that attempts to develop a comprehensive framework of the theory and distinguishing the concept from modern day CSR. In order to elaborate this theory in detail, the chapter is divided roughly into 5 sections that include Characteristics of a Vigilant Trustee, Trusteeship as a legal institution, attitude and movement, Criticism to the theory, and examples of Trusteeship model in India and the world. The final section of chapter is extremely important as it elaborates on the Indian movements and businessmen who were inspired by the holistic idea such as the Vinobha Bhave 's Bhoodan, Gramadan and Sampattidan or JRD Tata's distribution of wealth into three sectors of Indian Economy such as power, steel, and education.

The second is titled as '*Corporate Social Responsibility in the times of Neoliberalism and Globalization*' attempts to locate CSR within the broad framework of Global economy and rising number of Transnational and Multi-National Corporations in developing parts of the world. This chapter is divided into 5 sections that comprise of an overview of Neoliberalism, Globalization – the role of Transnational Corporations, Corporate Social Responsibility, the legal discourse of Indian Companies Act, 2013 and CSR as a neoliberal promise. This chapter also analyses the changing nature of CSR in the Indian context with the enunciation of economic reforms in 1990s and adoption of mandatory CSR law in Section 135(B) under Companies Act, 2013. Finally, the chapter concludes on the note that CSR is a reputational tool for the Corporates in the hope of consolidating the social trust between the consumers and the enterprise.

The third is titled as ‘Case Studies’ that attempts to understand the charitable projects initiated by Business houses such Mahindra & Mahindra and Microsoft Founder Bill Gates in India. The two areas selected for the case studies are underprivileged girl child education and women empowerment in the districts of Uttar Pradesh in India. The former case study Project *Nanhi Kali* is a flagship program that was initiated in 2005 by K.C. Mahindra Education Trust and *Naandi* Foundation in urban, rural and tribal parts of India. Recently, the Project *Nanhi Kali* celebrated its 10 years of success in the field of education by empowering more than 1 lakh girls and transforming lives of many. The year 2016 has so far turned out to be a landmark year with more than 400 Corporates and 8,000 donors to contributing to this sponsorship program. The program largely focuses on primary and secondary education by enrolling underprivileged girls in government schools by offering them scholarship of Rs 3,000 and Rs, 4,200 and academic, material and social support respectively. As on 2010, the largest numbers of *Nanhi Kalis* were found in Andhra Pradesh and the least in Karnataka. Furthermore, the World Bank itself has pledged to invest \$2.5 billion in the education projects for adolescent girls in South-Asia and Sub-Saharan Africa. The second case study is Project *Sunhara* (Prosperous) India implemented by Agribusiness System International with a grant from Bill and Melinda Gates foundation with the help of several Indian NGO’s and private sector partners focusing on increasing the rural household income in seven districts of Uttar Pradesh. This project targets women farmers in the 7 districts of Uttar Pradesh in India during the period of 2009-2013. The project was implemented by two leading partners - Indian Farmers Fertilizer Cooperative Limited (IFFCO) and BAIF Development Research Foundation. The objective of the project was to improve the present agricultural systems in India and constantly build on market incentive and knowledge of farmers. It was a special program that recognized the need women’s empowerment by challenging the traditional notions of gender inequality. Resorting to a market facilitation approach as a way for inclusive growth in the horticultural value chains. One of the major impacts of this program has been a tremendous increase in average incomes male and female farmers, where the previously set target was to involve 25% of women in this program related activities. Further, the program helped in establishing literacy centers for imparting new knowledge on farming and franchises that promoted alternative methods of marketing and distribution. It also enabled

scores of women to open their bank account and play a significant role in decision making in household and farming activities. The final section of the case laid emphasis on approximate entry points for these NGO's that promise women empowerment, the definition of successful results and animal farming can be one of the ways of increasing household income.

While, there have been many Corporates aligning with NGO's to bringing positive transformation in areas which are in a dire need of aid and development, that comes at a times when the State is rolling back its services from the welfare services. Then, Corporate Social Responsibility engagement in these areas can be a boon for a humungous section of population who are outside the purview of the State's safety nets. But, then the main concern here becomes the quality and quantity services provided by the Corporates and whether significant transformations have been recorded in the lifestyle of the beneficiary. One must also understand the logic of CSR is definitely not intertwined with Gandhian notion of trusteeship as much as their annual reports continue to claim that Gandhi's trusteeship ideals were the inspiration behind their charitable projects. In the neoliberal times, one can comprehend that Corporate Social responsibility is strategically used a marketable tool by the Corporates to put them in a better position as compared to their competitors and at the same time continuously aspire to grow community base and hoping that the company and global economy can sustain the economic shocks.

CHAPTER TWO

MAHTAMA GANDHI'S THEORY OF TRUSTEESHIP

At first glance, Gandhi's theory of Trusteeship appears to be a comprehensive doctrine that aims to resolve the fallouts of the prevalent economic system such as unemployment, concentration of economic power, alienation, exploitation, and militarization. As J.D. Sethi, a renowned Gandhian economist asserts that the trusteeship theory was a 'grand alternative'¹ (Sethi, *Gandhian Values and 20th Century Challenges Two Lectures Broadcast from All India Radio 1979*) to the existing economic organizations that were either found in communist or in capitalist countries. Simultaneously, it develops a different perspective towards human beings, resources and the divine. For, VKRV Rao, Gandhi's theory of trusteeship was 'prophetic for the world'² (Rao 1970). The trusteeship theory is a derivative idea that draws its origin from the rich spiritual tradition of Indian culture revolving around two significant components and analyzing their relationship: Man and God.

Bandana Sarkar in *Towards Trusteeship* argues that the theory of trusteeship does not develop a 'make shift formula to give concessions to capitalists'. In the same essay, she understands that it is a 'philosophy of life and organization', 'a method to bring about inter-personal relationships'³ (Sarkar, Bandana 1973) where all individuals in the society are equal irrespective of their economic status.

Pyarelal, in the volume *Gandhian Thought and Contemporary Society* (1983) explores the significance of this theory in context of widening gap between high and low and aspires to resolve the differences between the two (rich and poor), he quotes:

'There are two ways of removing disparities. One is by lopping off the tall poppies – liquidation of owning class and redistribution of its assets. The other is through State

¹ Sethi, J.D. *Gandhian Values and 20th Century Challenges Two Lectures Broadcast from All India Radio*. India: Publications Division, 1979.

² Rao, VKRV. *The Gandhian Alternative to Western Socialism*. Bombay: Bharatiya Vidya Bhavan, 1970.

³ Sarkar, Bandana. *Towards Trusteeship*. Coimbatore: A.K. Bose on behalf Tamilnad Sarvodaya Sangh, 1973.

*action – by nationalization, expropriation and a system of steeply graded taxation coupled with an all-pervasive system of controls*⁴.

(Pyarelal, 1983).

There have been significant debates in academia and political circles on the topic of inequality and its diverse implications. Much of the literature today stands as a justification to this theme and scholars around the world are chalking out draft theories to resolve this problem. Scholars like John Rawls (*Theory of Justice*, 1971), Ronald Dworkin (*Sovereign Virtue: Theory and Practice of Equality*, 2002), Joseph Stiglitz (*The Price of Inequality*, 2012), Amartya Sen and Jean Dreze (*An Uncertain Glory: India and Its Contradictions*, 2013) have invoked the notions of justice, equality of resources and welfare, and capability with the sole aim of eliminating differences (economic, political and social) from the societies. Interestingly, the nature of these inequalities differs from region to region, and different strategies are adopted to remove these obstacles in the ongoing process of national development and individual well-being. With regard to the Indian scenario, the *Millennium Development Goals- India Country Report*⁵ (Ministry of Statistics and Programme Implementation, Government of India 2015) analyses India's progress card in conjunction with United Nation's Millennium Development Summit (held in September 2000) promises to adopt measures to fight against the long drawn battle against poverty, hunger, illiteracy, gender inequality, disease and environment degradation.

Thus, it becomes imperative to reinvigorate the theory of trusteeship in conjunction with the Corporate Social Responsibility (CSR) that were being rolled out in different parts of the world with a motive to pursue community and sustainable development projects. The annual CSR Reports⁶ (Confederation of Indian industry 2013) of

⁴ Pyarelal. *Gandhian Thought and Contemporary Society*. Edited by J.S Mathur. Cantour: Greenleaf Books, 1983.

⁵ Ministry of Statistics and Programme Implementation, Government of India. "Government of India." *mospi.nic*. February 26, 2015. http://mospi.nic.in/Mospi_New/upload/mdg_26feb15.pdf (accessed 2016).

⁶ ITC Sustainability Index, IDBI Trusteeship Services Limited (jointly owned by LIC India, GIC India and IDBI), Shri G.D. Birla of Aditya Birla Group adopted trusteeship concept of management, Bajaj and the Handbook on CSR in India clearly states that trusteeship principles were deeply 'embedded' in the endowing institutions during India's struggle for Independence. Confederation of Indian industry. "Pricewater Coopers." *pwc.in*. November 2013.

companies claim their loyalty to Gandhi's trusteeship principles and values. One can only deduce from the above statement that for Corporates, Gandhi has become an epitome figure of philanthropy and invoking his principles can help them in establishing as new drivers of social change and development.

2.1 A Brief Overview of Trusteeship Theory:

It is a dynamic economic model that aims to assess inequalities and accumulation of capital in the hands of few by formulating a new theory on 'property ownership'⁷ (Sethi, Trusteeship and the Crisis in Economic Theory 1986). For Mahatma Gandhi, it's the 'act of renunciation' of all possessions that is done deliberately and represents 'new or second birth'⁸ (Gandhi, The Golden Key 1966). For others like Anil Mishra and Sabina Sangvi, the theory of trusteeship is a 'revolutionary economic philosophy'⁹ (Mishra 2012) that was an outcome of positive features of Capitalism and Bureaucratic systems, and based on the same thought Sanghvi opines that Gandhi ideas on trusteeship were formulated when the world had to choose between two economic systems - Capitalism and Communalism.

As much as literature is available on Gandhian economic thought, there have been constant debates whether the theory of Trusteeship has an indigenous connotation or not. For Pushpa Sundar (Business and Community- The Story of Corporate Social Responsibility in India, 2013), Anil Mishra (Reading Gandhi, 2012), Bhiku Parekh (Gandhi, 2001), Ravindra Varma and VKRV Rao s' articles on Trusteeship argue that the concept was used by Gandhi during the pre -independence era and draws its origin from canonical texts.

While, M.P. Guruswamy argues that its origin lies in 'western jurisprudence' (Guruswamy 1986) and U. B. Dhebar bolsters the former argument by saying,

<https://www.pwc.in/assets/pdfs/publications/2013/handbook-on-corporate-social-responsibility-in-india.pdf> (accessed June 27, 2016).

⁷Sethi, J.D. "Trusteeship and the Crisis in Economic Theory." In *Trusteeship- The Gandhian Alternative*, 93. New delhi: Gandhi Peace Foundation, 1986.

⁸Gandhi, Mahatma. "The Golden Key." In *Socialism of My Conception*, edited by Anand T Hingorani, 260. Bombay: Bhartiya Vidya Bhawan, 1966.

⁹ Mishra, Anil. *Reading Gandhi*. India: Dorling Kindersley, 2012.

*‘This western concept of trusteeship implies that there should be first of all property. Secondly, that there should be a legal owner of property who has the right to take decisions about the use of such property. He is termed in law as the author of the Trust. Third, he has to fix, settle and determine the object of such use. These are called the objects of the Trust. Fourth, he has to decide for whose benefit such property would be used. Those for whom the property is to be used are called as beneficiaries. Fifth, he decides about the trustees and their rights and obligations, their powers and functions’*¹⁰.

(Guruswamy 1986)

Similarly, K. Arunachalam opines that Mahatma Gandhi was influenced by the doctrine of Trusteeship that aimed to transform human relationships through tools like non-violence and truth and gave ‘a new meaning and interpretation to the word ‘trusteeship’ and recommended this idea to princess, landed aristocracy, and propertied capitalists for adoption.¹¹

In order to understand the concept of Trusteeship holistically and implement it in the India context, Raghavan Iyer in the article *Gandhian Trusteeship in Theory and Practice* resorts to four different approaches. First, trusteeship is the ‘sole universalizable means of continuously redistributing wealth’ and advocates the idea of ‘intelligent use of wealth’. Second, the ‘psychological intuition’ of that ‘fear would prevent other means of economic distribution from succeeding in the long run’. Third, the implementation of trusteeship should occur non-violently and instituted by degrees. Finally, the social and economic conditions were in favor of ‘immediate application of trusteeship principles’¹² (Iyer 1986).

VKRV Rao in the article *Trusteeship as the Gandhian Instrument for Social Change* highlighted that Mahatma Gandhi’s trusteeship theory draws its significance from the verses of Vedanta and Bhagavad Gita. From Vedanta, Rao accentuated ‘the identity of all individual souls with one universal self which is God, but extended its connotation beyond the sphere of religious practices to cover all aspects of human

¹⁰ Ibid

¹¹ Ibid, p.146

¹² As Raghavan Iyer points out that imaginative application was only possible as western imperialism had collapsed, moral bankruptcy, failure of state socialism and others created enough conditions for the arrival of Trusteeship on a global platform. Iyer, Raghavan. "Gandhian Trusteeship in Theory and Practice." In *Trusteeship- The Gandhian Alternative*, edited by J.D. Sethi, 7. New Delhi: Gandhi Peace Foundation, 1986.

activity, including the individual's operation to private property'¹³ (Rao, *Trusteeship as the Gandhian Instrument for Socialist Change* 1986). Similarly, Rao refers to the dialogue between Sri Krishna and disciple Arjuna in Gita on the reincarnation of God with an attempt to redraw boundaries between private property and belongingness as:

'whatever you do, whatever you eat, whatever you offer as an obligation to the sacred fire, whatever you bestow as a gift, whatever you do by the way of penance, offer it all to me'.

(Bhagavad Gita, Page: 432)

The same thought process is resonated in Raghavan Iyer essay on *Gandhian Trusteeship in Theory and Practice*, as all individuals are 'responsible to god, family of men and to themselves for their use and treatment of all goods, gifts and talents that fall within the domain'. The best examples of trusteeship for Raghavan Iyer are those who consider all possessions as sacred or have a 'wordly scale of valuation'¹⁴ (Iyer 1986).

Moving in a different direction, Ravindra Varma in the essay on *Gandhi's Theory of Trusteeship: An Essay in Understanding* draws a linkage between power and trusteeship. He believes that Gandhi resorted to a revolutionary approach to understanding the power and will eventually contribute to the evolution of this concept. Varma further asserts that the theory of trusteeship draws its reference from the ethical ideals of '*ahimsa* and *aparigraha*' and 'power is a social phenomenon'¹⁵. For him, these are social norms that will help in governing relationships between men and women in the society and improve their code of conduct and attitude towards each other. Ravindra Varma further substantiates the idea of '*aparigraha*' as 'non – possession'; 'renunciation of ownership'; 'liberation from subtle and coarse bonds arising from existing possessions'¹⁶ (Varma 1986). He refers to the first verse of

¹³ Rao, VKRV. "Trusteeship as the Gandhian Instrument for Socialist Change." In *Trusteeship - The Gandhian Alternative*, by J.D. Sethi, 18. New Delhi: Gandhian Peace Foundation, 1986.

¹⁴ Iyer, Raghavan. "Gandhian Trusteeship in Theory and Practice." In *Trusteeship- The Gandhian Alternative*, edited by J.D. Sethi, 10. New Delhi: Gandhi Peace Foundation, 1986.

¹⁵ Varma, Ravindra. "Gandhi's Theory of Trusteeship: An Essay in Understanding." In *Trusteeship - The Gandhian Alternative*, by J. D. Sethi, 46. New Delhi: Gandhi Peace Foundation, 1986.

¹⁶ *ibid*, p.46

Isponaishad that is related to private property and Anil Mishra claims that this following couplet has transformed ‘Gandhian economic thought’.¹⁷ (Mishra 2012)

*’Enjoy by renouncing, do not cover, or cling to possessions, for, whose is wealth?’*¹⁸

(Varma 1986)

Therefore, *aparigraha* and *ahimsa* are important checkpoints that can help in creating a society where a model of trusteeship can be practiced and preached. Accordingly, Varma in the essay analyses the social implications of *aparigraha* that will lead to trusteeship. Firstly, it helps in establishing a ‘non-possession society’ that will be contradictory to an acquisitive society. Second, such a kind of society will be ‘non-violent’ in nature; where there will be ‘equal distribution of resources’ amongst all individuals. Gandhi was very much fond of this kind society where the ‘right to honorable livelihood’¹⁹ (Gandhi, *Speeches and Writings of Mahatma Gandhi* 1933) is upheld.

J.D. Sethi in *Trusteeship and the Crisis in Economic Theory* emphasizes on the four ‘ethico-economic principles’, those are – ‘non-possession, non-exploitation, bread labor and equality of rewards’. These principles coincide with the framework of nonviolence as well. He further asserts that it’s a collective economic activity that maintains the equation of harmony between the factors of production (labor and capital), as the whole concept adopts a different connotation under other systems- capitalism and communism. Moreover, trusteeship is a principle of organization that is driven by ‘defense of interests’ of producers, workers, consumers, and society rather than the needs of all. This also implied that wage differences would be minimal, ‘production would be socially useful and part of earnings will be used for the society or community interests’²⁰ (Sethi, *Trusteeship and the Crisis in Economic*

¹⁷ Mishra, Anil. *Reading Gandhi*. India: Dorling Kindersley, 2012.

¹⁸ Varma, Ravindra. "Gandhi's Theory of Trusteeship: An Essay in Understanding." In *Trusteeship - The Gandhian Alternative*, by J. D. Sethi, 46. New Delhi: Gandhi Peace Foundation, 1986

¹⁹ Gandhi, Mahatma. *Speeches and Writings of Mahatma Gandhi*. Madras: G.A. Nateshan and Company, 1933.

²⁰ Sethi, J.D. "Trusteeship and the Crisis in Economic Theory." In *Trusteeship- The Gandhian Alternatice*, 93. New delhi: Gandhi Peace Foundation, 1986

Theory 1986). Thus, J. D. Sethi understands Gandhian theory of trusteeship follows the logic of 'need-based production'²¹, uniform distribution and social justice.

As one peruses varied interpretations of this theory, it appears that Gandhian notion of Trusteeship launches a strong attack on private property and its association with violence. According to VKRV Rao, 'selfish and anti-social behavior'²² (Rao, Trusteeship as the Gandhian Instrument for Socialist Change 1986) has been associated with private property that was not an outcome of the capitalism rather it had existed in earlier days of mercantilism, feudalism, tribalism and different types of inequalities arising from acquisition of offensive weapons and inherited talents or skills. He further substantiates that the degree of exploitation is bound to increase when the production is followed by amassment of wealth which was highly prominent during the time of Industrial Revolution, the establishment of colonies, technical advancements, completion in creation and sustenance of markets and profit-driven economic activity. Thus, scholars like Marx and Proudhon had understood the germination of violence is from the production and distribution levels, thus there is a dire need for complete abolition of private property through 'communitisation of production and the getting together of workers who had no private property to lose'²³.

Thus, this exploitative role of private property became a full blown act when Gandhi descended on the Indian scene saw an agrarian crisis, exploitation of native feudal relations through native mercantile and rising industrial capitalism in Britain which over the period of time gained legal sanctity and state protection.

In order to do away with the exploitative nature of private property, Mahatma Gandhi gave reasons as to why one must abstain from the future acquisition of property. Ravindra Varma in one of his essay shares a list of valid reasons that can help in establishing a just society. First, it was against the 'fundamental law of nature'. Gandhi explains God doesn't create more wealth than the required amount and

²¹ *ibid*,p.94

²² Rao, VKRV. "Trusteeship as the Gandhian Instrument for Socialist Change." In *Trusteeship - The Gandhian Alternative*, by J.D. Sethi, 18. New Delhi: Gandhian Peace Foundation, 1986.

²³ *ibid*

anyone who accumulates more than the minimum requirement is 'guilty of theft'²⁴ (Varma 1986). Second, when a man is born into this world, he uses a part or portion of resources to satisfy his personal and professional requirements without replacing them, then he is 'guilty of appropriating the fruits of someone's labor'. Third, taking a legal possession of assets for future can escalate a situation of life and death, when the other is in the dire need to use those resources. Fourth, constantly burdening one's mind with the possession thought invites obsession of acquisition of property, makes him move away from social life and eventually leading to a mistake – 'multiplication of wants for civilization'²⁵ (Parel,1997). Finally, procurement of property or assets are meant for future use, but retention of property can only happen if he/she is able to defend its use, that can only be done through the use of violence or dependence on violence.

Not owning a single ounce of property, Gandhi traveled across the country to observe that there was acute belongingness to property that later combined itself with machinery developing a list of insatiable wants, profit motive production leading to mass unemployment and poverty. This created a platform for Gandhi to develop a strong critique of modern civilization in the short text of *Hind Swaraj*. As Anthony J. Parel in the text '*Hind Swaraj*' and *Other Writings* proclaims that Gandhi considered modern civilization as a bigger threat than colonialism. Parel defined modern civilization and colonialism as an 'unmixed blessing' and 'unmixed evil'²⁶ (Parel 1997) respectively.

In order to detach individuals from the constant procurement of private property that creates avenues for violence, Gandhi understood this notion in the context of means and ends. Glyn Richards in *The Philosophy of Gandhi – A Study* believes that ends and means are convertible in nature and refers to a Gandhian quote, 'there is no wall of separation between means and ends... Realization of the goal is in exact proportion to that of the means'²⁷ (Glyn 1991). Glyn also emphasizes that means can only be considered as means at the first place if there is something one can utilize. The end is

²⁴ Varma, Ravindra. "Gandhi's Theory of Trusteeship: An Essay in Understanding." In *Trusteeship - The Gandhian Alternative*, by J. D. Sethi, 46. New Delhi: Gandhi Peace Foundation, 1986

²⁵ Parel, Anthony. J, ed. '*Hind Swaraj*' and *Other Writings*. U.K: Cambridge University Press, 1997.

²⁶ ibid

²⁷ Glyn, Richard. *The Philosophy of Gandhi - A Study of his basic ideas*. UK: Curzon Press, 1991.

beyond our reach but one maintains to have control over the means, as per Gandhi's view one can use means only to that degree where one can realize the end.

On the one hand Bhikhu Parekh in *Gandhi*, dismisses the Gandhian argument that means and ends are lying at the heart of most theories on violence. Human actions help in determining means and they fall outside the purview of moral jurisdiction. He further adds, that every step taken towards the fulfillment of goal has 'shaped its character, and utmost care had to be taken lest it should distort or damage the goal'²⁸ (Parekh 1997). For Parekh, the goal never existed after the completion of series of actions rather; its shadows were created from the beginning itself. Thus, he concludes that means and ends are camouflaged in an embryonic form, where ends are a natural flowering and the constant struggle for creating an egalitarian society cannot take place by resorting to unjust means.

On the other hand, Anthony. J. Parel and Judith. M. Brown invokes the Gandhian notion of means that can help in constructing one's lives. According to them individuals have control over means and not on ends, thus one should walk on the path of non-violence. Both Parel and Brown, understood Gandhian thought on violence as arising out on confusion from means and ends. In their writings they have often referred to Gandhian quotes while analyzing the dichotomy between means and ends, according to Gandhi 'means are after all means' and 'means are after all everything'²⁹ (Tercheck 2011). However, Faizal Debji differs slightly and understands the friction between violence and non-violence, in the context of abrupt withdrawal of non-cooperation movement due to the Chauri Chaura incident shows that non-violence can prove to be Gandhi's claim 'to moral superiority by being tested against violence'. Debji further believed that Gandhi's countenance to greatest violence is only justified when the 'outcome of its churning produces non-violence as a creed'³⁰ (Debji 2012).

²⁸ Parekh, Bhiku. *Gandhi*. New York: Sterling, 1997.

²⁹ Tercheck, Ronald J. "Conflict and Non violence." In *The Cambridge Companion to Gandhi*, edited by Anthony and Brown, Judith Parel, 119. UK: Cambridge University Press, 2011.

³⁰ Debji, Faizal. *The Impossible Indian- Gandhi and Temptation of Violence*. Massachusetts: Harvard University Press, 2012.

Gandhi's theory on trusteeship rests on a brief 6 point statement that was initially prepared by Professor M. L. Dantwala who prepared 'a simple, practical trusteeship formula' that was finally amended by Mahatma Gandhi himself and reads- firstly, theory helps in 'transforming' a capitalist economic system into an egalitarian one. It gives 'no quarter to capitalism', but gives an opportunity for the capitalist class to reform itself. The theory is based on the logic that 'human nature is beyond redemption'. Second, the theory doesn't recognize the concept of private property but in exceptional cases property may be held for welfare purposes. Thirdly, trusteeship doesn't provide a procedure regarding the 'regulation of ownership' or 'use of wealth'. Fourth, it promotes the idea of 'state regulated trusteeship' where individuals are not allowed to hold property for the personal satisfactions, which in longer can become an act of 'disregard to the society'. Fifth, the theory also fixes a 'decent minimum wage',³¹ (Dantwala, *Trusteeship: Its Value Implications* 1986) or sets a limit for maximum allowance for all the individuals in the society. However, the difference between minimum wage and maximum income should be 'reasonable, equitable and variable' and eventually working towards mediation of the difference. Finally, in the Gandhian economic order, the production will be driven by social necessity and not by whim or personal greed.

Finally, M.P. Guruswamy in the article *Trusteeship- A Revolutionary Method of Transforming the Present Social Order* extrapolates on the implications of 6 Gandhian principles on the society are 'change of heart, non-cooperation i.e. Satyagraha and electoral pressure and legislation'³² (Guruswamy 1986). Interestingly, Vinoba Bhave draws an analogy between trusteeship implication and father-son relationship, he says "the first implication is that just as a father maintains and protects his son between than himself, a trustee should care more for his employees than for himself. The second is that just as a father wishes his son to become as capable as he himself as early as possible and to stand on his won legs, in

³¹ Dantwala, ML. "Trusteeship: Its Value Implications." In *Trusteeship- The Gandhian Alternative*, edited by JD Sethi, 40. New Delhi: Gandhi Peace Foundation, 1986.

³² Guruswamy, M.P. "Trusteeship- A Revolutionary Method of Transforming the Present Social order." In *Trusteeship: The Gandhian Alternative*, edited by J.D Sethi, 145. New Delhi: Gandhi Peace Foundation, 1986.

the same way, a trustee should become anxious that the labour acquires ability at the earliest and becomes self- dependent”³³.

Thus, theory strikes the root of the problem in a social order and demands for abolishing inequality through relinquishment of wealth by the riches.

Furthermore, Thomas Weber asserts that ‘*Sarvodaya*’ can become a counter force to non-egalitarian society, as the task was just not limited to the upliftment of the poor because ‘even the life of rich was no less deprived than those they exploited’³⁴ (Weber 2011). By indulging into constant exploitative activities, the rich have deviated from the ethical path that promised for a fuller development of a meaningful life. The only way for rich to gain their position in the society is to renounce their wealth and privileges as trustees and dedicating all their accumulated wealth for the welfare of all.

Similarly, Judith M Brown and Anthony. J. Parel postulated that in order to create a just economic society there is a need to respect free labor and welfare of the underprivileged sections of the society. The ‘responsibility of the state’ is to create conditions of ‘justice necessary for wealth generation’. For Brown and Parel, in the Indian context it meant the complete abolition of hereditary system of discrimination-race, caste, gender, creed, sex and others. For Gandhi, an amalgamation of political and economic power at hands of the state was not a feasible option. The sole solution to the persistent levels of disparity in the society believed in the idea of trusteeship where the wealthy would transfer their excess of wealth for the welfare of all. Such a process can only be initiated with the minimum use of violence.

Interestingly, Glyn Richards points out the fundamental difference between Gandhi’s *Sarvodaya* and J.S. Mill’s utilitarian axiom of maximum happiness for maximum people is the morality principle in spite of Gandhi considering both means and ends as

³³ *ibid*

³⁴ Weber, Thomas. "Gandhi's moral economics: The sins of wealth without work and commerce without morality." In *Cambridge Companion to Gandhi*, edited by Anthony and Brown, Judith Parel, 151. UK: Cambridge University Press, 2011.

convertible. He further argues that Mill's utilitarian principle distinguishes 'a person who acts from the world in which he acts'³⁵. It is considered a morality principle that determines human actions on the basis of moral worth. While Gandhi's Sarvodaya is not a blue print of morality where actions or purposes must be subjected.

Therefore, the varied interpretations of this theory often make one convinced that the Gandhi's ideas on trusteeship can sustain the 'ravages of time and history'³⁶ (Sethi, *Trusteeship- The Gandhian Alternative* 1986). As Sethi proclaims in the Introduction of *Trusteeship: The Gandhian Alternative* that, Gandhi developed some unique concepts pertaining to the economic system and organization of past and present but have failed gain relevance in modern times, which is unlike the case with his theory on Trusteeship. The sole reason as to why Mahatma Gandhi had eternal faith in this conception is because it challenged the notions of private property and violence from the points of decentralization of power, trusteeship, and *satyagraha*.

2.2 Characteristics of a Vigilant Trustee:

This theory invokes the idea of vigilant trustees amongst the rich who have accumulated an enormous amount of wealth over the period of time that should be used for the welfare of the community. Further, Raghavan Iyer argues that individuals are always seen as 'preservers of culture and tradition'³⁷ (Iyer, 1986) and demonstrate their altruism through daily acts of graciousness and concern for others. Similarly, K. Raghavendra Rao in the article *The Moral Economy of Trusteeship* states that trust acts as a bond between human beings and is very much rooted into the 'essential goodness and trustworthiness of man'³⁸ (R. Rao 1986). It's always on the basis of trust one makes relationships, contacts and agreements with each other and slight deviation from the vows undermine one's ability to trust others.

³⁵ Glyn, Richard. *The Philosophy of Gandhi - A Study of his basic ideas*. UK: Curzon Press, 1991.

³⁶ Sethi, J.D., ed. *Trusteeship - The Gandhian Alternative*. New Delhi: Gandhi Peace Foundation, 1986.

³⁷ Iyer, Raghavan. "Gandhian Trusteeship in Theory and Practice." In *Trusteeship- The Gandhian Alternative*, edited by J.D. Sethi, 7. New Delhi: Gandhi Peace Foundation, 1986.

³⁸ Rao, Raghuvendra. "The Moral Economy of Trusteeship." In *Trusteeship- The Gandhian Alternative*, edited by J.D. Sethi, 32. New Delhi: Gandhi Peace Foundation, 1986.

Raghavan Iyer defines a trustee as ‘one who self- consciously assumes the responsibility for upholding, protecting and putting good use whatever he possesses, acquires or earns’. He or she should be self-governing and must be morally sensitive to the problems of others. By sympathetic to others, he will gradually become aware of the needs and requirements others while keeping his need list under constant scrutiny. He should also advocate the notions of generosity and altruism amongst his peer groups and spread the moral message of ‘freeing all recognized patterns of exploitative relationships and attitudes’³⁹ (Iyer, 1986). Further, Iyer also points out that he must learn the heart etiquette- to speak, to touch and act with utmost purity and solicitousness. One of the most important warnings for a vigilant trustee should be that he should never ever consider of multiplying the gifts, talents and possessions. whatever he owns, it’s for the sake of all. Similarly, R.B. Updhayay shares an exhaustive list of qualities that every steward must possess in the society. The list includes, ‘A trustee should be a man of high character. Complete honesty on his part is presumed. He should always act in good faith with the best of intentions for the benefit of the party that has reposed confidence in him, He should not believe in conspicuous consumption and vulgar display of wealth and must lead a simple life not very much different from the living standards of the society, He should be a firm believer in individual dignity and freedom and should abhor flattery, real understanding requires empathy- an attempt by one person to put himself in the position of another and then viewing the situation accordingly’⁴⁰ (Upadhayay 1976) and there are others as well.

Furthermore, Raghavan Iyer closely analyses these qualities of a vigilant trustee(s) and also promotes the method or process of becoming an ideal steward for the society. It’s a two-fold process with two external actors playing a catalyst role in creating an ‘authentic trustee’. First, there should be ‘a change of heart’ experiment through ‘tapas or self-imposed discipline’. Gandhi always encouraged his followers to have unconditional loyalty to ‘philosophical thought and mature self-honesty’. Second, one must instill the ‘spirit of trusteeship’ by simplifying his or her wants. This has been one of the major tenets of the concept of non – possession (or as Ravindra Varma

³⁹ Iyer, Raghavan. "Gandhian Trusteeship in Theory and Practice." In *Trusteeship- The Gandhian Alternative*, edited by J.D. Sethi, 7. New Delhi: Gandhi Peace Foundation, 1986.

⁴⁰ Upadhayay, R. B. *Social Responsibility of Business and Trusteeship Theory of Mahatma Gandhi*. New Delhi: Sterling Publishers, 1976.

often refers it as aparigraha). For Iyer, Gandhi always believed in ‘minimal moral asceticism’ for a trustee as insatiable wants results into wastage of all the energy and capital in fulfillment of selfish desires. Thereby, obscuring perceptions related to one’s basic needs and ‘human aspirations’. Iyer aligns with the Gandhian ideology as a prescription for simplification of wants. First, there should be a conscious effort to reduce one’s desires and infuse altruistic behavior patterns that help in developing ‘fond dreams’ for others. Secondly, we must always cleanse our energy of desires and purify our imaginations.

Finally, the two external factors that can help in creating authentic trustees are the ‘art of silence’ and ‘ability to put truth into others’. For intellectual growth or moral development; silence or speech control is a primary requisite. It’s important for trustee to guard his speech if he wants to keep up with the good works. A trustee’s intention but clear to all, they should never be hidden. The moment when a trustee intention is kept away from public glare it assumes there is profit motive attached to it. Iyer also states that his ‘wise silence’ and ‘worthy expressions’ are ‘golden keys’⁴¹ to appropriate efficient utilization of resources.

Therefore, Iyer finally concludes that the best trustee is one who has attained an ‘inward moral balance’. He is serenely ‘detached’, ‘magnanimous’ and ‘imaginative’⁴². Further a vigilant trustee can determine an effective and intelligent use of wealth, which he has accumulated over the period of time thus increasing the potential of doing good by hundred times. Raghavan Iyer while writing his essay on Gandhi’s theory on trusteeship, shares a snippet of a small conversation exchange between Gandhi and the other on themes of trustees(s) ever considering themselves as stewards of the society. Gandhi instantly replied that it is irrelevant to his theory of trusteeship and their performance can only be evaluated over a period of time. He further substantiates his answer by saying, ‘there may be one such trustee or there may be none at all. Why should we worry about it? We should have faith that we can, without violence or with little violence that it can hardly be called violence, create

⁴¹ Iyer, Raghavan. "Gandhian Trusteeship in Theory and Practice." In *Trusteeship- The Gandhian Alternative*, edited by J.D. Sethi, 7. New Delhi: Gandhi Peace Foundation, 1986

⁴² *ibid*, p.9

such feeling among the rich⁴³. It's only through endeavors and faith in this ideology one can aim to diminish the widespread economic disparity in the society.

"A trustee has no heir but the public"

(Mahatma Gandhi, 1942)

Ravindra Varma asserts that rich cannot relinquish their property or wealth to his/her children except in conditions where the son or daughter are 'fully responsible' and 'capable' to abide by the duties and responsibilities of a vigilant trustee. In the case of, when the trusteeship is transferred to the son or daughter of the family, the trustee must draft a proposal for the State to determine whether this request can be considered or not. Once the State is satisfied by the valid reasons shared by a trustee and his indisputable faith that the next generation can duly perform the duties of trustee; then a condition of 'checks' is imposed both on the State and individual. Varma accentuated that trusteeship is neither 'heritable nor alienable' nor does it 'create disparities income'⁴⁴. Raghavan Iyer interpreted this aforementioned Gandhian quote in the context of creating 'statutory trusteeship' in which duties of a trustee and public are formalized. The trustee can serve his beneficiaries as long as he fulfills their needs and requirements. The thoughts of Iyer and Varma converge at a point when crucial need to review the successor of trustee while striking a balance between State's approval and public opinion.

Moreover, Ravindra Varma prescribes to the idea that 'what if a trustee fails to be accountable to his beneficiaries? The only way to counter this problem is through the *satyagraha* and action by the state. Varma argues that if the trustee has failed to perform his duties as 'not a nominal trustees', then the state has all powers to take away his property. Gandhi in this context quotes, 'we shall have to dispossess them of their possessions through the State with the minimum exercise of violence... but the fear is always that the State may use too much violence against those who differ from it'⁴⁵.

⁴³ *ibid*,p.4

⁴⁴ Varma, Ravindra. "Gandhi's Theory of Trusteeship: An Essay in Understanding." In *Trusteeship - The Gandhian Alternative*, by J. D. Sethi, 46. New Delhi: Gandhi Peace Foundation, 1986.

⁴⁵ *ibid*, p.66

2.3 Trusteeship as a Legal Institution, Attitude and Movement

Celebrating Gandhi's centenary birth celebrations, Ram Manohar Lohia aspired to give legal sanctity to the trusteeship bill. Bandana Sarkar shares the *Draft Trusteeship Bill of 1967* that provided 'opportunities to the owners of large companies' and laid down necessary conditions for the 'democratic management of trusts corporations'⁴⁶ (Sarkar, Bandana, 1973) that were in accordance with the Gandhian principles of Trusteeship. The Bill intended to 'usher an era of socialist society'. This same conception was again reignited during the second five-year plan where the focus was on the workers whose contributions would help in establishing socialist society. Some of the provisions of the bill included increased productivity by allowing full participation of workers in production levels, distribution, sales and future investments of the enterprises. Interestingly, this bill was not compulsory in nature but a permissive measure for the present owners of large companies to transform their 'existing titles based on absolute rights into trust ownership'⁴⁷.

In the constitutional history of India, this act would be referred as the Indian Trusteeship Act of 1967 that extended to all corners of India. It defined a company as public or private companies duly registered under the Companies Act of 1956 and having an annual turnover of more than one million rupees. Business in this context meant trade industries, plantations, banks, trade, transport or any other economic activity driven with the quotient of a profit motive. A trust can only be created when the majority of shareholders has passed a resolution in a general meeting with an aim of developing as a trust corporation. All the net profits of such a trust corporations will be credited into the income tax folio of the Ministry of Finance, Government of India then gradually allocated to different states based on the recommendations of the Finance Commission. The other provisions of this bill were related to the salaries of the employees, powers of a managing trustee, works committee, payment of bonuses and others.

⁴⁶ Sarkar, Bandana. *Towards Trusteeship*. Coimbatore: A.K. Bose on behalf Tamilnad Sarvodaya Sangh, 1973.

⁴⁷ *ibid*

Further, in the article Sarkar shares Pyarelal criticisms on the draft bill that marks the departure from original Gandhian ideology on Trusteeship. He affirms in order to bring an enterprise under the umbrella of trusteeship; one needs to consider whether the corporation is 'socially useful or baneful'. Secondly, trusteeship is not dedicated to just one class, in the case of the Trusteeship bill, it unilaterally directs on the capitalists class and their persistent accumulation of wealth. Pyarelal was of an opinion that theory of trusteeship is meant for all, not just for a class or an individual. Thirdly, legislations will only come into effect once they have been 'sanctioned or recognized by public opinion'. Lastly, in order to voluntarily transform the social order, the 'essence of trusteeship'⁴⁸ must be maintained all throughout. It does neither entails the elimination of state interference in national life nor extends the broad spectrum of state interference.

The whole doctrine of Trusteeship idea comprises of 6 basic points but VKRV Rao, infuses some level of a practical element that can help in starting a 'non-violent social and economic change in an egalitarian and non-exploitative directions'. Trusteeship retains the concept of private property not in 'consumption' but in 'means of production and distribution', which permits research, innovations, and investments either, pursued by individuals or corporates that can play larger and more significant role for the community. Rao asserts that severe limitations must be imposed when certain economic activities lead to personal satisfactions. As stated by Gandhi, limitations cannot be in the form of simplification of wants and keeping the needs to bare minimum level, they can also be regulated by 'individual personal choice' or 'corporate identity' through the trusteeship law which determine the retention of property for personal satisfaction. He understands that trusteeship law should provide 'statutory limitations on retention, though with flexibility for varying circumstances, requirements and motivations for maximizing and qualitatively acceptable, production'⁴⁹.

In the same article Rao, extends the notion of Trusteeship into the other arena of how best the 'trust funds' can be utilized. The intelligent way of utilizing trust funds would

⁴⁸ ibid

⁴⁹ Rao, VKRV. "Trusteeship as the Gandhian Instrument for Socialist Change." In *Trusteeship - The Gandhian Alternative*, by J.D. Sethi, 18. New Delhi: Gandhian Peace Foundation, 1986

be in the 'social interest' and becomes a genuine contribution to 'community and human welfare'. The Trusteeship law should impose some restrictions on the enterprises while pursuing its economic activity to be not dominated by the profit motive but rather be based on 'technical and cost efficiency', market prices are determined by 'cost plus repair', 'maintenance', 'depreciation and replacement' and provision for research, innovation and growth and simultaneously contributing to 'national exchequer' for financing public development projects, non-development projects and to some extent 'developmental expenditure'. According to Rao, the trusteeship should also emphasize on non-production of goods and services that lead to 'moral degeneration' and 'loss of ethical standards' or recourse to preventive attempts at 'spiritual development' and 'development of the best'⁵⁰ at the consumer level. Even though Mahatma Gandhi adopted a strong stand against machinery in the classical text of *Hindi Swaraj*, Rao believes that the trusteeship law should emphasize on the usage of those technologies and tools that are entwined with the natural harmony, ecological balance and helps in safeguarding the interests of future generations. Simultaneously, the law also calls for an amalgamation of cultural and aesthetic values at the production level where there it maximizes employment opportunities, gives job satisfaction, work becomes the medium of sustenance, living according to the notion of a right to honorable livelihood rather than pain, frustration or boredom.

Rao's also provides an in-depth framework for the implementation of trusteeship law and supervisory roles to be played by Centre and State only for those enterprises who refuse to follow the rules and regulations of the law. First, it calls for the creation of 'separate registration of economic activities' and that is prepared to accept 'responsibilities of trusteeship' and be given 'special recognition in national life or public esteem' by crediting their works in statutory reports on the functioning of the national economy. Organizations such as cooperative institutions and philanthropic foundations will also be accorded some privileges or incentives by the State. Rao also affirms that there should be two different departments on trusteeship at Centre and State levels with the support of Ministers in independent charge and the government reports printed and published before public opinion, evaluation by the upper and

⁵⁰ *ibid*

lower houses of the Parliament on discussion, improvement, and commendation on the successful working of a Trust not just in terms of ‘productive efficiency’ but being an important driver of social change, behavior patterns, national welfare and integration and community harmony. Special recognition will be accredited to those institutions that contribute to spiritual awakening and ‘growth of highest values and norms’ that can be attained by an individual both in public and private lives.

VKRV Rao, also inherently believed that organizations should not be coerced to register under the trusteeship that obviously entails that these enterprises will be bereft of special incentives and privileges in terms of their recognition of work in statutory reports and public life. These organizations will be subjected to high level of taxations and their operations will be continuously monitored, evaluated, commented upon and published in reports as non – trustee enterprises’ activities. For Rao, the test of social change and human progress become valid for non-registered organization is when their role will be gradually diminished in the economy, they ‘disappear altogether’ and ‘become a part of Gandhian human history’,⁵¹.

If VKRV Rao, clings on to the idea of Trusteeship as a legal institution by demarcating the role of the Centre, State, and business enterprises then other scholars like G.S. Shroff, H.K. Paranjpe and Arvind. A. Deshpande assert on the idea of trusteeship as an attitude. According to Anil Dutta Mishra in the volume *Fundamentals of Gandhi*, he interpreted G.S. Shroff’s opinion on trusteeship as an attitude that comes ‘from within’,⁵² (A. D. Mishra 1995) and cannot be forced on others for a long time and it should not be done at the very first place. H. K. Paranjpe also endorses the same opinion but extends this notion to the domain of ‘ethical values’ that are formulated by humanity. He further adds that through ‘truth, non-exploitation of others, honesty and helpfulness’,⁵³ would help in developing mutual generosity feelings for each other. Indira Sureneni understood trusteeship as an attitude to maintain a balance between different ‘productive elements’ such those who work and those who are dependent on work. All the productive elements have a responsive attitude towards each other. She believes Mahatma Gandhi used the

⁵¹ *ibid*, p.29

⁵² Mishra, Anil. *Reading Gandhi*. India: Dorling Kindersley, 2012.

⁵³ *ibid*, p.60

trusteeship theory as a medium to ascertain the ‘moral attitude on the part of all’⁵⁴ (Surineni, 1991).

Arvind. A. Deshpande argues that Gandhi’s theory on trusteeship is an all-embracing concept that first germinated as an attitude, gradually transformed into a technique and finally took a shape of a constitutional for. Anil Mishra interpreted Deshpande’s opinion as the ‘Gandhian concept of trusteeship expresses enterprise to its workers, share – holders, consumers and the community and the mutual responsibilities of each to the other. This is the price of democracy. Without virtue in the individual and in the organ of society, democracy cannot survive’⁵⁵ (A. D. Mishra 1995).

Anil Mishra further extends this notion of trusteeship as a movement where it does not offer a choice either to be a capitalist or a selfish bureaucrat. Such a movement will help in restructuring the ‘socio- economic and political arrangement’⁵⁶ in the society by challenging the authority in place and give ample space for individuals to be a part of decision-making process. This movement can help in the overall growth of a human being both at personal and inter-personal levels. At a personal level, it makes one strengthen himself. And at an inter-personal level, it helps in engaging an individual with others oblivious of one’s economic position in the society. At an institutional level, it’s driven by the notion of welfare for all or *sarvodaya*.

2.4 Criticisms to the Gandhian Model of Trusteeship

Gandhi was inherently convinced that the 6 principles of trusteeship theory will continue to remain relevant across time and space. But then there are scholars who consider this theory as ‘make-shift’, ‘eye-wash’, ‘a shelter for the rich’ and appeals to only those sections of the society who have accumulated enormous wealth and are in a comfortable position to engage in charitable activities. Often the theory has been accused of not making concrete social transformations and failing to infuse ethical values between the capitalists.

⁵⁴ Surineni, Indira. *Gandhian Doctrine of Trusteeship*. New Delhi: Discovery, 1991.

⁵⁵ Mishra, Anil Dutta. *Fundamentals of Gandhi*. India: Mittal Publications, 1995

⁵⁶ *ibid*

M.L. Dantwala formulates a Marxian critique to this theory, as he argues that capitalism always perceived the word as property owners and property-less (haves and have not); this same thought has been grasped in Gandhian economic philosophy as well. The only fundamental different between Gandhism and Capitalism is that former considers the capitalist class a 'trustee' of all the resources and wealth generated in the society. For Dantwala, the change happens in 'subjective sphere' but the real owners of factors of production continue to remain the in the hands of bourgeoisie class. The production of goods will largely depend on market forces of demand and supply; thereby the fluctuations arising from varied market patterns continues to remain same as was witnessed during capitalism. The 'appropriation of surplus value', which trusts the production, will take place in a 'pious guise'⁵⁷ (Dantwala, Gandhi Reconsiderd 1994) will only entail large accumulation of wealth in the hands of few and pauperization and unemployment of many. Thus, professor M.L. Dantwala completely dismisses the Gandhian argument of change of heart and art of silence experiments to transform the minds of the rich in the society.

Similarly, E.M.S. Namboodiripad developed antagonistic opinions on Gandhi's intentions and ideas with reference to the relationship shared between the working class and other sections of the society. He proclaims that the Gandhian theory of trusteeship is like a guiding light to pursue political or economic activity in accordance with moral values and very intelligently Gandhi combined 'extra-parliamentary activities such as constructive program and *satyagraha* with parliamentary activities of his lieutenants'. He further adds that it was the Gandhian way of 'combining negotiations with enemy' while preparing a mass direct action against him. All these practices in small doles contributed towards forming a mass uprising against bourgeoisie domination or against Imperialism empire. Namboodiripad understood Gandhi as the leader who could inspire the masses to launch revolutionary anti-imperialist strikes and gradually shifts his position to a negotiator with the imperialist rulers, thus he is often termed as the 'undisputed leader of bourgeoisie'⁵⁸ (Namboodiripad 1959).

⁵⁷ Dantwala, M.L. *Gandhi Reconsidered*. India: Padma, 1994.

⁵⁸ Namboodiripad, EMS. *The Mahatma and the Ism*. New Delhi: People Publishing House, 1959.

Furthermore, even the first Prime Minister of independent India considered a trusted disciple of Gandhi deflected from his teacher's thought. In his autobiography, Nehru says:

'Again , I think of the paradox that is Gandhiji. With all his keen intellect and passion for bettering the downtrodden and oppressed, why does he support a system which is obviously decaying, which creates this misery and the wastes? And meanwhile he blesses all the relics of the old order which stands as obstacles in the way of advance – the feudal states, the big zamindars and taluqdaris, the present capitalist system. Is it reasonable to believe in the theory of trusteeship to give unchecked power and wealth to an individual and to expect him to use it entirely for the public good? Are the best of us so perfect to be trusted in this way?... And is it good for others to have even these benevolent supermen over them'.

(Jawaharlal Nehru, 1936)

For VKRV Rao, the Gandhian notion of trusteeship creates 'a new grounding for inequality'⁵⁹ (Rao V. , Trusteeship as the Gandhian Instrument for Socialist Change, 1986) as the theory does not permit a vigilant trustee to have source of income through marketable talents and skills. Gandhi while aspiring to establish an egalitarian society always believed that all kinds of work are equal and pecuniary benefits will also remain the same. Thus, no trustee under any circumstances will be allowed to earn an additional allowance, if the difference of income is greater than others. Rao concludes that the role of state goes beyond the supervision of who is following the all the roles enlisted in the trusteeship law, but has to dedicate more efforts in determining the permissible limit of allowance for everyone.

2.5 Examples of Trusteeship Model In India and World

In spite of such heavy criticisms by political stalwarts and scholars on this theory, there were organizations influenced the trusteeship model during the pre and post Independence era.

Bandana Sarkar highlights that the litmus test of the trusteeship experiment was practiced on Indian Spinners Association and All India Village Industries organizations. These organizations were neither a part of cooperative societies nor

⁵⁹ Rao, VKRV. "Trusteeship as the Gandhian Instrument for Socialist Change." In *Trusteeship - The Gandhian Alternative*, by J.D. Sethi, 18. New Delhi: Gandhian Peace Foundation, 1986.

private enterprises or state enterprises. During the pre-Independence era, these organizations were functioning under the non-profit registered societies under the archaic law of 'Charitable Society Act'. These societies had always aspired for an effective legislation that legitimizes their functioning's and deliverables. As a result, lack of legislations forced these institutions to prepare an internal arrangement where they would periodically subject themselves to meeting the requirements of the process of production and consumption and fulfilling the needs of the community. They formed their own 'certification committees'⁶⁰ (Bandana 1973) that issued certificates to the labour for their work done and consequently abiding by the principle and ideology of Khadi. The duties of the committee were laid down policies pertaining to the field of labour relations and pricing. And the 'audit committees' were entrusted with the responsibility of supervising local interests and provide suggestions to improve labour relations and pricings. The idea behind creation of such committees was to strike an equal chord between the producers and consumers and the testing samples of products manufactured by the aforementioned organizations. Interestingly, positive results were received when they were implemented in khadi and village industries. The success of initiation became a reference point for understanding the disposal of economic power and decentralization of organizational structure.

This was also reflected when employees worked in these not for profit organization were driven by the idea of common good and being oblivious to their personal benefits. All in all, the businesses of these organizations were largely influenced by the altruistic attitude towards the community that was absent due ineffective laws in Colonial era. Thus, it became a small step towards developing an organic relationship between business and community; the spirit of democracy was reinvigorated by the spirit of brotherhood.

Interestingly, the voluntary nature of these organization swayed scores of political movements in the pre-independence era. Social movements like Bhoodan, Gramadan and Sampattidan spearheaded by Vinobha Bhave created an aura of altruism on the lines of trusteeship. For example: the Bhoodan movement wherein lands were redistributed in a way that coincided with the total interests of the village community.

⁶⁰ Sarkar, Bandana. *Towards Trusteeship*. Coimbotore: A.K. Bose on behalf Tamilnad Sarvodaya Sangh, 1973.

Furthermore, the successful stories of the Gandhian trusteeship reached the shores of European states and the United States of America. Companies such as the Nunn Bush, Lincoln Electric, Geo.A. Hormel and others in USA often referred as experiments when employees received sale receipts as a part of their contractual income and this helped in developing a different attitude towards work by constantly promoting the theory of incentive management. Even in Yugoslavia a similar pattern emerged which 'transformed state ownership or means of production into social ownership'⁶¹ (Sarkar, Bandana 1973).

*'Gandhi's concept of social organization where the power of the state would be limited as far as possible is an ideal which is particularly close to the Yugoslav concept of the organization of socialist democracy based on self management. In our contemporary society, he would be much closer to the Yugoslav concept of socialism based on a broad decentralization of power and workers' self-management rather than to state socialism with its central power of intervention'*⁶².

(Radivof Uvalic, UNESCO Sponsored Paris Symposium, 1969)

Finally, Jamshedji Tata was another important figure who have largely influenced by the trusteeship model that resulted in Jamshedji initiating three big projects for escalating the process of nation development. Sundar Sarukkai in *JRD Tata and Idea of Trusteeship* lists the three important projects were – 'production of steel, establishment of the power plant and laying a foundation stone for an academic institution'. He portioned his wealth into three important sectors of the Indian economy and one of the segments of that wealth has been used for establishing Indian Institute of Science, Bangalore. Over the period of time Tata enterprise has never stepped back from engaging in charitable projects ranging from health care facilities, providing scholarships for pursuing fundamental research, building institutions dedicated to arts and aesthetics to becoming 'one of the largest companies to recruit women in their workforce'⁶³ (Sarukkai, 2012).

⁶¹ ibid

⁶² ibid

⁶³ Sarukkai, S. "JRD Tata and the Idea of Trusteeship." In *Zoroastrianism: From antiquity to the modern period*,, edited by Murzban Jal. India: Project of History of Indian Science, Philosophy, and Culture, 2012

Often readers are confused that Gandhi's idea on Trusteeship draws an extensive similarity with modern day CSR activities wherein companies irrespective of their geographic locations, they initiate scores of charitable activities for community welfare. However, Mahatma Gandhi made a strict reservation when his trusteeship model was camouflaged under the umbrella of philanthropy. Gandhi quotes:

“If trusteeship catches the, philanthropy as we know it will disappear”.

(Mahatma Gandhi, 1942)

Thus, it appears that Mahatma Gandhi not only shared his ideas of Trusteeship through the 6 basic principles as mentioned and many organizations and leaders around the world them are currently working towards uplifting scores of individuals from destitution. However, Ravindra Varma invokes a Gandhian quote that dismisses the relationship between Trusteeship and philanthropy as ‘charity may lead to gifting away of the riches’. This is such a kind of donation that uses market and media as a reputational tool to increase one's worth through constant ‘self – glorification’. The corporates have initiated or sponsored many charitable projects across the world which was only possible when the global economy was not going through a rough period and their profit reserves were left untouched or rather were increasing. This simply entails that small segment of the world population holds possession of an enormous amount of wealth and resources.

CHAPTER THREE

CORPORATE SOCIAL RESPONSIBILITY IN TIMES OF NEOLIBERALISM AND GLOBALISATION

3.1 A Brief Overview of Neoliberalism:

Neoliberalism is the most hackneyed term in economic and political contexts of modern times with many being confused about its intricacies and implications. Scholars like S. Mudge understood Neoliberalism as ‘an oft invoke but ill-defined concept’⁶⁴ (Mudge 2008) and for Castree its meaning changes from paper to paper, thereby making this ideology very much ‘prominent and omnipresent’⁶⁵ (J. Clarke 2008). Similarly, Turner argues on the ambiguity front where it stands for and explains is very much ‘confused and confusing’⁶⁶ (Turner 2008) and often is used a method to understand the process in which political programs are initiated in a ‘wide variety of setting’⁶⁷ (Rose 2006).

Infinite numbers of scholarly articles, books and reports have been published to define this concept based on canonical texts⁶⁸ and empirical evidence. This extensive literature on Neoliberalism has created a hegemonic discourse that has crafted a

⁶⁴ Mudge, S. "What is Neoliberalism?" *Socio Economic Review*, 2008: 703- 731.

⁶⁵ Clarke, J. "Living with/in and without Neoliberalism ." *Focaal* , 2008: 135-147.

⁶⁶ Turner, R. *Neo-liberal Ideology*. Edinburgh: Edinburgh University Press, 2008.

⁶⁷ Rose, N., OMalley, P., & Valverde, M. "Governmentality ." *Annual Review of Law and Social Science*, 2006: 83-104.

⁶⁸ The first story is presented with minor variations in David Harvey’s much-read *A Brief History of Neoliberalism* (2005), Barry Smart’s less-read *Economy, Culture and Society: A Sociological Critique of Neo-liberalism* (2003), Joseph Stiglitz’s mild-mannered *Globalization and its Discontents* (2002), Naomi Klein’s hard-edged *The Shock Doc- trine* (2007), and in many other texts.

‘pervasive economic policy agenda’ with a strong narrative on ‘class domination’ and ‘exploitation’⁶⁹ (Venugopal 2015) and manifestation of a ‘capital resurgent’⁷⁰ (Dumenil 2004).

As Perry Anderson described neoliberalism as one of ‘the most successful ideologies in world history’⁷¹ (Anderson 2000). Saad-Filho believes that ‘we live in the age of neoliberalism’⁷² (Saad Filho 2004) and David Harvey concludes that the transition from Keynesianism to Neoliberalism has been a ‘revolutionary turning point in the world’s social and economic history’⁷³ (Harvey 2005). Thus, for these aforementioned scholars there has been an amplified use of the term Neoliberalism in both theoretical contexts and empirical evidence where the concept has been embraced and redefined. From the period of 1980-89 to till date there has been growing number of entries on neoliberalism in the English language on Google Scholar. The current estimates reflect around 11,90,000 documents just available on the theme of Neoliberalism.

With no clarity on the accurate definition of Neoliberalism and its characteristics, it becomes a herculean task for academia to comprehend this concept within the paradigm of abstract ideas, policies, and institutions. As David Harvey in *A Brief History of Neoliberalism* attempts to invoke this notion based on present realities such as the post-war Iraqi state of affairs, adoption of Neoliberal economic policies by China, post-apartheid South Africa and host of newly independent countries around the world. According to Harvey, the central tenet of neoliberalism is that human well-being can be best advanced by the liberation of individual freedom, the required skill set within the institutional framework along with a strong need for private property rights, free market and trade. The utmost responsibility of the state is to create and preserve this institutional framework according to the above-mentioned practices. Harvey also suggests that the state must establish structures like military, defence, police and legal that enables State to ‘safeguard private property rights’⁷⁴ and guarantees the use of force if required, for the proper functioning of the markets.

⁶⁹ Venugopal, Rajesh. "Neoliberalism as Concept ." *Economy and Society*, 2015: 1-22

⁷⁰ Dumenil, Gerard and Levy, Dominique. *Capital Resurgent: Roots of the Neoliberal Revolution*. Massachusetts: Harvard University Press, 2004.

⁷¹ Anderson, Perry. "Renewals." *New Left Review*, 2000: 24.

⁷² Saad-Filho, A., & Johnston, D. *Neoliberalism: A Critical Reader*. London: Pluto Press, 2004.

⁷³ Harvey, David. *A Brief History of Neoliberalism*. London: Oxford University Press, 2005.

⁷⁴ *ibid*

Further, David Harvey in the same volume argues that the responsibility of the state doesn't end only with the creation of markets, if in areas like land, water, education, healthcare, social security or environment pollution markets are absent; then they must be 'created'. But beyond these tasks the state should not venture much. Once the new market domains are created, then the state's involvement must be limited or kept to 'bare minimum level', as it cannot possibly possess enough information related to 'second-guess market signals (prices)' and 'powerful interests groups' that may form alliances that favors the 'bias state intervention'⁷⁵ for fulfillment of benefits. In other words, the formation of a neoliberal state clearly postulates the sentiments of property owners, business class, multinational corporations with structures in place for privatizing public enterprises, repatriation of profits, opening of domestic banks to foreign capital and many others.

Similarly, Saad-Filho and Johnston in the volume *Neoliberalism- A Critical Reader* argues that it is a hegemonic system of exploitation of the majority and becomes a challenge when one has to 'recognize the beast' that moves from one territory to the other, it gradually walks over the poor by undermining their fundamental rights and duties and challenges all kinds of resistance through a vague 'combination of domestic political, economic, legal, ideological and media pressures'⁷⁶ (Saad Filho 2004) that are strategically supported by media firms and organizations and use of violence may be a requirement, if only the situation demands. Therefore, it is impossible for a scholar like Saad-Filho and Johnston to grasp this concept and reduce it to pure 'theoretical' terms ignoring the complexities arising from an inaccurate description and its characteristics.

Campbell and Pederson in *The Rise of Neoliberalism and Institutional Analysis* concluded that neoliberalism is a heterogeneous set of institutions comprising of a varied set of ideas, social and economic policies which further helps in organizing political and economic activity. This suggested framework has also incorporated 'formal institutions' likewise minimalist welfare state, taxation, and business regulation programs; 'flexible labor markets' and decentralization of capital-labor relations as unencumbered by strong unions and 'collective bargaining'; and the

⁷⁵ ibid

⁷⁶ Saad Filho, A., & Johnston, D. *Neoliberalism: A Critical Reader*. London: Pluto Press, 2004.

‘absence of international capital mobility’. Further, Campbell and Pederson emphasize on ‘institutionalization of normative principles’ that resorts to free market solutions to economic fallouts rather than ‘bargaining or indicative planning’, and a dedication to ‘controlling inflation’ even at the ‘expense of full employment’⁷⁷ (Campbell 2001).

By offering a wide array of definitions on this subject, then questions are raised on the significance of this concept when explored in theoretical domains with incomplete descriptions. For Ferguson in believes it is a macroeconomic doctrine lays the groundwork for this concept that ‘coexists with unresolved contradictions’⁷⁸ (Ferguson 2010) and for others like Crouch and Aihwa Ong, they reduces this idea to the functioning of large corporations and ‘radically decentered the regimes of governance’⁷⁹ (Ong 2006). Consequently, Clarke explores a humungous list where neoliberalism has been applied in immediate contexts to expedite the process of high economic growth such as ‘states, spaces, logics, techniques, discourses, discursive framework, ideologies, ways of thinking, projects, agendas, programs, governmentality, measures, regimes, development, ethno- development, development imaginaries, global forms of control, social policies, multiculturalism, audit cultures, managerialism, restructuring, reform, privatization, regulatory frameworks, governance, good governance, NGOs, third sector’⁸⁰ (J. Clarke 2008) and many others .

Over the period of time, the neoliberal policies have gained their sanctity in the contemporary discourse when advanced as economic policies, a model for development, an ideology, and academic paradigms. R. Venugopal in the essay *Neoliberalism as Concept* asserts that Global institutions like World Bank (WB) and International Monetary Fund (IMF) usually advises newly independent countries to resort to economic reform policies under the neoliberal framework, as they are best characterized for liberalization the economy, elimination of price controls,

⁷⁷ Campbell, John & Pederson, Ove, ed. *The Rise of Neoliberalism and Institutional Analysis*. USA: Princeton University Press, 2001.

⁷⁸ Ferguson, J. "The Uses of Neoliberalism." *Antipode*, 2010: 166-184.

⁷⁹ Ong, Aihwa. *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*. Cambridge: Cambridge University Press, 2006.

⁸⁰ Clarke, J. "Living with/in and without Neoliberalism ." *Focaal* , 2008: 135-147.

deregulation of capital markets, and reducing trade barriers, limited of role of the state in economy, more encouragement for privatization of state-owned industries, constantly contributing to fiscal austerity measures by controlling the money supply in the economy, eliminating budget deficits and introducing more cutbacks in welfare schemes. He further adds, when neoliberal policies are structured in such a way that it fits the 'developmental model for countries with low economic growth'. It may appear as a comprehensive strategy for immediate growth with a bagful of economic, social and political consequences. It may come across as a 'technocratic list of solutions to all economic malfunctions' by suggesting 'defining roles' to key actors such as labor unions, private enterprises in economy keeping the state and the political authority in a loop. But then the objective of the national government in these scenarios is to supervise the roles of the aforementioned actors and comply with the 'rules of the game'. This simply entails a proper restructuring of roles and responsibilities for the society and the state. According to him, the third way is when neoliberalism is camouflaged in the form of an ideology. It helps in reinforcing of ideas that are normative in nature on the role of the state as against any 'collectivities and particular conception of freedom as an overarching social value'⁸¹ (Venugopal 2015). As David Carruthers asserts that the neoliberal ideology aims to reduce the role of state in the sphere of individual freedom from maximum to minimum. He further adds that political leaders must not endorse a 'single utopia'⁸² (Carruthers 2001), but allow individuals to pursue their own ideas in a market place that are mediated by exchange relationships. From the above premise, one can only postulate that the neoliberal ideology is a general prescription on a society's organizational structure must create by the overlooking the intrinsic characteristics each society might possess. The fourth and final approach to neoliberal policies is through the academic paradigm. Neoliberal theory develops positive 'pre-assumptions on the market behavior'⁸³ (Venugopal 2015) that draws its intellectual foundations from the neoclassical economic theory. Like John Brohman asserts that 'the behavior of individuals is predetermined by a set of universal rational rules that are deductively posited. Private producers and consumers are presupposed to be utility and profit

⁸¹ Venugopal, Rajesh. "Neoliberalism as Concept ." *Economy and Society*, 2015: 1-22.

⁸² Carruthers, David. " Environmental Politics in Chile: Legacies of Dictatorship and Democracy." *Third World Quarterly*, 2001: 343-358.

⁸³ Venugopal, Rajesh. "Neoliberalism as Concept ." *Economy and Society*, 2015: 1-22.

maximisers who respond rationally and efficiently to correct market signals’⁸⁴ (Brohman 1995). Other scholars like Lawrence King argue that neoliberalism has been specifically in academic debates to evaluate the transition of countries from socialism to capitalism and benefits derived from the policy package.

Further, the intellectual foundations of neoliberalism had already surfaced in the writings of Adam Smith’s *Wealth of the Nations* with reference to economic liberalism associated with Manchester, England. The Manchester system was largely driven by laissez faire principles that were focused on free trade and repeal the England’s Corn Law that restricted the import of wheat. Smith’s work on *Wealth of Nations* was a strong critique of the ‘corrupt and self-aggrandizing mercantilist state’⁸⁵ (Smith 2003) that accumulated revenues from trade and licensing monopolies. With an aim of not depleting the revenue reserves, the mercantilist state had to constantly engage in expensive warfare’s by maintaining an advanced or upgraded level of military apparatus. For Simon Clarke, in *The Neoliberal Theory of Society* comprehended these theories as ‘zero-sum game’⁸⁶ (S. Clarke 2005) where one party gains at the cost of the other, thus whoever gains maximum benefit out of trade exchange or licensing monopolies is only through force and fraud. Smith in the same volume emphasized that the true essence of *Wealth of Nations* was derived from the division of labour and not from the accumulation of wealth. Clarke, extended this notion further by arguing that division of labour can only be developed through the ‘initiatives and enterprise of private individuals would develop the more rapidly the more such individuals were free to apply their enterprise and initiative and to reap the corresponding rewards’⁸⁷ (S. Clarke 2005).

In the contemporary scenario, the neoliberalism school of thought draws its allegiance from the Chicago School of Economics⁸⁸ that focuses more on the efficiency of

⁸⁴ Brohman, John. "Universalism, Eurocentrism, and Ideological Bias in Development Studies: From Modernisation to Neoliberalism." *Third world Quarterly*, 1995: 122-140.

⁸⁵ Smith, Adam. *The Wealth of Nations*. RHUS, 2003.

⁸⁶ Clarke, Simon. "The Neoliberal Theory of Society." In *Neoliberalism – A Critical Reade*, by Alfred & Johnston, Deborah Saad-Filho, 50-50. London: Pluto Press, 2005.

⁸⁷ *ibid*

⁸⁸ Key figures in the Chicago School are Milton Friedman, George Stigler, Ronald Coase and Gary Becker

market competition, the role of individuals in the determination of economic outcomes, and distortions related to government interventions and market regulation.

The ascendancy to Britain's first women Prime Minister Margaret Thatcher in 1979 and Ronald Regan in 1980 can be viewed as the first and formal stage of neoliberal economic policy domination. They spearheaded a scathing attack on the bloated version of welfare state and pursued the idea of doing away with progressive taxation. Most industrialized countries have followed this economic model that includes deregulation of financial markets, privatization, weakening of institutions of social protection, weakening of labor unions and labor market protections, shrinking of government, cutting of top tax rates, opening of international goods and capital markets, and abandonment of full employment goals, all under the guise of the natural rate.

This model of development was then gradually rolled out globally through the global institutions International Monetary Fund (IMF) and World Bank (WB), structural Adjustment Programs (SAPs) and the Washington Consensus on global economic policy. Klein and Stiglitz argued that unprecedented faith in neoliberal principles by global institutions gave rise to 'dictatorship, violence, and intimidation'⁸⁹ (Klein 2007) and 'changed doctrine within the international financial institutions'⁹⁰ (Stiglitz 2002) respectively. But the overall narrative on market fundamentalism has been - a system of ideas generated in the global North that has gained political influence in the North and was then imposed on the global South as well.

So for scholars like Raewyn Connell and Nour Dados, the arrival of neoliberalism was not an attack on the 'bloated welfare state'. There were countries in the developing world, which had no welfare state to bloat at all. In such a situation the movement towards establishment of welfare state was largely 'limited', for an example in Argentina under the Peronists, restricted to a dominant ethnic group South Africa under Apartheid, associated with a fraction of the state Jordan, the armed

⁸⁹ Klein, N. *The shock doctrine: The rise of disaster capitalism*. London: Penguin, 2007.

⁹⁰ Stiglitz, J.E. *Globalization and its Discontents*. London: Penguin, 2002.

forces, or protected initially by the parties that brought in deregulation Australia and New Zealand.⁹¹ (Connell 2014)

3.2 Globalization- The Role of Transnational Corporations

One of the most important reasons why market fundamentalism or neoliberalism continues to build inroads in most developing countries is because of the advent of Globalization. There has been a lot of confusion regarding the ‘term’, ‘rhetorics of globalization’ and constant emphasis on the creation of a ‘new world order’. Arie M. Kacowicz in the article *Globalization, Poverty, and the North-South Divide* argues that globalization is a ‘myth, a rhetorical device, a phenomenon, an ideology, a reality, a process, and the context, or even structure, of current international relationship’⁹² (Kacowicz 2007). Over the period of time globalization has become a catchword in both academic and popular discourses around the word. Joseph E. Stiglitz in *Globalization and its Discontents* argued that globalization is a powerful factor that removed the trade barriers, liberalizing the trade that further enabled ‘integration of national economies’ and ‘richening every citizen in the world’⁹³; the poor in particular. Arie and other scholars comprehend Globalization as a cluster of economic, ideological, technological, political and cultural changes

According to an International Monetary Fund (IMF) Report of 2000, the implications of economic globalization revolved around ‘increasing integration of economies around the world through trade and financial flows’. The report also stated that the integration of national economies into one global economy could only take place through increased mobility of capital and establishment of Transnational Corporations (TNC’s) and ‘deepening and intensification of economic dependence’⁹⁴ (International Monetary Fund 2000). James H Mittleman in *The Dynamics of Globalization* opines that the economic consequences of globalization are ‘spatial reorganization of production’; ‘the interpenetration of industries across borders’; ‘the spread of

⁹¹ Connell, R & Dados, N. "Where in the world does neoliberalism come from? The market agenda in southern perspective ." *Theor Soc*, 2014: 117-138.

⁹² Kacowicz, Arie. "Globalization, Poverty, and the North-South Divide." *International Studies Review*, 2007: 565-580.

⁹³ Stiglitz, J.E. *Globalization and its Discontents*. . London: Penguin, 2002

⁹⁴ International Monetary Fund. <http://www.imf.org/external/about.htm>. April 30, 2000. <http://www.imf.org/external/pubs/ft/ar/2000/eng/> (accessed July 1, 2016).

financial markets'; creation of porous borders results into massive transfer of people, population and knowledge and extending this notion into traditional market forces that had existed for centuries 'at all levels of human economic activity-village markets, urban industries, and financial centers'⁹⁵ (Mittleman 1996). Similarly, the ideological implications of globalization are trade liberalization, de-regulation, privatization, and the adoption of political democracy in the domestic institutional realm of any given polity.

Thus, the economic side of the globalization has been the bone of contention for many scholars around the world. For Thomas Friedman economic globalization is a 'loose combination of free trade agreements, the Internet, and the integration of financial markets that is erasing borders and uniting the world into a single, lucrative, but brutally competitive, marketplace'⁹⁶ (T. Friedman 1996). One of the most important fallouts of economic globalization has been the unprecedented rise and outreach of Transnational and National Corporations around the world. Additionally, the adoption of neoliberal principles by developing countries has led an increase in the state offering the crucial support for the private sector to flourish in a business friendly environment through acquisitions and mergers with indigenous companies. Shalmali Guttal in *Globalization* emphasizes that corporations have become 'bigger source of capital than the state and its financial institutions'⁹⁷ (Guttal 2007). According to an official website, *corporations.org* – more than 51 of the world's top 100 economic entities are transnational corporations such as General Motors, Wal-Mart, Exxon Mobil, Toyota, Royal Dutch, Shell, IBM and many more⁹⁸ (Corporations.Org 2000). Guttal also claims that national and transnational corporations have become the 'main drivers' of neoliberalism and economic globalization. They are also the principal recipients of investment agreements, international trade and finance and are powerful advocates of liberalization, privatization and globalization in spheres of commerce and production.

⁹⁵ Mittleman, James. "The Dynamics of Globalization." *Globalization: Critical Reflections*, 1996: 1-19.

Guttal, Shalmali. "Globalisation." *Development in Practice*, 2007: 523-531.

⁹⁶ Friedman, Thomas. *New York Times*. February 7, 1996.

⁹⁷ Guttal, Shalmali. "Globalisation." *Development in Practice*, 2007: 523-531.

⁹⁸ Corporations.Org. <http://www.corporations.org>. December 2000.

Moving into a different direction, David M Kotz in the article *Globalization and Neoliberalism* emphatically asserts on the political posture of big business houses regarding state intervention in the economy. Kotz along with others like Baker, Epstein, Pollin, Kozul-Wright and Rowthorn believes that globalization has resulted in increase in cross-border economic transactions and resource flows that are important factors for marking a 'a qualitative shift' in economic relations between nation-states and national economies. For Kotz, the three economic interactions that have increased in the last few decades are 'merchandise trade flows', 'foreign direct investment' and 'cross-border financial investments'⁹⁹ (Kotz 2002). The increasing interconnectedness has not only brought faraway nations closer to each other but has created porous borders and enlightened the 'imagined community'¹⁰⁰ (B. Anderson 2006) with a concept of 'global village'¹⁰¹ (McLuhan 2011).

In the same article, Kotz refers to an empirical study conducted by Sutcliff and Glyn in 1999 where the performance of 100 largest TNC's was measured by the geographical location of their activities. This statistical study of 1996 concluded that out of the 100 largest TNC's in the world, around 40.4% of their assets were in abroad, 50% of output was in abroad and 47.9% of employment was in abroad. The study also claimed that most of the international activities of TNC's had retained 'a single base for top officials and major stockholders'¹⁰² (Kotz 2002). Finally, the top two hundred TNC's were ranked according to their the output levels that contributed only 10% of the world GDP. Comparatively, the recent report by United Nation Conference on Trade and Development (UNCTAD) of 2013 proclaims the surge in the role of MNC's in global economy as they control 80% of 20 trillion Dollar cost annual international trade and nearly half of the foreign direct investments are conducted through these companies as well.¹⁰³ (UNCTAD 2013)

⁹⁹ Kotz, David. "Globalization and Neoliberalism ." *Rethinking Marxism*, 2002: 64-79.

¹⁰⁰ Anderson, Benedict. *Imagined Communities- Reflections on the Origin and Spread of Nationalism*. London: Verso, 2006.

¹⁰¹ McLuhan, Marshall. *The Gutenberg Galaxy: The Making of Typographic Man* . Canada: University of Toronto Press, 2011.

¹⁰² Kotz, David. "Globalization and Neoliberalism ." *Rethinking Marxism*, 2002: 64-79.

¹⁰³ UNCTAD. *United Nations Conference on Trade and Development*. January 2013. http://unctad.org/en/PublicationsLibrary/wir2013_en.pdf (accessed July 1, 2016).

In the year 2002, United Nation organized a Global Compact Initiative following the optimism of Millennium Development Goals (MDGs). Even in 1999, Kofi Annan, UN General Secretary at the World Economic Forum in Davos sensed the importance of the idea of UN Global Compact that added a new chapter in UN history and aimed to develop a global governance framework for UN and business. Kofi Annan at the UN Global Compact encouraged businesses across the world to adopt UN values and help in creating markets with a human face under the paradigm of 'global business citizen' (Annan 2002). Moreover, Professor Hyeon D. Yeo in the essay *Perspectives about social responsibility from business community -Review of CSR philosophy on the UN Global Compact Related Activities* asserted on the 'tripartite system' for separation of powers, roles, responsibilities between UN, Corporations and NGO's (refer to figure 1).



Figure 1: The tripartite system of power between UN, Corporations, and NGO¹⁰⁴

According to him the figure (1) clearly postulates that UN has formed a partnership with the corporate citizen rather than a mere corporate. This partnership reflects that this alliance is formulated on the basis of UN values for sustainable future and business 'here is not the traditional type which cares only about its profit'. This alliance will also help in providing the moral support to business in developing a

¹⁰⁴ Picture Credits- http://www.acrc.go.kr/acrc/ethics/200905/event_2_2.pdf

corporate image of 'trustworthy and respectable'¹⁰⁵ global corporate citizen by completing its social duties.

There have been supporters and detractors for the UN Global Compact Initiative. Oliver F. Williams in the essay *The UN Global Compact: The Challenge and the Promise* believe that it 'enhances the moral values' and bring a positive change into business. This belief will help in developing a new base driven by moral goals that not only generates and distributes wealth but also through the 'Global Compact helps in reviving goals'¹⁰⁶ (Williams 2004). Professor Hyeon D Yeo invokes Alasdair MacIntyre opinion on UN Global Compact initiative and believes that its vision will help in attaining the 'moral purpose of business'¹⁰⁷ (Yeo 2009). This vision should not be confused with Adam Smith's work on *Theory of Moral Sentiments* where people engaged in economic activity with aim of generating wealth for 'individual gains' are not always driven by 'self-centered greed'¹⁰⁸ (A. Smith 2005). Rather it supposes that the very creation of wealth through morality can help in establishing community with a human face. Professor Hyeon D Yeo in the same article asserts that such a vision doesn't lead to the creation of a 'MacIntyre's ideal fishing community'¹⁰⁹ (Yeo 2009) rather Oliver F Williams applauds the efforts of UN Global Compact mission that inspires human value and challenging the mind to global community'¹¹⁰ (Williams 2004).

Interestingly, NGO's outlook towards UN Global Compact initiative was largely divided as most organizations claimed that corporations were forced to take up CSR due peer pressure and others claimed that these principles were dubious in nature. For example, the anti-globalization NGO's asserted that UN's Global Compact initiative was a 'blue wash' as most corporates were hiding their malpractices behind the UN

¹⁰⁵ Yeo, Hyeon. "http://www.acrc.go.kr/." *Anti- Corruption and Civil Rights Commission*. May 5, 2009. http://www.acrc.go.kr/acrc/ethics/200905/event_2_2.pdf (accessed July 1, 2016).

¹⁰⁶ Williams, Oliver. "The UN Global Compact : The Challenge and the Promise." *Business Ethics Quarterly*, 2004: 760.

¹⁰⁷ Yeo, Hyeon. "http://www.acrc.go.kr/." *Anti- Corruption and Civil Rights Commission*. May 5, 2009. http://www.acrc.go.kr/acrc/ethics/200905/event_2_2.pdf (accessed July 1, 2016).

¹⁰⁸ Smith, Adam. *Theory of Moral Sentiments*. Brazil: Metalibri, 2005.

¹⁰⁹ Yeo, Hyeon. "http://www.acrc.go.kr/." *Anti- Corruption and Civil Rights Commission*. May 5, 2009. http://www.acrc.go.kr/acrc/ethics/200905/event_2_2.pdf (accessed July 1, 2016).

¹¹⁰ Williams, Oliver. "The UN Global Compact : The Challenge and the Promise." *Business Ethics Quarterly*, 2004: 760

flag. The Christian Aid wrote a strong denunciation of CSR activities carried out by Coco Cola, Shell and BAT as ‘merely a branch of PR.. consistently using CSR to block attempts to establish the mandatory regulation of companies activities.. saying that the regulation is bad for their profits’. Consequently, the Christian Aid also argued that keeping CSR as a voluntary gesture would leave the ‘worst corporate abusers unrestrained’ and called for collective action for:

“international regulation, backed up by national legislation, to ensure the enforcement of real social responsibility on the corporate world. Introducing the threat of prosecution and legal action, with resulting detailed disclosure of company documents, would create a powerful incentive for companies to behave responsibly”.

(Christian Aid: Behind the Mask, 2000)

In spite of such scathing remarks directed towards new relationship between UN and business houses, one cannot really undermine the significance of CSR in modern times. It has become an instrument of social change in countries especially for countries currently lagging behind in Human Development Index.

3.3 Corporate Social Responsibility

According to the Human Development Report of 2004, India was ranked 127th out of 177 countries with an HDI of 0.595¹¹¹ (UNDP 2004). India’s position is comparatively lower as compared to many newly industrialized countries such as those of Southeast Asia like Indonesia and Malaysia and also lower than countries like China and Sri Lanka. The very recently released report by Human Development Index ranks India as 130th out of 188 countries with and HDI of 0.609¹¹² (UNDP 2014). The fall in the rankings clearly reflects that quality of welfare programs have reduced and there is not much of state support for important programs like health, education, skill development, women empowerment and many others. Thus, the involvement of Corporates in such domain becomes extremely crucial here for improving the ‘living standards of global citizens’¹¹³ (Pimpa 2011).

¹¹¹ UNDP. "http://hdr.undp.org/." *undp.org*. 2004. <http://hdr.undp.org/en/content/human-development-report-2004> (accessed July 1, 2016).

¹¹² —. "hrd.undp.org." <http://hdr.undp.org/en>. 2014. http://hdr.undp.org/sites/default/files/2015_human_development_report.pdf (accessed July 1, 2016).

¹¹³ Pimpa, N. "Multinational Corporations: corporate social responsibility and poverty alleviation in Thailand." *The International Journal of the Computer, the Internet and Management*, 2011: 19.

James C. Ahiakpor in the article *Multinational Corporations in the Third World: Predators or Allies in Economic Development?* asserts that Transnational corporations have engaged in 'useful and morally defensible activities' in developing countries for which they have received very small credit. Some of their significant activities include employment opportunities to the skilled or unskilled labour force and consumption of better quality of goods and services that were not accessible to the people of the 'poor regions of the world'¹¹⁴. On the contrary the Marxists and Dependency theory advocates craft a fearful or an ugly image of these firms, as they emphasize their activities are directed towards the imposition of one western culture rather than being mutual partners in the economic development of the third world countries.

James C Ahiakpor listed down some of the activities of these firms, which had multifarious consequences that further resulted in depleting of profit reserves, closing down of the their off-shore offices hence the rising unemployment and losing the social trust between the consumer community and the organization. For an example, baby milk formula and Maggie noodle composition manufactured by Nestle, the gas leak from a Union Carbide plant in Bhopal, Coco Cola company polluting water resources in Plachimada, Kerala, Wal-Mart recruiting child labors in factories of Bangladesh, the Exxon Valdez oil spill, Royal Dutch/ Shell Group behavior in Nigeria, Nike sweatshops in Vietnam or the alleged involvement of foreign firms in overthrowing the Chilean President, Allende – have all contributed towards developing a negative image of Corporates on a massive scale. Hollande asserts that there has been an increasing presence of MNCs in global economy, which has led to a 'startling reality that companies can be political entities and their influence as political actors can be sizeable, both in positive and negative capacities'¹¹⁵ (Holland 2010).

The diminishing role of the State in terms of welfare benefits has created a space of vacuum for an external agent to be the messiah or hope for the downtrodden in years

¹¹⁴ Ahiakpor, James. "Multinational Corporations in the Third World: Predators or Allies in Economic Development?" *Journal of Markets & Morality*, 1992

¹¹⁵ Holland, C. "Multinational Corporations and Global Governance? Is Corporate Social responsibility Enough A Study of Chevron Yadana Gas Pipeline Operations in Burma." *Covalence Intern Analyst Paper*, 2010.

to come. Reputed Business Houses through their Corporate Social Responsibility (CSR) initiatives attempts to tame down the nature of inequalities. These inequalities are a result of the adoption of free market principles where public expenditure on welfare programs are reduced and creation of business-friendly environments for corporates to flourish. Such disparities are in the forms of dispossession, displacement, impoverishment, social exclusion and many others. Companies like Birla, TCS, Infosys, Mahindra and Mahindra and Philanthropists like Bill and Melinda Gates are prime advocates of providing free education, skill based development, healthcare and individual empowerment.

Milton Friedman's much-celebrated essay launched a scathing remark on Business Houses and their charity works as 'an unadulterated socialism'. He substantiates this argument as corporation is nothing but as group of individuals who have come together to form a corporation. There exists a voluntary contract between corporate executives and stockholders who are the owners of the corporation. And their sole concern is only to accumulate revenues or profits- 'The business of business is business'¹¹⁶ (M. Friedman 1970). Friedman's comment on business social responsibilities was widely accepted when diabolical nature of Globalization and Neoliberalism started showing its shades when scores of daily waged workers were employed in sweatshops. On the other hand, R. Edward Freeman argued that social obligation of corporation is to include society directly because corporation and society are direct contractual partners. Therefore, CSR is a constructed social contract between the corporation, person and society. These were the two perspectives that widely dominated the CSR discourse for a long time.

Prior to these two models of CSR, the Indian scenario projects a substantial shift from Ethical (Trusteeship)- Statist (License Raj)-Liberal (Friedman) to Stakeholder (Freeman) one. There may be ample critiques who argue CSR has become a competitive feature in the Stakeholder model of the current generation and most of the companies that pursue such activities are disguised dragons who are driven by selfish

¹¹⁶ Friedman, Milton. "http://www.colorado.edu/" *colorado.edu*. September 13, 1970. <http://www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html> (accessed July 1, 2016).

pursuits. Parallel to this has been the advent of evolving legal discourse that keeps a check on business activities within the demarcated geographical territory.

Types	Concept	Advocated By
Ethical	Voluntary commitment public welfare	Mahatma Gandhi
Statist	State ownership and statues for CSR	Jawaharlal Nehru
Liberal	Limited powers to private companies	Milton Friedman
Stakeholder	Responding to the needs of Stakeholders	Edward Freeman

In short, the evolving models of CSR can be formulated as:

Figure 2: The Four Models of CSR¹¹⁷ (Fernando 2013)

Fisher in the article *Social Responsibility and Ethics: Clarifying Concepts* believes that corporate obligations extend to both internal and external stakeholders, as it's the organization's 'social responsibility to protect and enhance the society in which they operate'¹¹⁸ (Fisher 2010). Other scholars like Strike, Gao and Bansal share a conceptual definition of CSR as 'the set of corporate actions that positively affects an identifiable social stakeholder's interests and does not violate the legitimate claims of another identifiable social stakeholder (in the long run)'. However, European Commission 's Green Paper defines CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction

¹¹⁷ Fernando, A.C. *Business Ethics- An Indian Perspective*. India: Pearson, 2013.

¹¹⁸ Fisher, J. "Social Responsibility and Ethics: Clarifying Concepts." *Journal of Business and Ethics*, 2010.

with their stakeholders on a voluntary basis'. Marrewjik defines CSR as a 'more humane, more ethical and a more transparent way of doing business'¹¹⁹ (Idowu 2016).

However, there have been other renowned scholars who have developed a negative perspective towards corporates and their philanthropy adventures. Milton Friedman in the article had undermined the significance of CSR doctrine as:

"Few trends could so thoroughly undermine the very foundation of our free society as the acceptance by corporate officials of social responsibility other than to make as much money for their stockholders as possible. This is fundamentally a subversive doctrine. If businessmen do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is? Can self-selected private individuals decide what the social interest is?"

(Milton Friedman, 1970)

Similarly, David Henderson, a free market advocator in *Misguided Virtue* comprehended CSR as 'global salvationism' that leads to undesirable regulation of business, raising costs and diminishing both economic freedom and profits.¹²⁰ (Henderson 2001)

Furthermore, N Hirschhorn in the article *Corporate social responsibility and the tobacco industry: hope or hype?* emphasized that a more middle ground approach was adopted by leaders of TNC's belonging to the World Business Council for Sustainable Development as they promoted CSR as a tool that was 'good for the world and for the business'. However, the leaders of TNC are also asserted that CSR should not become legislation as imposed by international agencies or governments rather remain a 'voluntary gesture'¹²¹ (Hirschhorn 2004).

3.4 **Legal Discourse of Companies Act, 2013**

With reference to the Indian case, the Government of India introduced a Companies Act of 2013 that enumerated new provisions for the Indian companies and

¹¹⁹ Idowu, S & Kasum , A. *People, Planet and Profit: Socio-Economic Perspectives of CSR*. USA: Routledge, 2016.

¹²⁰ Henderson, D. *Misguided Virtue- False Notions of Coprate Soicla Responsibility*. London: The Institute of Economic Affairs, 2001.

¹²¹ Hirschhorn. "Corporate Social responsibility and the tobacco industry: hope or hype?" *Industry Watch*, 2004: 447-452.

transformed the image of Indian corporates. One of the most important contributions of the Companies Act of 2013 was Corporate Social Responsibility that is driven by the idea of give and take. As Pushpa Sundar in the volume *Business and Community – The Story of Corporate Social Responsibility in India* asserted that business requires the ‘consent and cooperation’ from the society and government in order to be efficient its day to day functioning and make profits. Business corporations cannot flourish if there is no overall development in the society. Pushpa Sundar further added that a ‘social contract exists’¹²² (Sundar 2012) which is mutually beneficial to both corporations and communities and vice-versa.

Under the section 135 (B) and Schedule of VII of Companies Act the Ministry of Corporate Affairs, Government of India clearly laid down rules regarding which companies can pursue CSR activities, the kind of CSR activities that must be carried, establishment of CSR committees, induction of Independent directors and many more. This law came into effect from April 2014 onwards. These provisions are applicable to both Indian and foreign companies that are currently established within the domestic territory of India.

The 2013 Companies Act states that companies whose market value or net worth is more than 500 crores or more or their yearly turnover is rupees one thousand crores or more or a net profit of rupees five crores 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 one director shall be an independent director¹²³ (<http://www.mca.gov.in/> 2013). Once the CSR committee has been established a qualifying company must spend 2% of their annual profits for the next 3 financial years on CSR activities. According to Pricewater Coopers report the CSR committee shall formulate, recommend the amount of expenditure on CSR activities and monitor the policy as well. The list of activities where companies must invest their CSR funds are as follows- eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus,

¹²² Sundar, Puspa. *Business and Community: The Story of Corporate Social Responsibility in India*. Sage, 2012.

¹²³ <http://www.mca.gov.in/>. "mca.gov. August 29, 2013.

<http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf> (accessed July 1, 2016).

acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, 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 and Tribes, other backward classes, minorities and women and others¹²⁴ (Confederation of Indian Industry 2013)

Furthermore, under the Companies Act the preference must be given to local areas and areas where the company operates. This law was flexible enough to allow companies to collaborate with others companies in order to fulfill the enlisted CSR activities provided the report individually in terms of their progress. It must not be confused that creation of CSR activity only entailed in listing out recommendations and monitoring CSR activities as taken up by the company in the 3 preceding financial years. The committee was also entrusted with the responsibility of preparing a list of programs and projects which a company plans to undertake during the ongoing financial year and simultaneously focus on integrating business models with social and environmental priorities and processes in order to create share value. Finally, the Companies Act of 2013 also emphasized that companies in their annual reports must mention average yearly profits and their expenditure under various CSR activities. If a company due to certain circumstances is unable to spend the minimum CSR fund, it should share a detailed report for non-compliance of CSR activities so that no penal actions are taken against the enterprise.

There have been mixed reactions to this legislation between politicians, academicians, Indian Corporates and media firms. For a prominent Congress leader, Sachin Pilot, then corporate affairs minister, said

“CSR should be viewed as something that you are doing - whether through cash or kind, or man-hours, or anything else - to bring smiles to the people's faces and not for your EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation).”

(Sachin Pilot, 2013)

¹²⁴ Confederation of Indian Industry. *Handbook on Corporate Social Responsibility in India*. India: Pricewater Coopers, 2013.

According to the Pricewater Coopers Report of 2013, that idea of ‘spend or explain’ approach adopted by MCA with respect to CSR activities expenditure will take some time for corporates to accept and ‘imbibe the culture of CSR’¹²⁵ (Confederation of Indian Industry 2013). Moreover, the large list of activities under the Schedule VII of companies Act does not clearly indicate the kind of projects corporates must initiate in the next 3 financial years for example for example, environment sustainability or social business projects could encompass a wide range of activities.

Further, an Indian Institute of Management Report of 2015 aligns with Daniel Kahneman opinion, as CSR rule will have an anchoring effect as ‘large companies usually spend more than 2% of their profits on CSR-related activities could “anchor” their CSR spending on the minimum stipulated limits which, in turn, could actually reduce their CSR spending’. The same report also concluded that the ‘anchoring effect will transfer to charitable organizations’¹²⁶ (Desai 2015). The study also stated that individual contribution to charitable organizations was much higher when there was no minimum stipulated as against to when a minimum limit was stipulated. Consequently, another experiment was conducted on the executives of the leading business houses in India and they were asked to take a decision on CSR related expenditure. The study concluded that there was a ‘downward movement’ towards the 2% expenditure on intended CSR activities, thereby reducing the overall estimated expenditure on CSR by one company.

Divya Mehta and Monica Aggarwal in the article *Making Corporate Social Responsibility Mandatory in India- Prospects and Problems* proclaimed that implementation of 2 % of profits on activities that promote human welfare and goodwill is actually an ‘encroachment on the duty of the state’. In the Part V of the Indian Constitution through Directive Principles of State Policy aims to establish a welfare state. Thus, it’s the duty of the state to initiative welfare activities for the citizens rather than imposing it on companies ‘is actually encroachment into the arena

¹²⁵ Confederation of Indian Industry. *Handbook on Corporate Social Responsibility in India*. India: Pricewater Coopers, 2013.

¹²⁶ Desai, N, Pingali, V & Tripathy, A. "Indian Institute of Management." March 2015. <http://www.iimahd.ernet.in/assets/snippets/workingpaperpdf/5690695102015-03-09.pdf> (accessed July 1, 2016).

of working of state'. Secondly, there is lack of knowledge and expertise amongst companies regarding social development and local community needs. CSR projects initiated by the companies may not be able to fulfill the community requirements, as they the companies may not be aware of the 'priority areas'. Interestingly this law is silent on the practical implications. The act fails to mention whether 'such spent on CSR will be treated as expense or an appropriation of profit'¹²⁷ (Mehta 2015). Another important implication is that there are tax benefits for corporates if such an amount is spent on CSR activities. Lastly, Divya Mehta and Monica Aggarwal also assert on a significant point initiation of such law will result in CSR losing sanctity. The reason being CSR was always considered as companies engaging in social activities in order to give back to the society. By making it a mandatory feature and not a voluntary gesture, it becomes a 'burden' for companies to investment in community and sustainable development projects. Thus at times the focus may shift from 'quality of spend to quantity of spend'.

According to an article on Devex, Venkatesh Kumar, director of the Tata Institute of Social Sciences is quoted as saying,

"There are some [companies] who are doing exceptionally good work, there are some who are catching up, there are some who have also not understood the concept of CSR and probably are not doing it the way it should be done."

(Venkatesh Kumar, 2014)

India is one of the first countries to implement new CSR guidelines where profits will be used for social- economic development of the country. Among the Indian business community, Ratan Tata, former Chairman of the TATA group on the inception of mandatory CSR legislation said:

"We have a phenomenon which is meant to be good but is going to be somewhat chaotic ... we don't as yet know what kind of monitoring there'll be in terms of how well this money is used."

(Ratan Tata, 2014)

Similarly, Azim Premji, the philanthropist and head of the £3.4bn IT services firm Wipro on the enactment of this law said:

¹²⁷Mehta, D & Aggarwal, M. "Making Corporate Social Responsibility Mandatory In India - Prospects and Problems ." *Impact Journals*, 2015: 21-30.

“My worry is the stipulation should not become a tax at a later stage ... Spending 2% on CSR is a lot, especially for companies that are trying to scale up in these difficult times. It must not be imposed.”

(Azim Premji, 2013)

A recent KPMG report also proclaims that there can be a geographical bias under the 2% law as companies are funding those projects that are closer to their operational areas. More so, more industrialized states in India will be at beneficiary end as compared to developing region of country, which are in the dire need of aid and development.¹²⁸ (Balch 2016)

Another newspaper article published in *Economic Times* has claimed that some companies are utilizing the 2% CSR funds for ‘hiring charitable institutions’ (Narayan 2015)¹²⁹. The financial transactions of these charitable trusts are under ‘little statutory scrutiny’. As a result, most Indian corporates are widely abusing the CSR norms are laid out in the Companies Act of 2013. Rusen Kumar, a founder director of IndiaCSR portal, that collates information related to CSR developments across the country on these kind of situation said,

“such abuse is unlikely in trusts floated by companies themselves. But it is possible where they use external trusts.”

(Rusen Kumar, 2015)

According to Indian Institute of Corporate Affairs, a think tank by Ministry of Corporate Affairs, Government of India estimates that at least 6,000 companies would adopt the new CSR rules enshrined in the Companies Act, 2013. This act will broaden scope of expenditure on various welfare activities in India. The IICA estimates before the implementation of this act, average CSR spending across India was around 1% of

¹²⁸ Balch, O. "Guardian." <https://www.theguardian.com>. April 5, 2016.

¹²⁹ Narayan, D. "Economic Times." <http://economictimes.indiatimes.com>. October 21, 2015.
<http://economictimes.indiatimes.com/news/economy/finance/how-indian-companies-are-misusing-public-trusts-to-laundry-their-csr-spending/articleshow/49474584.cms> (accessed July 1, 2016).

profits. This act is expected to generate \$3.6 billion in CSR spending.¹³⁰(Rossow 2015)

An Indian Express article on *Healthcare to Swachh Bharat, how firms spent CSR funds* claims that top 50 companies that make the benchmark for Nifty Index have spent over Rs 4,600 crore in the financial year that ended in March 2015 on diverse social initiatives. Companies preferred to direct their CSR funds to sectors like Healthcare, education, environment and Swachh Bharat initiatives. And the ‘biggest beneficiaries’ from the pool CSR funds were states like Maharashtra, Gujarat, Delhi, Tamil Nadu, Karnataka and Andhra Pradesh. On other hand states of Northeast, Bihar, Uttar Pradesh, Jharkhand saw comparatively less CSR expenditure by corporates. For the financial Year of 2015, ‘Reliance Industries Limited was the biggest CSR spender’¹³¹ (Srivastava 2015) that shifted its CSR expenditure from education to healthcare. While other companies preferred to direct their CSR funds to education, vocational training to unemployed youth, health, environment, sanitation, drinking water, agriculture support to farmers, rural infrastructure like all- weather roads, sustainable livelihood and women empowerment, there were some interesting initiatives. For instance, Bajaj Auto Ltd spent on Vedanta cultural foundation for teaching and propagating Vedanta philosophy, and HDFC Ltd contributed towards strengthening the infrastructure for tiger reserves. Other than Reliance, even ONGC spent Rs 495 crore on CSR activities. However, it could not spend the total amount — Rs 660 crore — allocated for the year on the ground that most of the projects undertaken were in the transition phase. According to the same newspaper article, an ONGC official elaborated on the failure to spend CSR funds as:

“Some of the flagship projects undertaken were of long gestation period with budget spread over 3-5 years thus resulting in lesser utilization of earmarked budget for the financial year 2014-15.”

(Shruti Srivastava and Sandeep Singh, 2013)

¹³⁰ Rossow, Richard. *Centre for Strategic and International Studies*. March 2015. https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/150330_corresponsibility.pdf (accessed July 1, 2016).

¹³¹ Srivastava, S & Singh, S. "<http://indianexpress.com/>." <http://indianexpress.com/>. November 23, 2015. <http://indianexpress.com/article/india/india-news-india/healthcare-to-swachh-bharat-how-firms-spent-csr-funds/> (accessed July 1, 2016).

Other companies gave several reasons for not being able to spend 2 % amount as ‘most of these projects are being executed in a dynamic environment, encompassing various stakeholders, projects do tend to get delayed, sometimes even stalled. In order to achieve the spending target, some companies will not disseminate their funds to projects that are either not ‘sustainable’ or ‘profitable’¹³² in nature. Similarly, some companies were currently in the process of analyzing the focus areas and locations, which are in the need of aid and development. The article also mentions that some companies have also routed their CSR funds in areas of their business operations, one of them being Axis Bank that spent the CSR fund across all the northeastern states of India. Axis Bank spent Rs 123.22 crore of the allocated Rs 133.77 crore towards education, livelihood enhancement, skill development, rural development, healthcare, environmental sustainability, sanitation among others in Andhra Pradesh, Arunachal Pradesh, Manipur, Meghalaya, Gujarat, Bihar, Chhattisgarh, Nagaland, Mizoram among others.

3.5 Corporate Social Responsibility – A Neoliberal Promise

The above mentioned newspaper articles and quotes of leading Industrialists and politicians assert that Corporate Social Responsibility (CSR) has now become ‘Strategic CSR’¹³³ (Baron 2001). According to Maja Savevska in the essay *Corporate Social Responsibility: A Promising Social Innovation or a Neoliberal Strategy in Disguise* asserts corporates largely pursue charitable activities across the world especially in third world countries only to keep up with their ‘high reputation standards’ and promote the ‘idea of ethical consumerism’. Along with corporate citizenship comes the ‘socially responsible investment’ and public procurement and ‘giving minimal attention to social and environmental concerns’. CSR becomes an outlet for special kind of ‘resource exchange between the society and private companies’¹³⁴ (Savevska 2014). Here, the price of reputation is paid by the wide consumer base, investors’ community and public authorities who have undisputed trusts in functioning of a company. In the name of maintaining reputation in the

¹³² ibid

¹³³ Baron, David. "Private politics, corporate social responsibility and integrated strategy." *Journal of Economics and Management Strategy*, 2001: 7-45.

¹³⁴ Savevska, Maja. "Corporate Social Responsibility: A Promising Social Innovation or a Neoliberal Strategy in Disguise?" *Romanian Journal of European Affairs*, 2014: 63-80.

market, the companies are willing to incur more production costs as compared to draft or initial calculations as long as the consumer's social capital remains sacrosanct. There are two important purposes behind reporting, labeling and auditing activities - quantifying the newly created asset- reputational purposes and communicating the reputation to the potential consumers. Maja Savevska develops a new perspective towards CSR in the context of Karl Polanyi's the market society was outcome of a conscious endeavor led by the state and not a reality. The self-regulating markets destroyed the social unity and created dislocations by commodifying land, labour and money that in turn initiated the counter movement in the form of protectionist measures.¹³⁵ (Polanyi 1944)

Maja Savevska's opinion and Karl Polanyi's argument on 'embeddness of market' invokes a serious debate on the whether integration of societal concerns within the CSR framework can hamper the functioning of markets. Maja Savevska opines that CSR acts as an agent or instrument that has subsequently advanced and slowly strengthens the need for neoliberalism. One must not overlook the minimalistic impact of CSR projects in social and economic domains; even those proven are business or profit driven. CSR is not a breakaway faction from the previous neoliberal order that was wholly put into place for all the economic and social dislocations. She further adds that CSR appears to be an 'accumulation strategy' in the neoliberal world that challenges to create a socially sustainable hegemonic project by not taking out exploitation from capitalism rather it offers capitalism with counter hegemony. Consequently, CSR trend in neoliberal times where the focus shifts from improvement to habitation, as scholar M. Watson argues:

"improvement passes as a synonym in the rest of The Great Transformation for the willful extension of market logic in the name of economic progress, while habitation describes attempts to seek shelter in government interventions from the co-ordination of economic activity by price signals alone".

(Michael , Watson 2009)

According to Karl Polanyi in *The Great Transformation - The Political and Economic Origins of Our Time* emphasizes that reputation is a fictitious thing that can only be

¹³⁵ Polanyi, Karl. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press, 2011.

assigned to the quality of a product and cannot be derived from the selling point of view. Excessive marketing of CSR can often reduce the value of reputation to the exchange value. In order to obtain good standing in the society – it's a sought after process. For Maja, CSR can help in 'instrumentalise the reputation' by changing the very nature of means geared towards profit generation that often corrupts the intrinsic worth of protection. In modern times when a consumer buys a product from a company of repute or stature, it enables the 'consumer to redeem himself from other ruinous consumerist practices'¹³⁶ (Savevska 2014). Thus, CSR does not necessarily transcend into a market society but creates a false sense of satisfaction amongst the wide customer base which in future prevents them from transforming the capitalist system altogether.

Therefore, India is one of the first countries in the world that has enumerated a legislation, which makes it mandatory for Corporates to invest in philanthropic activities based on certain conditions (as laid out by the provision). However, the recent newspaper reports argue that there has been a rapid shift of charitable investment to healthcare sectors and Clean India Campaigns. One must definitely applaud that companies are planning invest in wide scale in social sector projects, but at the same time it becomes a matter of concern why certain companies have not been able to disseminate their funds. As per the Companies Act of 2013, corporates must provide 'valid reasons' as to why they were unable to spend their money during the timeframe, however the legislation is completely silent on imposing a legal offense to those companies who first allocate money to CSR projects but fail to implement them.

¹³⁶ Savevska, Maja. "Corporate Social Responsibility: A Promising Social Innovation or a Neoliberal Strategy in Disguise?" *Romanian Journal of European Affairs*, 2014: 63-80.

CHAPTER FOUR

CASE STUDIES

4.1. NANHI KALI

Education has always been accorded an important position in all societies. Both developed and developing countries have initiated schemes/programs/policies to improve the quality and outreach of education thereby taking a small step in a giant direction towards eradicating gender inequality. From the time of India's Independence, 1947- till now successive governments have initiated a wide range of policies and programs that aim to improve the quality of education by making it in sync with the modern requirements such as skill development, computer literacy, vocational studies, liberal education and others.

From 1986 onwards the Government of India adopted a comprehensive National Policy on Education that laid emphasis on elimination of disparities in the educational system, developing one national system on education and proposed for further decentralization of education administration to fulfill the requirements of an aspiring population. According to a report on *Development of Education in India (1990-1992)* by the National Institute of Educational Planning and Administration and Ministry of Human Resource Development, Government of India highlighted that one of the significant contributions of National Policy on Education was 'concern for the empowerment of women' and 'access to education to disadvantaged sections of the society'¹³⁷ (National Institute of Educational Planning and Administration and Ministry of Human Resource Development 1992) that included the backward communities and the disabled.

¹³⁷ National Institute of Educational Planning and Administration and Ministry of Human Resource Development. *Development of Education in India 1990-1992*.

The same report also claimed that the Government of India prepared a revised Program on Action that highlighted the ‘need for reforming the management of education sector’, ‘demanding for accountability at all educational and administrative levels’ and initiated an ‘action plan to ensure universalization of elementary education by 2000’. Similarly, the Census report of 1991 reflected that there were high levels of literacy disparity between men and women. According to the Census report of 1991 the literacy level in males (63.86%) was more than that of females (39.42%).¹³⁸ (Ministry of Home Affairs, Government of India 1991)

Although, the report by the National Institute of Educational Planning and Administration and Ministry of Human Resource Development, Government of India applauded the increase in literacy percentage (refer to Figure 1) since 1951 but simultaneously highlighted the difference in terms of literacy percentage between men and women.

Year	Persons	Male	Female
1951	18.33	27.16	8.86
1961	28.31	40.40	15.34
1971	34.45	45.95	21.97
1981	43.56	56.37	29.75
1991	52.11	63.86	39.42

Figure 1: Literacy Rates between men and women from the period of 1951 -1991¹³⁹

Considering this context, Anand Mahindra, the current Chairman of Mahindra & Mahindra Ltd. founded the Project *Nanhi Kali* with dual objectives- providing primary education to the underprivileged girl children India and contributing towards mediating the literacy difference between men and women. Anand Mahindra believes that improving primary education or expanding its outreach will help in making girls

¹³⁸ http://www.censusindia.gov.in/DigitalLibrary/Archive_home.aspx (accessed July 1, 2016).

¹³⁹ National Institute of Educational Planning and Administration and Ministry of Human Resource Development 1992)

economically independent and at the same time fight a traditional battle against social or cultural evils such as illiteracy, dowry deaths and child marriage.

According to Amartya Sen and Jean Dreze in the article *India: Economic Development and Social Opportunity* argued that education is an ‘effective freedom’ that has intrinsic worth to an individual well being. They also asserted that relevance of primary education couldn’t be generalized in terms of ‘instrumental benefits’ such as income opportunities rather its benefits can come in large measures derived from ‘subsequent stages of education’¹⁴⁰ (Sen 1999). Likewise, Kiran Bhatta in the essay *Educational Deprivation in India – Survey of Field Investigations* asserted on the linkage between political participation and education, where ‘greater political participation can increase the demand for education’. She also asserted that there is a close link between health and education as ‘educated mothers benefitted from primary healthcare programs’, reduced child mortality and ‘anti-female bias in child survival’¹⁴¹ (Bhatta 1998) that was independent of male literacy.

Further, the official website of *Nanhi Kali* aligns with the objective of World Bank’s efforts on improving education for girl children.¹⁴² (Nanhi Kali 2005) The online portals of World Bank and *Nanhi Kali* converge on the single point that the benefits drawn from girl child education will further help in reducing child and maternal mortality rates, improve child’s nutrition and health, lower fertility rates and improvement in economic production.¹⁴³¹⁴⁴ (Nanhi Kali 2005) (World Bank 2016)

Moving in a different direction, recently the World Bank Group pledged to invest \$2.5 billion in the education projects for adolescent girls in South-Asia and Sub-Saharan Africa. About 75% of 2.5 Billion investments will be initiated from International Development Association (IDA) and other organizations supporting programs that include access to ‘quality education at the secondary level, ensure they

¹⁴⁰ Sen, Amartya & Dreze, Jean. *India: Economic Development and Social Opportunity*. New York: Oxford University Press, 1999.

¹⁴¹ Bhatta, Kiran. "Educational Deprivation in India – Survey of Field Investigations ." *Economic and Political Weekly*, 1998: 1731-1740.

¹⁴² Nanhi Kali. *Project Nanhi Kali*. 2005. <http://www.nanhikali.org/who-we-are/index.aspx> (accessed July 11, 2016).

¹⁴³ *ibid*

¹⁴⁴ <http://www.worldbank.org/en/topic/girlseducation> (accessed July 11, 2016)

are enrolled in and stay in school, and provision of scholarships, conditional cash transfers, and schools with basic facilities like clean drinking water and toilets that promote enrollment'¹⁴⁵ (World Bank 2016).

“Empowering and educating adolescent girls is one of the best ways to stop poverty from being passed from generation to generation, and can be transformational for entire societies. This increased funding will help provide countries, especially in regions like Sub-Saharan Africa and South Asia, with the tools to expand access to quality education so that all adolescent girls can go to school and reach their full potential.”

(Jim Yong Kim, World Bank President, 2016)

From 2005 onwards, K.C. Mahindra Education Trust and *Naandi* foundation has been co-managing this Project *Nanhi Kali*. The official website, *nanhikali.org* shares information related to Trustees, Managing Partners, Supporters- Individual donors and Corporates, the list of NGO's as Implementation partners followed by a range of publications- Newsletters, Annual Reports and some selected success stories of *Nanhi Kalis*.

The page shows that there are two Managing Partners: first is the K.C. Mahindra Education trust which is currently registered as a Public Charitable Trust under the Bombay Public Trusts Act, 1950. The vision of K. C. Mahindra Education trust is to transform the lives of Indians by proving education and financial assistance and recognition to all across different age groups and income strata in the society.

The other is the *Naandi* Foundation founded in 1998 that largely focuses on 3 important sectors- Child Rights, Safe Drinking Water and Sanitation and Sustainable Livelihoods. According to the *Naandi* website, *naandi.org* it reflects that the work of the Public Charitable Trust has impacted 'over a million lives spread across 7 states in India'. The vision of *Naandi* foundation is 'building sustainable development programs' and 'revenue models that improve the quality of life' for the undeserved communities of India. Due to their recurring successful results, as the page claims its has been able collaborate with state governments, International organization and

¹⁴⁵ —. *worldbank.org*. April 13, 2016. <http://www.worldbank.org/en/news/press-release/2016/04/13/world-bank-group-to-invest-25-billion-in-education-projects-benefiting-adolescent-girls> (accessed July 11, 2016).

Multinational corporations such as Government of Andhra Pradesh, Madhya Pradesh, Rajasthan; Dr Reddy's Laboratories Ltd.; Mahindra Group of Companies; Michael and Susan Dell Foundation; Google Foundation; Sir Ratan Tata Trust, UNICEF, World Bank on various projects related to eradication of poverty in India.¹⁴⁶ (Naandi 1998)

With regard to the project *Nanhi Kali*, the online portals of K.C. Mahindra Education Trust and *Naandi* Foundation emphasize that there are 19 NGO's currently in function for providing primary education to underprivileged girl children of India. The long of NGO's as 'Implementation Partners' shared on the website of *Nanhi Kali* are located in metro cities such as Bangalore, Mumbai, Hyderabad, Delhi, Vishakhapatnam, and others. Out of the list of 19 NGO's the prominent ones are Save the Children, Each One Teach One, Samparc, Doorstep School, Deepalaya.¹⁴⁷ (Nanhi Kali 1995) Often, technical inputs are provided by the aforementioned managing partners to improve the quality of education and expand its operations into remote areas as well.

The other key actors in this project are individual and corporate donors whose contributions have been regularly appreciated on the website. There is a separate page dedicated for 'newly registered donors'¹⁴⁸ with payment gateway option. Interestingly, the official website does not share the information related to the amount of money transferred for the noble cause of girl child education. In the case of an individual donor or 'I pledge wall', it clearly states the donor's personal information excluding the donation fee. The latest information updated on the website as on 2016 shows there are 8,000 donors. In the case of corporate donors as of 2016, 400 companies both public and private have regularly contributed to the success of this project. Some of the significant corporate donors as enlisted on the portal are Yes Bank Ltd, Wipro GE Healthcare Pvt Ltd, Indian Oil Corporation, AT&T, Johnson &

¹⁴⁶ Naandi. *naandi.org*. November 1, 1998. <http://www.naandi.org/about-naandi/> (accessed July 11, 2016).

¹⁴⁷ Nanhi Kali. *Project Nanhi Kali*. 1995. <http://www.nanhikali.org/who-we-are/implementing-NGO-partners.aspx> (accessed July 11, 2016).

¹⁴⁸ Nanhi Kali. *Project Nanhi Kali*. 2005. <http://donor.nanhikali.org/DonateNowKCMET.aspx> (accessed July 1, 2016).

Johnson Ltd., GlaxoSmithKline Pharmaceuticals Ltd. and others.¹⁴⁹ (Nanhi Kali 2005)

According to a report on *Best practices of CSR in the field of education* published by Confederation of Indian Industry (CII) in collaboration with UNICEF and TATA Strategic Management Report highlighted the objectives of Project *Nanhi Kali*. The program helps marginalized girl children- economically and socially to complete 10 years of quality education. When the project conceived it aimed to provide quality education to the ‘urban poor’ living in Delhi and Mumbai. This report claims that this initiative received a rousing welcome by the stakeholders –parents, teachers, and community and the positive impact were seen on ‘the enrolment and retention of girl children in public schools’.¹⁵⁰ (TATA Strategic Management Group, UNICEF, CII 2010)

With so much appreciation and recognition of the efforts of the Managing Partners, the next plausible step was to ‘implement and replicate’ this project in rural and tribal areas.

Both the website and the report as published by TATA Strategic Management Group UNICEF and CII’s report stresses that Project *Nanhi Kali* aims to develop ‘holistic approach’ to counter the problems of girl child education through academic, social and material support. In terms of academic support the young *Nanhi Kalis* are prescribed to 1-2 hour class conducted before or after school hours called the ‘Academic Support Centre’ for clarifying fundamental concepts in subjects like Mathematics, Science and Languages as taught in the local schools in order to ‘bridge the gaps in learning’ and enable them to attain ‘grade-specific competency levels’. For the material support, this program shortlists the girls on the basis of multiple criteria such as enrollment in government schools, family income, parents’ educational background, social background and the child’s aptitude. In order to attend school with dignity and pride, the program provides uniforms, school bags, shoes, socks etc. to the deprived girls of urban India. These material kits are usually handed

¹⁴⁹ —. *Project Nanhi Kali*. 2005. <http://nanhikali.org/who-we-are/corporate-supporters.aspx> (accessed July 11, 2016).

¹⁵⁰ TATA Strategic Management Group, UNICEF, CII. *Best Practices of CSR in the Field of Education*. Report, Mumbai: TATA Strategic Management Group, 2010.

over to selected *Nanhi Kalis* at the beginning of the academic year. Another important objective of the program is constant dialogue between Team *Nanhi Kali*- that includes the teachers and implementation partners (NGOS's) and the local community – the parents of needy girl children to ensure girls don't drop out of the school due economic and social complications. The team *Nanhi Kali* is driven by the agenda of counseling and sensitizing the community on gender issues and significance of girl child education. The Annual Report of *Nanhi Kali* (2007- 08) asserts that there is a 'Child Tracking Matrix', which monitors the girl child progress, learning levels and simultaneously 'recommends the academic coordinators'¹⁵¹ (Project Nanhi Kali 2007-2208) to focus on areas of her study that needs immediate attention.

From the period of 2007 to 2015, the project *Nanhi Kali* has expanded to 10 states such Andhra Pradesh, Rajasthan, Chhattisgarh, Madhya Pradesh, Maharashtra, Karnataka, Tamil Nadu, Haryana and Delhi covering a large section of the deprived girl child from urban, remote rural, tribal and conflict-afflicted communities. According to the report published by CII in partnership with UNICEF and TATA Strategic Management Report analyses the presence of project *Nanhi Kali* over 10 states, the maximum number of *Nanhi Kalis* are in Andhra Pradesh against the least in Karnataka (Refer to Figure 2).

¹⁵¹ Project Nanhi Kali. 2007-2008 Annual report . Report, Mumbai: K.C. Mahindra Education trust, 2007-2008.

Number of Nanhi Kalis in different states (Data as of October 2010)

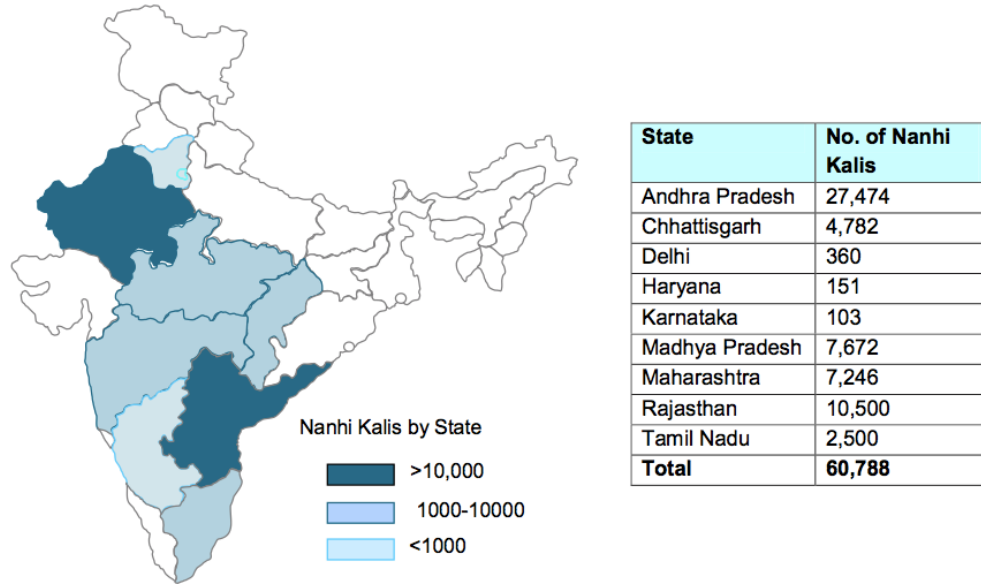


Figure 2: Number of *Nanhi Kalis* in different states as on October 2010.¹⁵²

However, the three annual reports of *Nanhi Kali* from the period of 2007-2010 portrays that the outreach has made in roads in conflict-ridden areas like Sheopur, Chambal Valley (Madhya Pradesh), Bastar, Dantewada (Chhattisgarh), Ferozabad (Uttar Pradesh) and many others.¹⁵³

It's a sponsorship model where both Corporates and individuals donate Rs, 3,000 and Rs 4,2000 a year for primary (Class 1-5) and secondary (6-10) school education respectively. According to a report by Global Giving foundation, only those beneficiaries are selected who are underprivileged girls from urban, rural and tribal families and enrolled in government schools, they belong to the Below Poverty line are the first generation learners with a young sibling and a single parent.¹⁵⁴ (Global Giving 2009) According to the CII, UNICEF, and TATA Strategic Management Report, the donors have the option of 'sponsoring the child as many years as they

¹⁵² http://www.tsmg.com/download/reports/CSR_in_the_field_of_Education.pdf, (accessed on July11, 2016)

¹⁵³ Project Nanhi Kali. *2007-2008 Annual report*. Report, Mumbai: K.C. Mahindra Education trust, 2007-2008.

¹⁵⁴ Global Giving. *Project Nanhi Kali*. Report, Mumbai: Global Giving, 2009.

want to wish'. This program ensures that the donor is always notified regarding the manner in which the money has been spent by sending a receipt and 80G¹⁵⁵ certificate. Further, the donor within the period of 60 days receives a photo and personal details of the beneficiary, the living environment and a short description of her hobbies and interests followed by a 'progress report card'¹⁵⁶ (TATA Strategic Management Group, UNICEF, CII 2010) is sent every 6 months.

The annual report of 2014 boasts there has been a momentous increase in terms of donation amounts and enrolment of girl children especially in urban areas of 9 states in India (refer to Figure 3,4 and 5).

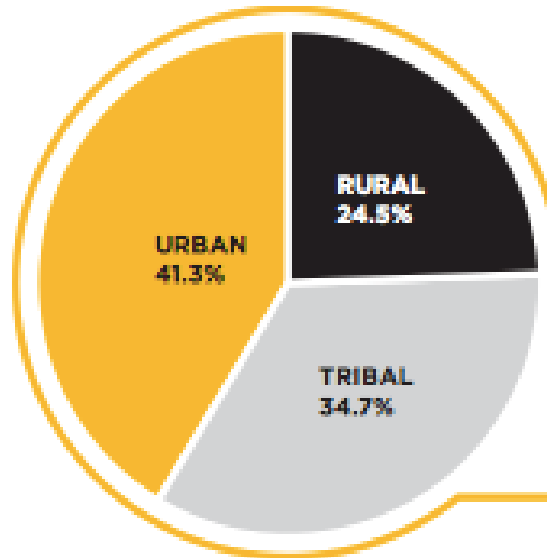


Figure 3: Analysis of girl enrolment in urban, rural and tribal areas till 2014.¹⁵⁷

¹⁵⁵ Exemption under section 80G gives rebate to a donor on the amount he or she has donated to an organization that has an 80G certificate.

¹⁵⁶ TATA Strategic Management Group, UNICEF, CII. *Best Practices of CSR in the Field of Education*. Report, Mumbai: TATA Strategic Management Group, 2010.

¹⁵⁷ http://nanhikali.org/who-we-are/images/financials/annual_report_13-14.pdf, (accessed on July11, 2016)

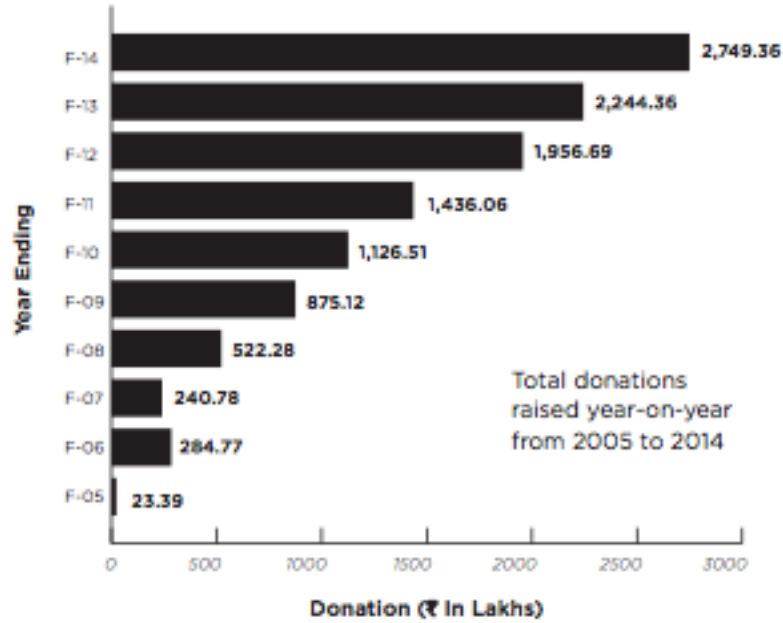


Figure 4: Total Donations received by project *Nanhi Kali* from 2005-2014.¹⁵⁸

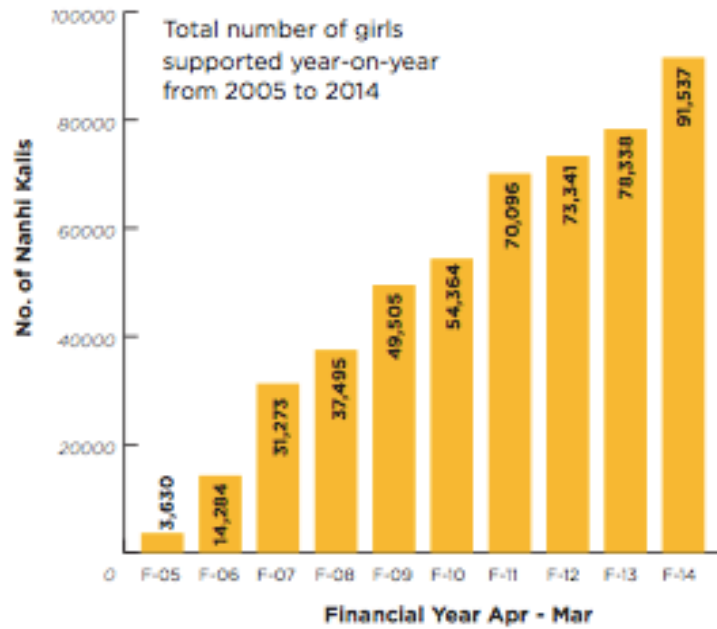


Figure 5: The increasing number of girl child enrollment from the period of 2005-2014.¹⁵⁹

¹⁵⁸ ibid

Furthermore, the annual reports and newsletters of Nanhi Kali, and Dasra, an NGO have constantly appreciate and recognized the efforts of the Team *Nanhi Kali* by sharing pictures and small anecdotes of beneficiaries and their teachers. The annual report of 2011-2012 shares an example of Shaina Bano who was enrolled in this project in 2016 received continuous academic, material and social support that helped her to boost confidence levels and win accolades in extra-curricular activities. To add, she scored ‘a brilliant 70% in the Madhya Pradesh Board of Secondary Education's Class X exams, a first for her village’. Similarly, the latest newsletter available on the website shares a small success story of Anita, where she was ‘a first generation learner is a big challenge on its own as her parents had no interest in getting their daughter educated. In fact, she was burdened with household chores’¹⁶⁰ (Nanhi Kali 2014). It was the efforts of Naandi foundation to sensitize her parents regarding significance of education. Through the Academic Support Centre Anita was able to score 95% in board examinations and aspires to be an engineer in future.

Similarly, Dasra’s official website, *dasra.org* shares a small anecdote of Khaja Moinuddin, a teacher from Hyderabad who says:

*“having devoted more than 30 years to the field of teaching. I have seen many programs come and go. I have watched the evolution of Nanhi Kali quite closely. The learning material makes learning easy and fun for the children. Nanhi Kali has helped bridge the last mile of learning for countless girl children.”*¹⁶¹

According to the Global giving foundation report, *Nanhi Kali* has been able to reduce the drop rates for girl students at the national level is 30% for primary education and 70% for secondary education respectively. Interestingly, it has been able to curtail 10% drop out amongst girls within the *Nanhi Kali* program. The same report confirms that efforts of *Nanhi Kali* have been able to ‘overcome the challenges of child marriage’ where more than 700 *Nanhi Kali* girls are currently enrolled in Polytechnic, Vocational courses, and Engineering. Consequently, the average attendance of *Nanhi Kalis* in government schools is around 78% that has a proportional impact on their academic performance as well. The report asserts that from the period of 2009-2010

¹⁵⁹ ibid

¹⁶⁰ Nanhi Kali. 2014. <http://nanhikali.org/what-we-do/success-stories-details.aspx?id=25> (accessed July 1, 2016).

¹⁶¹ https://www.dasra.org/sites/default/files/Naandi_Profile.pdf (accessed on July11, 2016)

around 27 *Nanhi Kalis* secured ‘91% in their board examinations’¹⁶² (Global Giving 2009).

According to a New Indian Express article on *A Decade of Nurturing Nanhi Kalis* appreciates the efforts of *Naandi* Foundation and K.C. Mahindra Education Trust for instilling confidence by providing them ‘vocational training’ and immediate placements. The article reflected on the trials and tribulations of *Nanhi Kali* girls like *Raffat* and *Rajeshwari* where the former is teaching ‘English and Computer to 70 odd girls in the neighborhood’ and the other is ‘pursuing engineering and improving her communication skills’¹⁶³. (Aman 2016)

Thus, over the period of time this project *Nanhi Kali* has won various accolades and appreciation from global leaders as well. According to an official website, *mahindrarise.com*, in the year 2009, the Project *Nanhi Kali* was honored WISE (World Innovation Summit for Education) Award that recognizes outstanding achievements within the themes of Pluralism, Sustainability, and Innovation in education. The latest annual report of 2015-2015 asserts that Project *Nanhi Kali* was a winner of the Times of India Social Impact Awards (2015) after being selected from a humongous set of application divided into 5 broad categories such as education, health, livelihood, environment, advocacy and empowerment.¹⁶⁴ (Mahindra 2009) According the official website of *Nanhi Kali* one of the major milestones reached in the year 2016 has been that now the project supports over 1,20,466 approximately *Nanhi Kalis*.¹⁶⁵ (Project *Nanhi kali* 1996)

In spite of these successful results, there are certain limitations to this project as well. According to a report on *Best practices of CSR in the field of education*, one of the significant challenges is ‘meeting the fund requirement’ where most corporates have started their own charitable foundations and preferred to ‘directly support’ these initiatives. The 2008 economic crisis had a severe impact on the individual and

¹⁶² Global Giving. *Project Nanhi Kali*. Report, Mumbai: Global Giving, 2009.

¹⁶³ Aman, Sadaf. *New Indian Express*. March 8, 2016. *A Decade of Nurturing the Nanhi Kalis* (accessed July 11, 2016).

¹⁶⁴ Mahindra. *Mahindra : Rise for Good*. 2009. <http://www.riseforgood.com/> (accessed July 11, 2016).

¹⁶⁵ Project *Nanhi kali*. *Nanhikali.org*. 1996. <http://nanhikali.org/who-we-are/milestones.aspx> (accessed July 11, 2016).

corporations donations to this noble cause. Secondly, the report also states that most donors have consented to annual ‘contract’, which once expired the donors forget to renew thus it becomes a difficult task for the managing partners to search for potential donors. As the community of individual donors as of 2016 is huge, it becomes very difficult for Team Nanhi Kali to highlight and ‘track’¹⁶⁶ (TATA Strategic Management Group, UNICEF, CII 2010) those donors. As discussed above the Naandi foundation has often collaborated with the state government to promote primary education amongst girls, it’s often found that there is lack infrastructure where proper classes can be conducted. As some schools are situated in remote areas with possibly little communication facilities, it becomes extremely difficult to coordinate with managing partners and implementation NGO’s.

On the other hand, Manisha Priyam in the volume *Contested Politics of Educational Reform in India* makes a significant comparison between the two backward states- Andhra Pradesh and Bihar in the domain of educational policy reform. She understands the politics of education in these states during the period of 1994-2011 when regional parties like the Telugu Desam Party in Andhra Pradesh and the Janata Dal in Bihar were in power. Both the political parties implemented pro-poor policies with Andhra Pradesh ‘achieving higher levels of education’ and ‘reduced disparities in primary school participation’¹⁶⁷ (Priyam 2015). This can be one of the reasons why maximum numbers of *Nanhi Kalis* are found in Andhra Pradesh (Refer to figure 1). She further adds, there has been a significant reduction in ‘gender and social disparities’, which were basically an outcome of the effective implementation of populist reforms. These changes were only possible because ‘community mobilization and improvement in formal school’, ‘initiatives by line ministers other than education’ have helped in reducing the social disparities within the state. Manisha Priyam in the essay also highlights that how former Chief Minister of Andhra Pradesh, Chandrababu Naidu found a similarly ‘between the new opportunities provided by the federal government and its own agenda for development pursued in terms of globalization and liberalization’. Though resistance from teacher unions may have been anticipated but the government made allies and used ‘education’ as

¹⁶⁶ TATA Strategic Management Group, UNICEF, CII. *Best Practices of CSR in the Field of Education*. Report, Mumbai: TATA Strategic Management Group, 2010.

¹⁶⁷ Priyam, Manisha. *Contested Politics of Educational Reform in India: Aligning Opportunities with Interests*. Oxford University Press, 2015.

‘strategic’ tool for change. She emphasized that some of the key measures taken during that time were ‘reducing discretion in policies for transfer’, ‘opening more avenues for promotion’¹⁶⁸, and quicker grievance redresses.

Therefore, pertinent questions must be raised as to why the outreach of this project is limited to urban areas and making slow progress in rural and tribal communities in India. From the above statistics as shared in the Figure 1, it only reflects that there has an increasing number of enrollments of the girl child in Andhra Pradesh but no valid reason is shared on official portals /reports or press releases highlighted comparatively lesser enrollment of *Nanhi Kalis* in Karnataka. This may imply that populist measures adopted by the former Chief Minister Chandrababu Naidu may have contributed to the success of this project. Due to their limited outreach in terms of close to 1-lakh girls currently enrolled in government schools, has their success story not caught an attention for Prime Minister Narendra Modi’s Beti Bachao Beti Padhao program? Lastly, if the official website and newspapers such Forbes, Indian Express can reveal the names of those Corporates who have regularly funded the program, why is it their donation amount cannot be disclosed to the public. Though, the official website clearly states that its ‘open for third party assessment’¹⁶⁹ (Project Nanhi Kali 1996)- has it ever been initiated by NGO not located in metro cities and even if its done why hasn’t the details of such assessment not kept under public purview.

4.2. **ASI SUNHARA INDIA**

The 2001 Census report raised concerns about the growing population of the country, as India will be the first country to cross the 1 billion mark. The rapidly growing population can be an asset and concern in many ways. The report also indicated that from the period of 1991-2001, the population growth was comparatively slower as only 27.8% of the population was residing in the urban areas. However, the report also emphasized that there has been ‘a decline in growth of workers in agricultural sector’ during the period of 1991-2001. It also stated that ‘India is a growing

¹⁶⁸ *ibid*

¹⁶⁹ Project Nanhi kali. *Nanhikali.org*. 1996. <http://nanhikali.org/who-we-are/milestones.aspx> (accessed July 11, 2016).

economy’ and more and more workers are being employed in non-agricultural sectors of the economy. The report stressed on the fact that there has been ‘substantial growth in the number of female workers’¹⁷⁰ (Ministry of Home Affairs, Government of India 2001), as a prime example of women empowerment.

So, it was in 2001 when the Government of India enacted a National Policy for the Empowerment of Women. According to a report published by Ministry of Women and Child Development, Government of India in 2016 argues that National Policy for the Empowerment of women was a ‘comprehensive progressive policy’ towards advancement, development, and empowerment of women with appropriate policy prescriptions and strategies. The same report appreciated the efforts of information and technology that has pushed the Indian economy in a positive direction that impacted the ‘general populace and women in particular, in unique and different ways’¹⁷¹ (Government of India 2016). It has opened up ‘new opportunities and possibilities for women empowerment’ and at the same time tackling socio- economic inequalities that have been a major cause for women empowerment and gender equality.

The National Institute of Public Cooperation and Child Development in 2010 published a statistical report on *Women in India 2010* highlighted the growing number of women participation in both public and private sectors have increased from 4.95 million in 2001 to 5.120 million in 2006.¹⁷² (National Institute of Public Cooperation and Child Development 2010) This report refers to the Census of 2001, which reflected that there is a wide gap between men and women in terms of workforce participation in rural, urban and combined (refer to 6).

¹⁷⁰ Ministry of Home Affairs, Government of India. *Census India*. 2001.

http://www.censusindia.gov.in/DigitalLibrary/Archive_home.aspx. (accessed July 11, 2011).

¹⁷¹ Government of India. *National Policy for the Empowerment of Women*. Draft, Delhi: Ministry of Women and Child Development, 2016.

¹⁷² National Institute of Public Cooperation and Child Development. *Women in India 2010*. Report, Delhi: National Institute of Public Cooperation and Child Development , 2010.

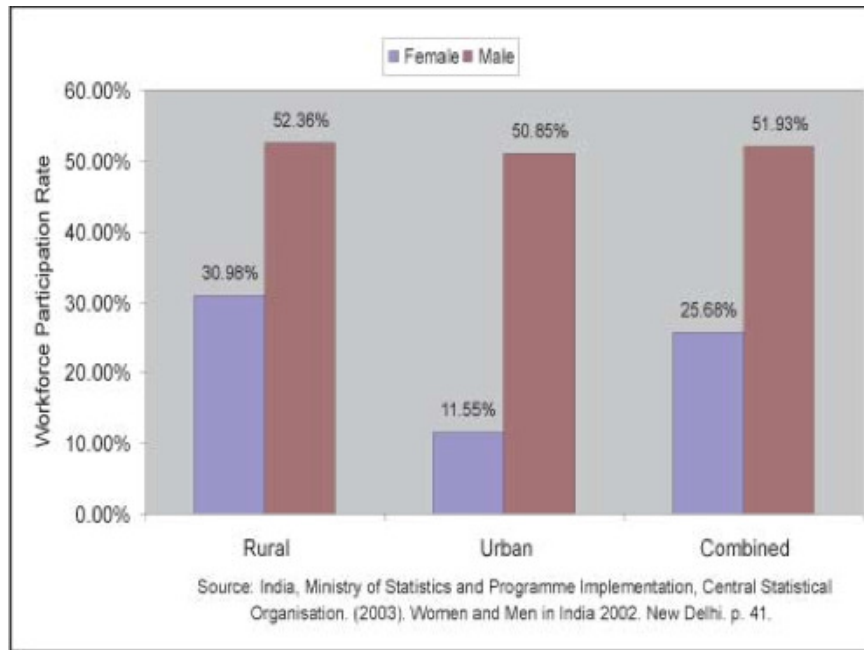


Figure 6: Workforce Participation Rate in India, (%), 2001¹⁷³

Thus, the Census report of 2001 claims that a large segment of the Indian population has shifted to non-agricultural sectors of the economy and there has been a sudden growth in women employment opportunities as well. However, the above-mentioned bar diagram reflects that there has a growing disparity between men and women for employment opportunities in rural and urban areas of India. To mediate the gender inequality from the empowerment perspective, the *Sunhara* (Prosperous) India program is an applied ‘market facilitation approach’ which helps in a pro-poor, inclusive economic growth in horticultural value chains.

According to Agribusiness System India (ASI) official website, *asintl.org* this project aims to ‘improve’ the present agricultural systems in India, continuously build on the existing ‘market incentives’ and ‘knowledge of farmers’. This program is largely crafted for women farmers who recognize that there are social and economic hindrances to ‘market participation and empowerment’,¹⁷⁴ (ASI 2009).

¹⁷³ ibid

¹⁷⁴ ASI. *Sunhara India*. 2009. <http://www.asintl.org/ourexprience-sunhara-india.html> (accessed July 11, 2016).

From the period of 2009- 2013, the ASI implemented the *Sunhara* India Project with a grant from Bill and Melinda Gates foundation with the help of several Indian NGO's and private sector partners focusing on increasing the rural household income in seven districts of Uttar Pradesh.

According to the recent article in the Guardian newspaper on *What is the Bill and Melinda Gates Foundation?* emphasizes that its one of the 'largest foundation' founded in 2000 that acts as a 'powerful catalyst' for improving the lives in the world's poorest countries. The article also mentions that the net worth of this foundation is \$43.5bn (£29.5bn) makes grant payments in excess of \$3bn every year (\$3.9bn in 2014). It basically works towards 'bridging the enormous health deficit'¹⁷⁵ (Mathiesen 2015) between the rich and poor countries of the world. One of the most prominent goals of this foundation has been the eradication of malaria, polio and controlling the spread of tuberculosis and HIV. The official website of Bill and Melinda Gates Foundation, gatesfoundation.org portrays that Bill and Melinda Gates are Co-Chair and Trustees and Warren Buffet is a trustee of this charitable trust. In India, the foundation works from a branch office with a permission from Reserve Bank of India (RBI) under Foreign Exchange Management Act (FEMA) and is appropriately registered under Indian law.

ASI, a coordinating partner in the program was founded in the year 1993. The online portal of ASI, asintl.org portrays that it is an affiliate of Agricultural Cooperative Development International (ACDI) and Volunteers in Overseas Cooperative Assistance (VOCA) that had merged in 1997, is a not for profit consultancy firm that confronts global challenges by 'aligning business interests with smallholder producers'¹⁷⁶ (ASI 2009). The website also claims that ASI has an enormous 'local presence' with a strong network of clients and the team of agribusiness experts know exactly what changes must be introduced for sustainable results. The ASI draws its enormous experience by conducting wide-scale market system analysis that drives agribusiness development that further helps in creating healthy families, resilient

¹⁷⁵ Mathiesen, Karl. *The Guardian*. March 16, 2015. <https://www.theguardian.com/environment/2015/mar/16/what-is-the-bill-and-melinda-gates-foundation> (accessed July 11, 2016).

¹⁷⁶ ASI. *Sunhara India*. 2009. <http://www.asintl.org/ourexperience-sunhara-india.html> (accessed July 11, 2016).

communities, and flourishing societies. Thus, the ASI is largely driven by the idea of tapping the potential growth among smallholder producers and agribusiness and believes that ‘business can profit’ only when it contributes to the ‘greater good’ and resolves the impending global challenges.

“increase the productivity and reach of small farmers in poor, rural communities of Uttar Pradesh, we can use the urban markets to create incentives for farmers, bolster livelihoods and cut hunger in a way that reaps benefits for years to come.”

(Bill Polidoro, ASI President, 2010)

ASI implemented the project through its two leading partners, the Indian Farmers Fertiliser Cooperative Limited (IFFCO) and BAIF Development Research Foundation. The former organization is one of the largest cooperative societies in the world that has a network of more than ‘55 million farmers in India’, while BAIF is recognized as a nationwide nongovernmental organization that largely focuses on the empowerment of India's ‘rural poor and women’¹⁷⁷ (PR Newswire 2010). The BAIF President, Girigh G Sohani believes that in order to work with small farmers, one needs to adopt a prolonged approach, which is:

“improving food security to reduce vulnerability and increasing cash incomes to reach higher standards of living. The latter can be effectively achieved through fruit and vegetable production, as well as by helping farmers move up the value chain and access various markets.”

(Girigh. G. Sohani, BAIF President, 2010)

The ASI *Sunhara* India page asserts that there are three interlinked objectives of this project. Firstly, the farmer outreach where it improves farm production by proving information and technology through public and private sector channels. This outreach includes modernizing extension delivery, and using Information Communication Technology (ICT) for service delivery. Secondly, the market access and value chain system development where direct linkages are restored between farmers, buyers, and input suppliers—including exporters, retail chains, farmer federations, and local

¹⁷⁷ PR Newswire. *prnewswire.com*. January 21, 2010. <http://www.prnewswire.com/news-releases/new-4-million-project-in-india-links-rural-farmers-to-urban-markets-82253727.html> (accessed July 11, 2016).

retailers. It also has the option of promoting alternative market arrangements. The constant engagement with sellers and use of new technology allows the farmers to enhance ‘traditional marketing infrastructure and institutions’,¹⁷⁸ (ASI 2009). Lastly, since the program is market-driven it aims to increase the income levels and enhance socio-economic empowerment. As a result, the program is able to confront challenges arising from gender-based inequalities such as including low literacy, limited self-confidence, intra-household norms, and control over resources.

From the inception of this program, it was clear that women would make up 25% of the participants in the project activities. It was also assumed that the success of this project will become a ‘showcase successful models and capture learning about enhancing access to and better use of inputs, services, and markets by small-scale producers’,¹⁷⁹ (ASI 2010). The initial years of this project was first implemented in 3 out of 7 districts in Uttar Pradesh such as Pratapgarh, Sultanpur, and Shahjahanpur by adopting different methods for engaging women in activities.

According to a report published by Cultural Practice on *Gender Impact Assessment Of The ASI Sunhara India Project* the ASI made a ‘strategic decision’ to work only in the 7 districts of Uttar Pradesh as the farmers had previously been organized into groups by NGOs, BAIF in Allahabad and Pratapgarh, and Svavishvas Seva Sansthan (SVSS) in Sultanpur, and Vinoba Seva Ashram in Shahjahanpur.¹⁸⁰ (Caro 2013) It was a conscious decision because ‘limited funding’ that precluded certain organizational groups, ‘recognition of the high failure rate of farmers’ organization in India’ and short time duration.

A Cultural Practice, LLC is well known for providing ‘critical social expertise’. The official portal of Cultural Practice, LLC asserts that it is women-owned small business that aspires to ‘integrate cultural diversity with gender equality’,¹⁸¹ (Cultural Practice,

¹⁷⁸ ASI. *Sunhara India*. 2009. <http://www.asintl.org/ourexpérience-sunhara-india.html> (accessed July 11, 2016).

¹⁷⁹ ASI. *Expanding Rural Access to Agricultural Inputs through Commercially Sustainable Models: Farmer Resources Centers and Franchisee Model*. Report, Lucknow: Agribusiness Systems International, 2010.

¹⁸⁰ Caro, D, Pangare, V & Manfre, C. *Gender Impact Assessment of the ASI Sunhara India Project*. Report, Bethesda : Cultural Practice, LLC, 2013.

¹⁸¹ <http://www.culturalpractice.com/about/> (accessed July 11, 2016).

LLC 2000). With regard to the *Sunhara* India project, the Cultural practice formed a three persons team (GA Team) to analyze the Gender impact assessment. They were responsible for conducting fieldwork, organized surveys and in-depth interviews with women farmers to map out the significance and impact of this project.

According to a report published by Cultural Practice, LLC highlights the findings of the Gender Impact Assessment conducted for the ASI *Sunhara* India Project. One of the most prominent finding has the notable increase in women’s control over their income, increased engagement related to household matters and production related activities.¹⁸² (Caro 2013) The assessment also stressed on the changed ‘gender roles and relations’ among vegetable farmers irrespective of women or men farmer was a part of it. It applauded the methods adopted by the Team *Sunhara* to respond to local needs of men and women that significantly transformed their roles in agriculture, decision-making, and women’s mobility.

While conducting the assessment the GA team found that the project has partnered with local organizations that either worked through Self-Help groups or farmer groups in those districts that targeted both men and women. Interestingly, the farmer groups of men and women appeared to be similar in terms of their activities and trainings (refer to figure 7).

District	Total women reached	Farmers Group & SHG membership	No. female lead farmers	No. female SHG leaders	No. learning centre participants	No. learning centre teachers
Shahjahanpur	2,663	100% in farmers groups	103	n/a	n/a	n/a
Sultanpur	1,016	100% in combined farmers groups & SHGs	81	n/a	n/a	n/a
Barabanki	77	100% in farmers groups	2	n/a	n/a	n/a
Allahabad	42	100% in farmers groups	0	n/a	n/a	n/a
Pratapgarh	2,504	43% in both farmers groups & SHGs	61	14 SHG cluster leaders (3 of whom are jointly lead farmers & teachers)	255 (all SHG members)	17 (6 of whom are also lead farmers)
		14% in farmers groups only				
		43% in SHGs only				
Total	6,302		247	14	255	17

¹⁸² Caro, D, Pangare, V & Manfre, C. *Gender Impact Assessment of the ASI Sunhara India Project*. Report, Bethesda : Cultural Practice, LLC, 2013.

Figure 7: Table illustrating the allocation of women beneficiaries in 5 districts of Uttar Pradesh¹⁸³

The above figure explains the different types of support men and women self-help groups have received and their response to opportunities. The GA team believes that this is a more ‘realistic assessment of capacity, opportunity, and project scope’. The GA team noticed that there were certain variations in gender relations of farmers groups, which were either composed of men only or women only. For examples, in the men only groups, prominent changes in gender relations for both men and women were noticed in the area of investment in technologies and certain time-consuming practices for women in household chores; showed that she had ‘more time ‘ to engage herself in farming activities. However, the GA team also pointed out that there was less evidence available regarding women’s significant role in decision-making process. This case was reported in districts of Allahabad and certain only men communities from Sultanpur. The case was slightly different in the districts of Pratapgarh, Shahjahanpur and some areas of Sultanpur where there were women only groups and the GA team observed changes in gender relations between both men and women in agriculture, including greater management and control by women over the production and marketing decisions. Further, the GA team conducted short interviews with women and men farmers to map out the impact of these programs. Some of these short stories were published in the report titled *Gender Impact Assessment Of the ASI Sunhara India Project* where women like *Surjadevi* for the first time ‘opened a savings bank account’ where the money in future will be used for construction of a family home. Another women from the Allahabad district who was unaware of the ‘existence of cooking gas’ and its comparative advantages over traditional method of cooking- use of bricks, coal, and others. The study also highlighted that how a male farmer from Lucknow district was able to grow ‘exotic fruits and vegetables’¹⁸⁴ such cherry tomatoes and celery and his market access had increased over the period of time. This has helped in ‘doubling’ his income. Following are the short stories narrated by both women and male farmers on how the *Sunhara* India project has

¹⁸³ ibid

¹⁸⁴ Caro, D, Pangare, V & Manfre, C. *Gender Impact Assessment of the ASI Sunhara India Project*. Report, Bethesda : Cultural Practice, LLC, 2013.

transformed their lives by making them economically independent and most importantly establishing a social trust between men and women farmers (Refer to figure 8).

Text Box 8: Change Story

In Shahjanpur district when we started working in the villages, we had to first work with the men, we had to organize a meeting with the men, after which we could organize a meeting with the women and form a group of women farmers. We discussed with the women about agriculture and gave them training in cultivation of unseasonal vegetables at Pant Nagar University. In order to gain support of the villagers, a group of men were also taken outside the village for training. When this group returned and shared their experiences with the other villagers, the men began to trust the project and believed that the women were being trained in agriculture for improving their own farming practices. Now the husbands of these women have no objection to project activities and do not prevent the women from participating and traveling outside the village. Men and women are both happy and both go to the Farmer Resource Centre to buy inputs. Men and women are happy to work together and benefit greatly from working together (Story told to GA team by leaders of Vinoba Seva Ashram in Shahjanpur)

Text Box 3: Change Story

“Cooking gas—it’s magic! Just a turn of the button and the fire lights up and food is cooked in no time at all” explained a woman farmer from Allahabad. Besides commenting on how quickly she could cook with gas, she described how long and arduous the process of making dung cooking bricks was and how difficult it was to do when it rained. She said they also make the house dirty when they burn and then it creates more work to clean. She said it is a waste of time. Now she can cook quickly and has a clean house. Other women farmers in the village agreed and explained that they now used the dung for preparing compost for organic manure and this was a better use of dung than for cooking. (Story told to GA team during an interview in Allahabad)

Text Box 1: Most Significant Change Story: Surjadevi

Surjadevi belongs to a very poor family. They own very little land. It was very difficult to meet their living expenses. Surjadevi has one daughter and three sons. Her husband is an alcoholic. When the Sunhara India group was formed she participated in the discussions. She is very hardworking and courageous. She volunteered to become the leader of the group. She participated in all the meetings and supported the other group members. She went alone from her village for the exposure visit organized by the project; she began saving money and also opened a bank account and deposited some money in the account. She cultivated mentha and increased her income substantially. She saved money in a clay pot buried inside a wall in her house. After one year when the pot was removed and broken she realized that she had saved R. 11,500. She used this money to build a house for her family. She is respected in the village and she also gained recognition at the district level when she was nominated to the district level agriculture advisory committee. (MSC story selected as the most significant by Sunhara India staff in Lucknow).

Text Box 5: Most Significant Change Story
 Ramesh (a man) is a farmer from Lucknow district. He used to grow common vegetables in an open field and sold them to the local market (mandi), where he did not get a fair price for his vegetables. The weights in the mandi were not correct and sometimes were not used at all. He did not grade his produce. He learned about new vegetable farming techniques in the Sunhara India training. Sunhara India also helped him to obtain financing from a local bank for construction of a greenhouse. Now he sells exotic graded vegetables, such as cherry tomato and celery to Spencer, which pays him a good price. His income doubled. He has built a new house for his family and he is happy (Story collected in Lucknow from Sunhara India staff in MSC Workshop, but not one selected as the most significant by entire group).

Figure 8: Above are the significant stories of ASI Sunhara India program impact.¹⁸⁵

The ASI website shares a long list of accomplishments that has transformed the lives of farmers belonging to the 7 districts of Uttar Pradesh. First, it has recorded an average 87% increase in the incomes level where men farmers' income has increased by 88% and women are 82% respectively. Since, the outreach of the program was restricted to 25,000 farmers out of which 1/5th of 25% were women, the latest statistics available on the website shows that around 6,335 farmers were women. During the course of this project, the Sunhara team was successfully able to establish 11 farmer resource centers that provided much needed information and technical inputs related to farming and 37 franchises dedicated to input and output marketing. The creation of these centers helped in the promotion of 'new agro practices'¹⁸⁶ (ASI 2009) where around 70% of farmers have at least two technologies or agriculture management practices. The project also claims that market access for farmers has increased by 85% with 61% the farmers utilizing alternative methods of distribution and marketing channels. Apart from these list of accomplishments, the project also established 20 literacy centers, out of which 1 centre was dedicated women. Finally, the project and efforts of *Sunhara* India team helped in opening bank accounts for 112 women and around 63% of women had a better access to finance. Thereby, around 71% of women reported increase awareness about social and economic entitlements.

¹⁸⁵ <http://www.asintl.org/ASI-Gender-Impact-Assessment-of-Sunhara-India-Project.pdf> (accessed on July 11, 2016)

¹⁸⁶ ASI. *Sunhara India*. 2009. <http://www.asintl.org/ourexperience-sunhara-india.html> (accessed July 11, 2016).

During the course of the long survey conducted by GA team, they also highlighted some of the shortcomings of this project. Firstly, at the initial stage of the project there should be ‘more engagement of men about gender equality’ and informing them about its benefits to the household and community. GA team found that most men were ‘eventually supportive of their partner’s participation’ once they comprehended the economic and social benefits of an active partner in decision-making and farming practices. Second, the most prominent sign of women empowerment observed by the GA team was when women were in a position to buy ‘clothes and jewelry’. This entailed that women were in a much better position on decision-making front and the comforting factor in dealing with the strangers in the market. The GA team also highlighted that there were ‘missed opportunities’ to work on gender equalities in the institutions established during the *Sunhara* India project. These farmer resource centers and franchises had more opportunities for men as compared to women who were either traders or supplies and less. Even though, these opportunities were made available for women, but the women farmers could not reap benefits out of it; as they were offered lower earning potential and restrictions were laid out in terms of financing. Finally, for the GA team the project laid great emphasis on ‘vegetable production’ that helped in increasing the average income of men and women farmers and made structural ‘changes in organization of production’¹⁸⁷ (Caro 2013) thereby increasing role of women in decision-making process, control over assets and mobility.

According to a report on that has appreciated the efforts of ASI in the implementation of projects like *Sunhara* Wal-Mart and *Sunhara* India where they initiated a series gender sensitization and pilot programs for male farmers to understand the effectiveness of women’s participation in the project initiatives. However, this report also raised a few concerns regarding the works of all organizations such as Oxfam, Action Aid, Care even ASI who are currently involved in various projects that ‘integrated gender into development strategies’. The report asserts that these organizations must find an ‘appropriate entry point’ to economically empower women. As, women are involved in a wide range of activities from a growing home garden to processing agricultural goods. Most of these projects are targeting women

¹⁸⁷ Caro, D, Pangare, V & Manfre, C. *Gender Impact Assessment of the ASI Sunhara India Project*. Report, Bethesda : Cultural Practice, LLC, 2013.

belonging to different age groups, socio-economic level, geographic locations, leadership roles, and capabilities. Therefore, it's always 'the type of intervention', which will further influence the beneficiaries. Furthermore, the same report found it extremely difficult to 'identify successful 'women in agriculture' when interventions by the organization were largely focusing on women empowerment. There was very little evidence available whether these projects 'do economically empower women in agricultural sector'. The report also conforms that rigorous evaluation of the project can be done through 'randomized control trails' that are now being implemented and it will take some time to understand the long-term impact of this project where empowerment is understood as 'increasing women's participation in projects or income'¹⁸⁸ (Souza 2012).

An article on *Assessing the Impact of Participatory Research in Rice Breeding on Women Farmers: A Case Study in Eastern Uttar Pradesh, India* was analyzed the involvement of women farmers in decision-making process regarding the rice variety, seed acquisition and disposal, and crop management. Further, the article also suggested 'strategies' that can help in empowering women farmers and make 'timely decisions' on farming activities and eventually 'enhancing' their roles in 'acceleration' of adopting new rice varieties. This research article emphasized that involvement of women in Participatory Varietal Selection (PVS), was the first step to confronting the challenge of 'gender disparity' in the agricultural sector. It was only possible when women farmers were provided with new knowledge and skills related to preservation and management of seeds and procedure to manage crops and other farm produce. In this research study conducted by Thelma R. Parsi, Abha Singh, Amelia D. Cueno and V.N. Singh, it was also analyzed that women played 'key roles as change agents' which was only possible if they had access to 'varieties suiting their needs'¹⁸⁹ (Paris 2007) and distributing improved quality of seeds amongst co-farmers. Moreover, with increased migration of men to metro cities, the maximum amount of farming activities are being done by women, as a result their involvement

¹⁸⁸ Souza, S, Suwyn, Z & Doss, C. *Women's Economic Empowerment in Agriculture: Supporting Women Farmers*. UN Foundation, 2012.

¹⁸⁹ Paris, T, Singh,A, Cueno,A & Singh, V. "Assessing the Impact of Participatory Research in Rice Breeding on Women Farmers: A Case Study in Eastern Uttar Pradesh." *Cambridge University Press*, 2007: 97-112.

in PVS becomes crucial and can become plausible for increasing more women involvement in the agricultural sectors of the Indian economy.

Further, S. Chandrasekhar and Nirupam Rao in the essay *Doubling farmers' income by 2022 what would it take?* emphasizes to increase real incomes the focus just cannot be laid on cultivation rather policies must be initiated that aims at increasing the household income from animal farming, 'will be the key driver of incomes in agricultural households'. This article also refers to the initiatives adopted by the Central Government in disseminating the timely agricultural credit to farmers. The National Bank for Agriculture and Rural Development (NABARD) report of 2009 shows this initiative was successful enough in doubling agricultural credit but National Sample Survey Organization (NSSO) data of 2005 portrays there has been a 'sizeable impact' at the household level in terms of 'substantial increase in investments'¹⁹⁰ (Chandrasekhar 2016).

Therefore, above-mentioned case studies reflect on the business involvement in making a difference in the domain of girl child education and women empowerment. In the case of Nanhi Kali, a recognized media firms like Indian Express and Forbes India have applauded the efforts initiated by Anand Mahindra under this flagship program of providing primary education to deprived girl child. While, in the case of Bill and Melinda Gates foundation, media houses have taken a strong stand against their operations in India especially carrying out arbitrary tests on tribal girls of India. Thus, it becomes extremely important to analyze the functioning of Corporates in social sectors independently of their past records.

¹⁹⁰ Chandrasekhar, S & Rao, Nirupam. "Doubling Farmers' Incomes by 2022 What Would It Take?" *Economic and Political Weekly*, 2016: 10-13.

CHAPTER FIVE

GENERAL CONCLUSION

In order to understand the concept of Corporate Social Responsibility with reference to Charity or Philanthropy, Mahatma Gandhi's Theory on Trusteeship appears to be a break point. Trusteeship theory is a comprehensive doctrine that comprises of 6 basic points, those are: transforming the prevalent capitalist order into an egalitarian one, not recognizing the right of private property, promoting the concept of state regulated trusteeship where individuals cannot hold possessions of property for the fulfillment of personal satisfactions, fixing the lower and upper limit of minimum and maximum allowance and working towards mediating the income difference and finally establishing a different kind of production structure that is driven social necessity and not personal greed or whims. This elaborate idea propounded by Mahatma Gandhi was often suggested to the riches that include the landed aristocracy, princes' and capitalists only on the basis that whatever amounts of wealth they hold, have to be upheld in the name of God. The reason being that they are trustees of the society and must treat all possessions as sacred, which is beyond worldly scale of valuation. Thus theory aimed to separate the idea of belongingness from notions of acquisition of property.

Another reason why this theory is considered to be a comprehensive doctrine is because it invokes the idea of private property and its relation to violence and infusing the element of keeping one's needs at a minimum level. This theory inherently believed that the God has created a substantial amount of wealth that can fulfill the needs of the society, and those who accumulate resources more than requirements are guilty of theft or are enjoying the fruits of some else's labour. There is a constant desire or need amongst individuals to procure property or assets as a sign of future investments, but then withholding of property is only possible when he or she is able to safeguard it through the use of some degree of violence and dependence on violence.

To reform this acquisitive nature of individuals, Gandhi put forth an experiment that is a two-fold process, which helps in establishing these individuals are vigilant

trustees or stewards of the society. This two-fold process can help in instilling the spirit of trusteeship through the change of heart experiment by imposing self-discipline and art of silence and ability to put truth into others. Through his daily acts of graciousness and empathy for others can help in becoming an authentic trustee of the society, where he can decide the efficient and intelligent use of wealth for the welfare of all. A vigilant trustee must morally accept that his family members are not the rightful owners of his accumulated property rather its real heir is the public. It's the public, nature and God that has contributed one's wealth and economic position in the society, must utilize this wealth for the betterment of the individuals.

One of the significant tenets of the trusteeship theory is the notion of state regulated trusteeship, where in the state will determine whether the heir belonging the capitalist family is capable and fully responsible to discharge his duties and responsibilities as authentic trustee. There are checks and balances that monitor the functioning of a trustee in relinquishment of his wealth, and if he fails to perform his duties then the state has all rights to takeaway his property with use of the violence (if required). Therefore this Gandhian notion of trusteeship very adequately stitches the ethical or moral content for individuals to give back to the society as they are just the trustees of the resources and wealth which the God has created for them and eventually putting that for the proper use of society's welfare. Interestingly only a few organizations and leaders seem to be influenced by this idea. The not-for-profit organizations initially registered under Charitable Societies Act formulated auditing and certification that created a checklist of requirements of the local community and provided important suggestions to improve labour relations and pricings. Even Vinoabha Bhave through Gramadan and Sampattidan movements and Jamshedji Tata were inspired by Gandhi's ideas on trusteeship.

However, Gandhi believed that trusteeship should not imbibe philanthropy or charity as its aims and objectives will gradually disappear. Gandhi believed that the act of doing charity or philanthropy is a pertinent expression of self-glorification. Donation of wealth is the worst form of charity and has no link with trusteeship, and is best understood as an act of compensation or limited understanding of social responsibility. Therefore, the theory on trusteeship distances itself from the modern practices of Corporate Social Responsibility.

The role of Corporate Social Responsibility has become extremely significant in contemporary contexts as nation-states are prescribing to the Neoliberal ideology largely advocated by the Global institutions- World Bank (WB) and International Monetary Fund (IMF). In the constant race of high economic growth, these institutions endorsed the Structural Adjustment Programs (SAPs) to the developing nations to expedite the process of race to the top. The Structural Adjustment programs aim to liberalize a domestic economy that can further help in global economic integration, reduction of trade barriers, elimination of price controls, introducing long phases of fiscal austerity measures and most importantly reduction in the role of state from public expenditure and many more. Those countries, which adopted these promising measures, welcomed Transnational Corporations to set up their offshore offices and provide employment opportunities to skilled and unskilled labour force. These private enterprises not only benefitted from the relaxation of norms, but also at the same were involved in exploitative practices such as violation of human rights and environment norms. With the reference to the Indian case, reputed companies like Nestle, Coco Cola, and Union Carbide have been accused of violating health norms (by manufacturing baby milk powder and noodles that contained high level of chemicals) and environmental statues (polluting water resources and accidental release of poisonous gas responsible for many deaths in Bhopal).

As a result, India became the first country to enumerate a legislation on Companies Act, 2013 that not only transformed the face of Indian corporates making them sustainable to global competition and laid down provisions on e-governance, mergers and acquisitions, auditing and most importantly dedicated a section on Corporate Social Responsibility. Public or Private Companies functioning located within India are bound to contribute 2% of their profits for social welfare activities. The long list includes education, healthcare, women empowerment, contribution to Prime Ministers Relief Fund and many more. Enactment of a legislation that bounds a company to contribute his profits to society's welfare drifts away from the Gandhian notion of trusteeship, which believed individual, is a trusted safe keeper of God's creation. An important shift is marked where voluntary aspect attached to charity has become mandatory now. So for all companies, profit levels must increase consistently to be in position to contribute to varied initiatives carried under the name of Corporate Social

Responsibility. This can only happen when the global economy is not going through a gloomy such as recession, high-level inflation, massive unemployment and other economic fallouts, which can possibly reduce a company's profit margins. Low profit levels will entail fewer investments in charitable projects either carried across India or in the nearby areas of operation.

Thus, a directly proportional relationship emerges between three components as Market, Profits and Corporate Social responsibility. Often Corporates interpret this equation as a triple bottom line approach- Profits, Planet and People. Thus, Corporate Responsibility can be a social innovation or a neoliberal promise where Corporate uses this as instruments to increasing their reputational tool and keeping their consumer base – sacrosanct and always expanding. They are willing to incur additional costs at production level as long as the corresponding promotion agencies continue to portray a positive picture Corporates who are driven by the idea of an egalitarian society and working towards providing last mile delivery services to the underprivileged sections of the society.

Reputed Corporates like, Mahindra and Mahindra and Microsoft founder Bill Gates have initiated scores of philanthropic projects in India and other parts of the world for improving the education and agrarian structure in the society. Mahindra and Mahindra started a flagship program, Project *Nanhi Kali* in the year 2005 that works towards providing primary and secondary education to deprived girl children living urban, rural and tribal parts of India. It's a scholarship program that provides academic, material and social support to girls and making them economically independent over the period of time. Being in service for more than 10 years, the two leading partners - K.C. Mahindra Education Trust and *Naandi* Foundation have transformed the lives of more than 1 lakh girls in India with a maximum number of them in Andhra Pradesh and many being involved in Vocational courses as well. They are currently working with 19 NGO's in 9 different states of India- Delhi, Mumbai, Rajasthan, Haryana, and others. They have comprehensively reduced the drop rates amongst girls in primary and secondary education by 30% and 70% respectively. Simultaneously, the average attendances of girls have increased by 78% that was reflected in their academic performance as well. By constantly monitoring their academic performance and being in touch with girl's family and NGO's, Mahindra & Mahindra foundation has been

able to make this difference. Their efforts in the field of girl child have been recognized publicly as a result State Governments of Madhya Pradesh have often aligned with these objectives of providing education to all and countering the malaise of gender inequality. Other than education, women empowerment has emerged as another new dimension for challenging the gender disparity in the agriculture sector. The Project *Sunhara* implemented by Agribusiness System International (ASI) with a grant of Bill and Melinda Gates Foundation is a market facilitation approach that encourages an inclusive growth in horticultural value chains. It aims to uplift agricultural system in India by providing new techniques that align with farmers' knowledge. Working in 7 districts of Uttar Pradesh, the Project *Sunhara* has improved the average income of women by 82%, established learning centres for women and men farmers, enabled them to open first time saving bank accounts, the economic independence allowed women to participate in the decision-making process and interact more freely with strangers in market. The successful results from this project enabled ASI to initiate Project Wal-Mart on the same lines.

While, there have been many Corporates aligning with NGO's to bringing positive transformation in areas which are in a dire need of aid and development, that comes at a times when the State is rolling back its services from the welfare services. Then, Corporate Social Responsibility engagement in these areas can be a boon for a humungous section of population who are outside the purview of the State's safety nets. But, then the main concern here becomes the quality and quantity services provided by the Corporates and whether significant transformations have been recorded in the lifestyle of the beneficiary. One must also understand the logic of CSR is definitely not intertwined with Gandhian notion of trusteeship as much as their annual reports continue to claim that Gandhi's trusteeship ideals were the inspiration behind their charitable projects. In the neoliberal times, one can comprehend that Corporate Social responsibility is strategically used a marketable tool by the Corporates to put them in a better position as compared to their competitors and at the same time continuously aspire to grow community base and hoping that the company and global economy can sustain the economic shocks.

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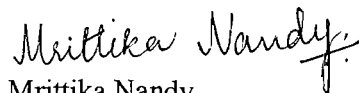
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DATE: 21/07/2016


DECLARATION


This dissertation titled '**Business and Philanthropy: A Study of Corporate Social Responsibility in India**', is a presentation of my original research work. Wherever contributions of others are involved, every effort is made to indicate this clearly, with due reference to literature, and acknowledgement of collaborative research and discussions. The work was done under the guidance of Prof. T.G. Suresh, Centre for Political Studies, School of Social Sciences, Jawaharlal Nehru University, New Delhi.



Mrityika Nandy


CERTIFICATE

In my capacity as supervisor of the candidate's dissertation titled '**Business and Philanthropy: A Study of Corporate Social Responsibility in India**', I certify that above statements are true to the best of my knowledge.


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Annexure-I

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Annexure-II
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Thesis/Dissertation Metadata Form

1.	Title	BUSINESS AND PHILANTHROPY: A STUDY OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA
2.	Alternative Title, if any	—
3.	Name of Research Scholar	MRITTIKA NANDY
4.	Enrolment Number/Library ID	14/E2/MS/013
5.	Name of Guide/Supervisor(s)	1. Prof. T. G. SURESH. 2. 3.
6.	Name of Degree	M. PHIL
7.	Level of Degree	
8.	Department/Centre	CENTRE FOR POLITICAL STUDIES
9.	School	SCHOOL OF SOCIAL SCIENCES
10.	Name of affiliated Institution for which JNU is granting the degree	—
11.	Date of Submission	21 st July 2016
12.	Subject Keywords	1. CORPORATE SOCIAL RESPONSIBILITY 2. TRUSTEESHIP 3. NEOLIBERALISM 4. GLOBALISATION 5. TRANS NATIONAL CORPORATIONS
13.	Coverage (for time periods or spatial regions only)	
14.	Language of the thesis	ENGLISH
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Annexure-III
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