



Corporate Social Responsibility (CSR) An Economic Approach- an Initiative of Gandhi's thought:

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Abstract: *Management is of paramount importance in any organization, they are accountable to its stakeholders. M K Gandhi said "Earn your crores but understand that your wealth is not yours; it belongs to society. Take what you require for your legitimate needs and use the remainder for society." It defines the corporation's partnership with social action groups to support, develop plans, among disadvantaged communities. Socio-economic inequalities provide a compelling reasons for corporate to make a business case for CSR- what Gandhi thought of economic ideals through management. The three cardinal principles of truth, love, and non-violence put together work well in management. The absence of the three, would badly affect the management of an organization at the micro and the nation at macro level. The bedrock of Gandhian management is the Gandhi philosophy. In this paper the writer applied the CSR as well as Economic thought with special reference to corporate sector and suggested the Gandhian model of understanding the style and the skills and can follow them to achieve success in their ventures in an ethical way. Economic Thought is a branch of economics which concerns itself with the development of economic ideas through the writings of great economists of each period. Gandhian economic thought is based on socio-economic principles expounded by him. The economic ideas of Gandhi aim to promote spiritual development and harmony with rejection of materialism.*

Key words: *spiritual development, harmony, materialism*

Introduction:

Management is the oldest of arts and the youngest of sciences in other words the subject may be called the grand child of economics. Managerial functions (planning, directing controlling and organizing) are very close to economic objectives; hence, the writers wish to have a look what Gandhi thought of economics, especially keeping in mind India. The thoughts are so unique the solutions are even valid to the economic crisis not only to India but also to the world countries at large even at present.

World Business Council for Sustainable Development defines CSR (a management concept) as "The continuing

commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." It defines the corporation's partnership with social action groups to support development plans, especially among disadvantaged communities. In fact socio-economic inequalities provide a platform to perform CSR. There is no universally accepted definition of CSR, it generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for the people, communities and environment.



Social responsibility:

CSR is a very important in the management as well as in economic approach. It is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple- Bottom-Line-Approach) It is a goal oriented concept to embrace responsibility for the company's actions, It is the deliberate inclusion of interest into corporate decision-making and the honoring of triple bottom line: People-Planet-and Profit. It is purely a positive approach. Hence, it is also known as corporate responsibility or citizenship or sustainability or corporate social performance etc. CSR is a broad umbrella under which many can get security and safety. Our economy is within the society, society is within the planet and the planet is within the universe.

The concept of CSR is not new to Indian business houses; TATA's and Birla's had been undertaking CSR without using the label of CSR. CSR is no longer philanthropy, though largely voluntary, it is seen as imperative for sustainable business. It acknowledges the debt the corporate owes to the community. In this context Gandhi's approach is a legitimate and ethical and economic. CSR is the responsibility of the corporate entity towards sacrifices made by the society. It is appropriate now, as we are celebrating the silver jubilee of the 'New Economic Reforms' in India and to know how much the corporate people exploited the a natural resources(non-renewable) and how much they spent towards CSR.

He had a foresight in estimating the economic and environment problems in hand. Economic development of a nation depends on the level of industrialization.

Gandhi was not totally against industrialization. He wanted India to be self-reliant, but not at the cost of negative points-exploitation of the labor, environmental degradation, displacement of the poor etc. The activities which come under in the CSR policies are almost the same what Gandhi thought in his twenty point economic programme for development.

CSR activities:

- *Eradicating hunger and poverty.
- *Promotion of education
- *Promoting gender equality and empowering women.
- *Health-reducing child mortality, improving maternal health, combating HIV, AIDS, Malaria
- *Employment enhancing vocational skills
- *Contribution to PM's fund or any other fund set up by the Central or State governments for socio-economic development and relief and funds for the welfare of SC, ST, BCs, minorities and women.
- *Ensuring environmental sustainability.
- *Social business projects.
- *Such other matters as may be prescribed.

CSR is like give and take policy, in other words an ethical way winning the hearts of the mass and class people of the society. Basically it creates goodwill with customers, where Gandhi thought customer is the most important person like a god in business, in addition to government agencies, investors, media and public at large, as viewed by Gandhi. The stake holders are employees, customer, government, and community at



large. CSR in general “Triple-Bottom – Line –approach” .economic, environmental social imperatives

CSR has been legalized, recognized in India, under the Clause 135(under chapter IX-Accounts of Companies) of the Companies Bill 2012. Here under the clause 135, only those companies whose net worth of rupees one thousand crores or more or net profits of five crores or more during any financial year shall constitute CSR committee to look after the spending towards the CSR. It is very unfortunate to know and to note that from the data CSR identity.com, .together with Forbes, CSR spending in India is very poor. There are many companies, even among top 100 companies by revenue which do not report their CSR spends or even declare the social causes they support to development skills which are also part of the management skills which are very much needed.

Gandhi’s economic approach:

At the outset it may be pointed out that Gandhiji was not an economic theorist but an economic reformer. The major characteristics of his economic ideas are seen in our Twenty Points Economic Programme.

Gandhi had many economic as well as management thoughts about our nation. He had a thought that “I shall work for an India in which the poorest shall feel that it is their country whose making they have an effective voice, an India in which there shall be no high class and low class of people, an India in which all communities shall live in perfect harmony” Gandhi strongly believed in the ethics of hard work and that one is entailed to take from the system only as much as he is capable of producing. This

according to Gandhi was the only way to fight poverty and to disarm the world of all its economic woes. Gandhi was no doubt an economic theorist but showed a great economic thought to the world and hence be called as economic reformer.

In short, Gandhi was a serious thinker, able organizer, a resolute fighter and a great visionary. The Gandhian economic philosophy in India rightly stressed that economics and ethics should be intertwined. Gandhi had many economic as well as management thoughts about our nation. He had a thought that “I shall work for an India in which the poorest shall feel that it is their country whose making they have an effective voice, an India in which there shall be no high class and low class of people, an India in which all communities shall live in perfect harmony”

Conclusion:

In the present economic globalization it is not just opening up the markets, but managing the markets as viewed by Gandhi is difficult. What Gandhi expected is that the management should be accountable to its stakeholders. Why should a good management practice CSR? The answer lies in a maxim that the society has given us many things and we should return a part of it to the society. To bring down the inequalities, those who are better placed in the society should contribute for the societal good as a mark of gratitude towards deprived and poor.

Corporate people, mostly the services providers in education and health, (the basic needs), should look upon business not merely as an income generation/profit units, but as a way of life, as a medium for putting talents to good use, treating it an opportunity to service to a large



extent to the society. The message given by Gandhi should be loud and clear to reach the corporate people, as the societal well being is a pre-requisite for business prosperity. Like Buddha and Christ Gandhi lived for the economically poor and downtrodden. But what he left behind is inexhaustible treasure of economic thought of immeasurable value to the Indians. Gandhi declared that satisfaction lies in making the effects rather than achieving goals. In that direction, we the people of India put our efforts in implementing the economic reforms not by putting his name to the programme but by putting real efforts to achieve real goal of social justice, inclusive growth through our plans.

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