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## Corporate Social Responsibility: a philosophical approach from an ancient Indian perspective

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**Abstract:** In this paper, an attempt has been made to explore the philosophy of Corporate social responsibility (CSR) from an ancient Indian perspective. A review of literature in CSR shows that there are thousands of articles which have been written by several academics on this subject from numerous perspectives, but limited articles written about CSR from the philosophical, historical and from the ancient perspectives. As a result, this article not only fills the gap in the literature, but also provides insights on CSR philosophy from the ancient Indian perspective. In the Indian context, the origin of CSR can be traced from the *Vedic* literatures such as the *Valmiki Ramayana*, the *Mahabharata* (includes the *Bhagavad-Gita*) and the *Puranas*. These literatures were written more than 5,000 years ago in Sanskrit language. However, in this paper the authors will explore CSR philosophy from Kautilya's *Arthashastra*, which was also written in Sanskrit in the 4th century BC. This paper is based on hermeneutics, a qualitative research methodology which involves study, understanding and interpretation of ancient or classical text. By using the above methodology, the authors reveal some ancient lessons on CSR, which can provide guidance to corporate leaders today. In a nutshell, the Kautilya's *Arthashastra* provides an inside-out approach to CSR, which is development of the individual leader's self conscience, contrary to the western approach that takes an outside-in perspective. The leaders and the role they play in corporations are crucial in ensuring transparency, good conduct and governance towards the ultimate aim of achieving CSR.

**Keywords:** ancient Indian literatures; Corporate Social Responsibility; CSR; Kautilya's *Arthashastra*.

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## 1 Introduction

Management theories and concepts from the west have dominated the world for over two centuries. This dominance is due to the colonisation and the widespread use of English in many countries and the readily availability of management literatures in English language. However, a careful analysis reveals that many of the recently popularised western management theories and concepts have been in practice in Asian countries especially in India and also in China for centuries. However, these practices were not only in the context business organisation, but also in the context of state or political governance. Sharma (2001) argues that for a management system, to be effective, it has to be rooted in the cultural soil of the country, where it is practiced. Many communities and countries in the world are now trying to discover and explore their own system of management, which includes accounting and financial management, human resource management, corporate governance, and also CSR. The interest in exploring Asian

philosophies in management is also growing as over the past two decades as several research studies and books had been published to explore an ancient Chinese Art of War called 'Sun Tzu Bing Fa' and Confucianism in the context of management.

In the ancient India during the period of Chandragupta Maurya in the 4th century BC, several management ideas and practices (includes CSR) were found, which was based on the Kautilya's *Arthashastra*. Similar to Sun Tzu Art of War in China, 2,500 years ago, Kautilya's *Arthashastra* is an Indian treatise in management and was written by Kautilya (also known as Chanakya and Vishnugupta). Kautilya was the minister and adviser to Chandragupta Maurya, who was the contemporary of Alexander the Great (4th Century BC). He was previously the Professor of Politics and Economics at Taxila University, which at present is situated in Rawalpindi, Pakistan. The *Arthashastra* (Principles of Economics and Administration) and *Neetishastra* (also known as *Chanakya Neeti* or Principles of Political Ethics) were two of the important works of Kautilya. Kautilya's *Arthashastra* was written in *Sanskrit* and contains 150 chapters, which are classified by topic in 15 books, which covers three parts, namely, national security issues, administration of justice and economics development policies. Kautilya's *Arthashastra* shares many common philosophical and practical views with Machiavelli's *The Prince* (15th century AD). Kautilya has been generally criticised by many people as a very cunning person and he is compared to Machiavelli, the author of *The Prince*, which contains methods that could seem unrighteous in the achievement of goals. However, this comparison may not be justified, as Kautilya gives a lot of stress on self-control and proper methods of winning over the enemy. Radhakrishnan (2005) elaborated in 12 sutras (verses) of Kautilya with regards to self-control, which includes the importance of control over the senses by giving up kama, krodha, lobha, mana, mada and harsha, i.e. lust, anger, pride, arrogance and foolhardiness. The first teaching of Kautilya is to conquer the internal enemies before you conquer the external enemies. According to Kautilya, by casting out the group of six enemies he (the king) should acquire control over the senses, cultivate his intellect by association with elders, keep a watchful eye by means of spies, bring about security and well-being by (energetic) activity, maintain the observance of their special duties (by the subjects) by carrying out (his own) duties, acquire discipline by (receiving) instruction in the sciences, attain popularity by association with what is of material advantage and maintain (proper) behaviour by (doing) what is beneficial (Muniapan and Shaikh, 2007).

## 2 The broad purpose of this paper

From the perspectives of the authors, the research and writings of management ideas from the Asian context although is growing but still limited. Most of the researches are general in nature and not in-depth studies. Even this paper is also not an in-depth analysis Kautilya's *Arthashastra* as it only attempts to explore the CSR lessons from the literature. In general, the study of Kautilya's *Arthashastra* in the context of modern management practices especially CSR is indeed limited. As previously stated, Indians (Asian) management in particular, are still focusing in applying western models of management practices due to the wealth of western management literatures and concepts available. Besides, many of the new generation of Indian (Asian) managers have received their education in management from western countries (especially in the UK and the USA) (Muniapan, 2005a). There are also some fears among the Asian academics that the

management philosophy, concepts and ideas from Asia will not be able to get acceptance from the West.

According to Arindam Chaudhuri, one of the preacher of Theory 'I' Management or Indian management, although India has some of the best management schools in the world, most Indian organisations have not been able to do well internationally. Among the reasons cited is the failure of Indian management to develop the indigenous management style, which revolves around Indian cultural roots and upbringing. He (Arindam Chaudhuri) further asserted that an Indian grows up in a system, where family ties and sense of belongingness gets top priority and with this type of background, he or she may not be able to adjust or fit into the job environment practicing American philosophies of individualistic, direct, low power distance and contractual style of management (Chaudhuri, 2003).

Several lessons in management and CSR can be explored from Kautilya's *Arthashastra*, however, there are many corporate leaders from outside India and Indians who are not aware of what Kautilya's *Arthashastra* can offer to enhance their managerial effectiveness. This paper aims to explore the CSR lessons from Kautilya's *Arthashastra* and also to create awareness to readers of management on the existence of many ancient literatures from India like the *Arthashastra*, which provides many valuable lessons in efficient and effective corporate management.

### 3 Methodology

This paper is based on a qualitative research methodology called hermeneutics. Hermeneutics is related to the name of the Greek god Hermes in his role as the interpreter of the messages of the gods. In the current context, hermeneutics can be described as the interpretation and understanding of ancient literatures and religious texts. It is also used in contemporary philosophy to denote the study of theories and methods of the interpretation of all texts and systems of meaning. The concept of 'text' is here extended beyond written documents to any number of objects subject to interpretation, like experiences. A hermeneutic is defined as a specific system or method for interpretation, or a specific theory of interpretation. The scope of hermeneutics also includes the investigation and interpretation not only of ancient texts, but also of human behaviour generally, including language and patterns of speech, social institutions and ritual behaviours. Hermeneutics is widely applied in many field of social science such as philosophy, religion and theology, law, sociology and also international relations (<http://en.wikipedia.org/wiki/Hermeneutics>).

Kautilya wrote his *Arthashastra* in Sanskrit language. Sanskrit is one of the oldest languages in the world and it has also influenced many other languages in Europe and also in Asia. The *Arthashastra* was written for the purpose of managing a kingdom or a country. For example, in explaining the *Arthashastra* in the context of management, the term rajya (state) is interpreted to the organisation, the raja or king is the leader or the Chief Executive Officer (CEO), amatya or mantri (ministers) are the managers of various departments such as finance, marketing, human resources and operations, kosh refers to finances, danda the administrative or the management system, durg, the security system and bal the work force (Muniapan and Shaikh, 2007).

#### 4 CSR: an overview

CSR refers to the obligation of an organisation which considers the interests of all their stakeholders which includes the customers, employees, shareholders, communities and ecological considerations in all aspects of their operations. This obligation is seen to extend beyond their statutory obligation to comply with legislation. CSR goes beyond the normal charity activities of an organisation and this requires that the responsible organisation take into full account of its impact on all stakeholders and on the environment when making decisions. In a nutshell, CSR requires the organisations to balance the needs of all stakeholders with its need to make a profit and reward shareholders adequately.

A widely quoted definition by the World Business Council for Sustainable Development states that

“Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”  
(<http://www.wbcsd.org/DocRoot/RGk80O49q8ErwmWXIwtF/CSRmeeting.pdf>)

Practices of CSR dates back to the ancient Greece (Eberstadt, 1977). A similar development on CSR took place on the Indian subcontinent structured from the Vedic philosophy (Pandey and Tripathi, 2002). Early conceptualisation of CSR was broadly based on religious virtues and values such as honesty, love, truthfulness and trust. Such values were found dominant in the golden rule constructed by Immanuel Kant's Categorical Imperative (Evan and Freeman, 1998). It has also been argued that this golden rule can be applied in viewing companies as responsible to stakeholders and society (Donaldson and Preston, 1995; Evans and Freeman, 1998). Implicitly, this argument suggests that those who do not practice such values are deemed to be unethical and not concerned of societal welfare. Since then, civilisations has been in the process of wealth accumulation through a series of business venture travels to colonise; then industrial revolution to capitalise production processes; and finally multinational corporations to maximise profits from the modern theories of comparative advantage. Practices of CSR were neglected and overshadowed by the pursuit of wealth accumulation.

A revival of interest in CSR began after the World Wars. Contemporary western conceptualisation of CSR from an academic perspective was initiated with Bowen's definitive text through his publication in 1953. His work on CSR broadly focused on the pursuit of policies that makes decisions or to follow those lines of action that are desirable in terms of the objectives and values of our society (Bowen, 1953). Since his publications, CSR has become a strongly debatable proposition among Western researchers. One of the unwavering conceptual arguments is the question of relationship between religion and business ethics (Calkins, 2000; Epstein, 2002; Weaver and Agle, 2002). Much of the empirical research work has explicitly attempted to investigate the implications on business ethics (Stackhouse, 1995; Epstein, 2002). One of the researches for instance studied the relationship between religious beliefs and ethical values that influence of managers' attitude and managerial decision-making (Agle and van Buren, 1999; Longnecker, McKinney and Moore, 2004). Carroll argued that social responsibilities of business encompass the economics, legal, ethical and discretionary

expectations that society has of organisations at a given point in time (Carroll, 1979). Carroll's continuum of business responsibilities was reconstructed into a multidimensional construct by several other researchers principally by Niskala and Tarna (2003). This multi-dimensional model demonstrates the Western philosophy of 'triple bottom line' that superimposes the equilibrium of economic, social and environmental elements while conducting business. The World Business Council for Sustainable Development (WBCSD, 2000) argued that companies have an obligation to society and are responsible to numerous stakeholders including owners, employees, customers, suppliers, competitors, government regulators and communities.

## 5 CSR from an ancient Indian perspective

From the ancient Indian perspective, social responsibility (now CSR) obligation is expected from the 'King' to his subjects (Rig-Veda 1–8). Vedic literature emphasises that the role of the king or the accumulator of wealth to take care of the welfare of the subjects (stakeholders) and in return the king will grow as the Sun grows and shines at dawn and after its rise. It is further expressed that whatever is given to the society, it returns getting multiplied several times (Rig-Veda et al.). The king or the leader and leadership are considered to be the key necessity for the state or organisation. Even Sri Krishna also stressed the importance of the leaders to Arjuna in the *Bhagavad-Gita*. Manu and Shukracharya also echoed similar opinions. The Manusmriti states that when the world was without a king and people ran about in all directions out of fear, the Lord emitted a king in order to guard this entire realm. In modern day business philosophy, promotional and public relations strategy adds value to customer perception of the organisation goods and services. Therefore, the firm maximises its ability to create value to the business. CSR can be a source of competitive advantage for organisations, however, some researchers have also cautioned against using CSR as a promotional tool because it can discredit the company if it misleads stakeholders. It was emphasised by Dawkins (2004) that CSR must be effectively communicated to stakeholders for their appreciation and support. The business benefits arising from the CSR practices would result in credibility for the organisation, reduces the risk profile, improves stakeholders relationship which eventually increases efficiency of the firm. Evidently, there are numerous arguments for and against the practice of CSR in modern corporate management. But often these arguments on CSR are limited to the operational aspects of the business and ignored the philosophical context. What is the philosophical approach concerning CSR to conduct business? What can be learnt from the age-old Indian Vedic philosophy in terms of CSR?

CSR practices in the Indian philosophy sits deep-rooted in the concept of dharma or virtue which is to conform to the truth of things. Dharma is the basis of order whether social or moral (Radhakrishnan, 1929). In accordance with Taittiriya Upanishad, the first and most essential virtue for an individual is to speak the truth (*satyam vada*) and the second instruction is practice virtue (*dharma cara*). Dharma then fundamentally is to action the truth – an ultimate guide to right living and the stability of society (Mukhopadhy, 1960). In reference to Sankara's commentary, Chakraborty deduced that dharma is even higher than the external authority of the king. This Indian ethics of dharma (virtue) is expressed as a synthesis of intellectual understanding and self-realisation which can be achieved by adherence to the eternal dharma and prescribed

by the Vedic literature as the practical guidance in daily life (Chakraborty, 2006). It is clear that Indian philosophy permeates into each individual to reflect upon the truth as he speaks, take right actions through self-realisation of oneself.

The ancient Indian philosophy has also propounded that the law of karma (cause and effect) as the overarching principle of self-determination of one's moral character. This implied that the present nature of an individual's life (effect) is determined by their antecedent actions (cause). Therefore, an individual has the freedom of moral choice in his daily life. Karma is then a concept of reward or punishment for the choice made through self-determination of an individual. This concept cycle of life or transmigration is deeply grounded in the Indian classical philosophy of universal ethics. Hence, the law of karma emphasised the virtue (dharma) as a key plank for self-realisation. It has been argued that all virtues are conducive to spiritual development and is spiritual when performed with the realisation of its relation to the inner spirit (Chakraborty, 2006). In the teachings of *Bhagavad-Gita*, it has been advised that perfect actions lead one to the 'gateway to liberation (moksha)'. Evidently, the Indian philosophy on ethics has set objectives beyond this world and pitches itself on virtues that are different from the western model of CSR.

## 6 CSR in the Vedic literatures

The Indian philosophical literatures are derived from the Vedas, namely, Rig-Veda, Yajur-veda, Sama-Veda and Atharva-veda. The Vedas essentially form the fundamental basis of human life on earth through complete understanding of the spiritualism – knowledge of God, the Soul (atma) and the relationship to the physical universe (prakriti). Rig-Veda specifically states that the cosmic order of the entire universe is governed by physical relationship of man to moral laws and any transgression will be detrimental (cause and effect to cosmic order). Reflecting on this Vedic knowledge, Swami Dayananda classified it into four orders (Rig-Veda 10-09-9). The first-order is the transcendental knowledge (Jnana), which is the knowledge of the absolute truth or God. By obedience of his instructions and knowledge of matter (physical qualities and uses of material objects), deviation of the material structure can be avoided. The second-order is action (karma) by which right actions will lead to self-determination and self-realisation of both inner self and social order. The third-order worship (upasana), relates to all right measures for the realisation of self and God. In the fourth-order, science (vigyan), this is a body of knowledge encompassing Upanishads, Brahman Granthas, Smrities, Puranas and Darshan Shastras. It is clear upon reflection that the ancient Indian philosophy propounds that cosmic order requires absolute balance. Vedic knowledge also explicitly informs that right moral practices will enable and stabilise cosmic order. Cosmic order is realised through an understanding of transcendental knowledge, taking right actions and right measures framed by the sciences of Vedic philosophy. If mankind disengaged from the knowledge of matter to accumulate material wealth without seeking right actions (ethics and social responsibility) physical detriments will certainly occur (the law of karma). In the quest for business excellence, the fundamental pursuit of a balanced life has often been ignored in the contemporary business world.

Vedic philosophy further identifies four objectives in human life. These are values or virtue (dharma), money (artha), urges (kama) and salvation (moksha). There is a

systematic relationship of each of these objectives. The ultimate element of life should be interpreted as a drive to achieve moksha or salvation guided by value systems and the urge or motivation to achieve using money (artha) as a form of tool. Sri Krishna in *Bhagavad-Gita* states that 'value system protects you if you follow it (*dharmo rakshati rakshitaha*)'. Swami Vivekananda in his reflection of *Bhagavad-Gita* affirmed that the basis of social and political system rests on the goodness of man (Vivekananda, 2000). Therefore, value system is superior which drives the right objectives. Wealth accumulation is to serve the objectives. The principle role of money is to serve the needs of the society (Mahavir, 2001). While the Vedas supports the concept of accumulation of wealth (Yajur-Veda 10–20; 5–19; 34–38), it also stated clearly the right path to earn great wealth and riches (Yajur-Veda 7–13). While accumulation of wealth is encouraged, the Vedic philosophy proposed the right action on the use of wealth – on self, commotion and donation for the welfare of others. It is also explicitly stated that whatever is given to the others selflessly, it returns in many folds (Rig-Veda 1–8).

Business is viewed as legitimate and an integral part of society according to Vedic philosophy but essentially it should create wealth for the society through the right means of action. 'sarva loka hitam' in the Vedic literature referred to 'well-being of stakeholders'. This means an ethical and social responsibility system must be fundamental and functional in business undertakings. Put in simple business sense, the organisation would sustain long-term advantages and obtain profits if it conducts its businesses ethically and be socially responsible. Vedic literature on business profoundly states by the following quote:

May we together shield each other and may we not be envious towards each other. Wealth is essentially a tool and its continuous flow must serve the welfare of the society to achieve the common good of the society (Atharva-Veda 3-24-5).

The Vedic philosophy insists that quality of work and service needs to be achieved in the business process model for long-term sustainability, besides an equitable redistribution of wealth after having acquiring it. This core principle of Corporate Social Responsibility (CSR) expounded by the Vedic literature is being reengineered in the modern business models, namely, Total Quality Management (TQM), Business Process Reengineering and triple bottom-line sustainability.

In the *Bhagavad-Gita*, the key principles of Vedic philosophy is re-cemented in the Indian mind on the basic moral understandings required to achieve salvation through transcendental knowledge, the obedience to law of karma, self-realisation, and the performance of actions under the framework of Vedic sciences. The *Bhagavad-Gita* is accepted as a universal body of knowledge and remains as a lifelong scientific and spiritual model for mankind. It triggers the search for self-realisation and appropriate right action in the material driven world. Sri Krishna says in the *Bhagavad-Gita* (3–13), that all sorrows from the society would be removed if socially conscious members of a community feel satisfaction in enjoying the remnants of their work performed in yagna spirit (selfless welfare of others). In short, the Indian philosophy on business management is to inculcate corporate social responsibilities.



## 7 Indian CSR model

Then, what are the expected characteristics of business excellence from the ancient Indian perspective? Is there a specific Indian CSR model?

In accordance with the Indian philosophy, the characteristics of business excellence are intricately weaved around spiritual threads of Vedic and *Bhagavad-Gita* teachings. First, business excellence must be dedicated to spiritualism (of work). All other matter then falls into order. The business management corresponds to a cosmic order that is grounded with concepts of self-determination and self-realisation. Secondly, business excellence should evolve around right actions and right measures. Self-realisation that immoral business strategies (example those related to poor quality products sold at excessive profit margins) and unethical business tactics (example undercutting and short-term profit taking) only results in business losses.

Thirdly, business wealth should be accumulated by applying the right actions that should be shared equitably with all stakeholders. Selfless sharing of profits brings long-term gains. Employees would be highly motivated, loyal and hugely committed to the organisation. Finally, business excellence would be achieved if the business practices are ethical and social responsible to the society. This will result in long-term sustainability of the business.

The business excellence in accordance to the Indian philosophy is more than just a business objective. Being spiritual in structure, it attempts to achieve perfection (or moksha). It is the highest order systematically framed by the Vedic order system. Hence, disorder in business practices is expected to follow the law of karma (action and antecedent result). Business excellence in the context of the Indian philosophy is an expression of virtue or dharma.

An Indian CSR model can be possibly constructed upon the Vedic principles of virtue as key planks in modern business models. Key planks that should dominate the business models follow the spiritualism context of self-realisation, the laws of karma, right measures and finally, the scientific approach of order. Sri Krishna in the *Bhagavad-Gita* states that 'I am that action in all things that is unopposed to values'. Successful Indian companies can attest to this CSR model, namely, TATA group, Infosys, Wipro, Bajaj, Sriram Investments, BHEL, Bharat Heavy Industries, Asian Paints, Brook Bond, and Larsen and Toubro to name a few.

## 8 Kautilya's *Arthashastra* and CSR

Kautilya's *Arthashastra* is one of the ancient Indian literatures which had provided some insights to CSR, although the context was written for his King (Chandragupta Maurya) to govern the state. The roots of the *Arthashastra* can be traced from the Rig Veda. The *Arthashastra* deals primarily with economics and politics. In chapter 59 of *Santiparva*, of the *Mahabharata*, the details of state administration in an organised society are provided. It is called *Niti Sastra*, which was composed by Brahmadeva and summarised by Sukracarya. Other sages such as Bharadvaja, Gaurisira, Yajnavalkya and Manu also stated this science. In *Santiparva*, the subjects of *Rajadharma*, mentioning the duties of the kings are elaborated (Kodandaramayya, 2004 cited in Muniapan and Shaikh, 2007). R. Shamashastry was the librarian of Oriental Library in Mysore found a copy of the *Sanskrit* text of the *Arthashastra* in a palm-leaf book, edited, and brought out an English

version in 1909, it created waves in the western world. It was discovered that the *Arthashastra* written hundreds of years earlier provides a complete manual for running the state efficiently in all the branches, legislature, executive and judiciary. It also includes all aspects of state administration such as establishing a governing hierarchy, selecting people, levying taxes, to laying down laws, to decide punishments for breaking the law, etc. (Muniapan and Shaikh, 2007).

In his *Arthashastra*, Kautilya maintained that a king (leader or CEO in the context of organisation) should have no self-interest, happiness and joy for himself, his satisfaction lies in the welfare (happiness) of his people, i.e. he has to submerge his personality into the larger personality of his people. This is based on the cultural ethos of self-abnegation. Kautilya states in the happiness of his subject lies the happiness of the king; and in their welfare lies his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him, whatever pleases his subjects. *Bahujana sukhaya bahujana hitayacha* – the welfare of the many and the happiness of the many. In fact, this concept of the happiness of the many need integrated into the area of corporate management as the basic principle. This ancient wisdom is also reflected in other languages. Two thousand years ago, Thiruvalluvar in Tamil Nadu wrote the *Thirukkural* and just like Kautilya's *Arthashastra*, he also dealt with the characteristics of a well-run administration or socially responsible organisations. For instance, when talking about the responsibility of a king (leader), Thiruvalluvar says: *Murai saithu kapatrum mannavan makkalkku iraiyentru vaikkapadum* (the king who administers justice and protects his people will be considered of divine quality; Vittal, 2004). Thiruvalluvar also says: *Irai kakkum vayyakam ellam avanai murai kakkum muttacheyin* (the king protects the world and if he acts according to justice or dharma, then justice itself will protect him). If a person rules according to dharma, that dharma itself will protect him (*dharmo rakshati rakshitaha*). In the Indian context, this example can be seen in *Ramayana*, when Sri Rama (king) had to make the painful decision to banish Sita (queen) from *Ayodhya*. Sri Rama as an ideal king had to uphold the honour of his dynasty. He needed to set examples for all generation to follow. Although Sri Rama's decision to banish Sita may seem to be harsh, the king sometimes needs to be harsh, as the first duty of the king is to rule his people while other considerations are secondary, even if they affect personal happiness (Muniapan, 2005b; Muniapan and Shaikh, 2007).

There are also similar advices in *Shantiparva* of the *Mahabharata*, wherein the public interest (welfare) is to be accorded precedence over his (leader's) interest. A leader (king) should, without doubt, look upon the subjects as his children. In determining their disputes, however, he should not show compassion. In performance of his duties, he is enjoined to be impartial. In the ancient India, the leader (king) is often compared to the rain clouds, which bestow benefit, through rain (actions), to all and sundry, equally. In the context of corporate management, the organisation (state) leader is a catalytic change agent. The *Arthashastra* views are wider and more comprehensive in this regard. The leader (king) is the maker of his time. The important qualities and duties of the king are obtaining what has yet to be obtained, protecting what has been obtained, and increasing and properly using what has been obtained. Kautilya laid down three main responsibilities of a leader (king), they are *raksha*, which means security, *palan*, which means growth and *yogakshma*, which means welfare. The meanings and the context of the three responsibilities differ in depending upon the environmental context.

## 9 CSR: happiness to all stakeholders

Kautilya stressed the importance of happiness to all stakeholders of an organisation. He stated that happiness is obtained not only by wealth and profit, but also by doing things rightly and doing right things (*sukhasya moolam dharma*). Dharma without wealth according to Kautilya is toothless (*dharmasya moolam artha*), and wealth without dharma is useless because a poor person cannot support the entire society. Indian culture has always emphasised that *sukhasya moolam dharma* and *dharmasya moolam artha* taken together – namely, wealth does not lead to directly happiness. Happiness for self and others results through ethical behaviour: wealth or resources make ethical behaviour possible. This also means that one must strive to generate wealth – resources and money – share it equitably to create happiness for oneself and others. Such generation of wealth must also be through ethical means, which alone would lead to overall happiness (Garde, 2003). Kautilya further stated to generate wealth you require an enterprise or an organisation or an asset (*arthasya moolam rajyam*). He then stated the support for organisation is the organs (*rajyasya moolam indriyajayah*), the functions, processes, activities, etc. The victory over organs of the body, which is the literal meaning of the word *indiyajayah*, is a well-known concept in the Indian culture and this refers to the control over the five organ of sense (eyes, ears, tongue, nose and skin), an on five organs of action (hands, feet, mouth, genitals and anus). Conquering the body organs are manifested through control over the six enemies of the mind – desires (*kama*), anger (*krodha*), greed (*lobha*), arrogance (*mada*), infatuation (*moha*) and envy (*matsara*). Only the governor or CEO who has conquered the organs of his body would be able to put the goals of the organisation first, especially when in conflict with self-interest (Muniapan and Shaikh, 2007).

## 10 Conclusions

In this paper, we have explored the philosophy of CSR from an ancient Indian perspective with reference to Kautilya's *Arthashastra* (4th century BC). Although the insights of CSR provided in this paper are limited to Indian context, some of these ideas of CSR can also be applied universally. Besides CSR, there are many management concepts from the ancient Indian literatures like the Kautilya's *Arthashastra*, which are still applicable in today's corporate management. A deeper study of the book will open many new areas of management concepts, which is yet to be known and practiced in the modern management. Besides, CSR Kautilya's *Arthashastra* have dealt with many other topics related to politics, economics, sociology, ethics, etc. We hope this paper will provide a significant contribution to the literature on CSR from philosophical perspectives. It is our hope to see more studies in other areas of corporate management such as strategic management, financial management and human resource management from Kautilya's *Arthashastra* can be undertaken for future research.

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