Trusteeship: **business and the economics of well-being** **Rajni Bakshi** **Senior Gandhi Peace Fellow** **Gateway House: Indian Council on Global Relations**	
About the author	2
Introduction	4
1. Why bother about trusteeship?	4
2. Pressure for change	5
3. In search of Economic Democracy	6
Section 1	
The historical basis of trusteeship: Gandhi and other global legacies	7
1.1 What is trusteeship?	7
1.2 What Gandhi asked of the rich	8
1.3 Why did Gandhi think trusteeship could work?	10
Section 2	
Philanthropy	13
2.1 Why give away wealth	13
2.2 The wide gap between millionaires and giving	16
2.3 Conscience laundering	16
2.4 Strategic philanthropy for systemic change	17
Section 3	
Trusteeship as better corporate governance	20
3.1 How are profits earned?	20
3.2 'Conscious' capitalism	22
3.3 Shareholder versus stakeholder capitalism	25
3.4 Shared value	26
3.5 More roads leading to trusteeship	28
3.6 Dark cloud silver lining	29
3.7 Perils at the bottom of the pyramid	30
3.8 From CSR to trusteeship	31
Section 4	
Trusteeship as a radical philosophy of ownership	32
4.1 Land Gift and Corporate Trusts	32
4.2 Focus on common good as risk protection	33

About the author

Rajni Bakshi is a Mumbai-based author who has spent the last 30 years in the fertile ground between journalism and activism, chronicling struggles for more humane and ecologically sound ways of life. The last decade has been dedicated to listening to a wide range of innovators in business and politics who are exploring ways to re-engineer the operating system of ‘the market’ so that its conversations are more inclusive and holistic.

She is the author of *Bazaars, Conversations and Freedom: for a market culture beyond greed and fear* (Penguin, 2009), which won two Vodafone-Crossword Awards. Her earlier book, *Bapu Kuti: Journeys in Rediscovery of Gandhi* (Penguin, 1998) inspired the Hindi film *Swades*. Her other books include: *Long Haul: the Bombay Textile Workers Strike 1982-83* (1986); *A Warning and an Opportunity: the Dispute over Swami Vivekananda’s Legacy* (1994); *Let’s Make it Happen: a backgrounder on New Economics* (2003); and *An Economics for Well-Being* (2007).

Rajni serves on the Boards of Child Rights and You (CRY) and Citizens for Peace. She is also a long-term associate of the Centre for Education and Documentation, Mumbai and Bangalore.

Rajni has a BA from George Washington University and an MA from the University of Rajasthan. She was awarded the Homi Bhabha Fellowship in 2000. She has been the Gandhi Peace Fellow at Gateway House since 2010.

Summary

Economic reforms in India have often arrayed proponents of market-led growth against human rights advocates anxious that markets give primacy to profits over people.

A quarter century after the reform process was initiated in the early 1990s, this conflict has sharpened. At the same time, this narrative of polarised positions seems increasingly worn out. Business and society at large have always been intricately co-dependent. This interface is now taking many new forms across the world, with some entrepreneurs seeing profit as a means, rather than the end goal of business.

In the background of these trends is the silhouette of Mahatma Gandhi and his advocacy of "trusteeship." Why was Gandhi confident that both communism and capitalism would someday be replaced by trusteeship? Since trusteeship is a set of core values, rather than an ideology or a model, how can it impact deeply entrenched practises which foster vast concentrations of wealth? Is trusteeship merely about philanthropy by the super rich, since 62 billionaires globally now have more wealth than half of humanity, or does it mean much more? [1]

This paper explores these questions. It reviews if and how trusteeship can be a lodestar for globally navigating businesses and public policies through a period of technology-driven disruptions and the uncertainties unleashed by climate change.

Trusteeship is a frame of reference on which a wide variety of business models can be based. The emphasis is on transforming rather than demolishing the capitalist system. In essence, Gandhian trusteeship reposes faith in the capacity of individuals and entire classes to re-form themselves, on the premise that the capacity to seek redemption is intrinsic to human nature.

There was logic rather than dreamy wishful thinking behind these claims. Gandhi believed that it is a fearful man who tyrannises others or attempts to accumulate wealth by force or by unfair means. By contrast, a voluntary adoption of trusteeship means respect for human dignity, fostering relations based on truth and shared goals. Thus, Gandhi urged labourers to approach employers from a position of strength and self-respect since labour is as vital a component of production as capital, land, and technology.

In a time mired by corruption and competitive greed, trusteeship may at first glance seem like a pipe-dream. Can this closer examination perhaps give you cause to rethink?

Introduction

"That economics is untrue which ignores or disregards moral values. The extension of the law of non-violence in the domain of economics means nothing less than the introduction of moral values as a factor to be considered in regulating international commerce." [2] —M. K. Gandhi

1. Why bother about trusteeship?

Set off from a busy and noisy Ahmedabad street, nestled amid lush trees, Shantisadan is an old bungalow that serves as one of the offices of Ambalal Sarabhai Enterprises. On 31 January 2014, the 65th anniversary of Mahatma Gandhi's assassination, Sabarmati Ashram and Gateway House co-hosted a dialogue on trusteeship at this mansion.

Gathered around a large table were young entrepreneurs in conversation with elderly leaders of century-old businesses, representatives of philanthropic foundations, and academicians. What they had in common was a fascination with Gandhi's emphasis on "trusteeship." But why would such an assortment of people—among them a builder of boats, a promoter of low-cost housing, a multi-brand retailer, a high-fashion designer—bother to spend a whole day pondering the why, what, and how of trusteeship?

First and foremost, because Gandhi's prediction is proving to be true: he had said that the future belongs to neither capitalism nor communism. But does this necessarily validate Gandhi's faith that trusteeship will some day replace the two dominant systems of the 20thcentury? If trusteeship is neither a model nor a well-defined ideology, then how is it a superior, or more workable, alternative?

One of the two dominant systems, communism as exemplified by the Soviet Union, collapsed under the weight of its own internal inefficiencies. When the Berlin Wall was brought down in 1989 by a popular uprising in both West and East Germany, it marked the beginning of the end of not just the Soviet state but also of the idea of state-run communism. At about the same time, China made a shift to a market economy—gradually integrating with global capital to become an economic giant that could well become the super power of this century.

Capitalism, by contrast, has not collapsed but is in deep crisis. The chronic instability of global financial markets is merely one indicator. Extreme concentration of wealth, and thus of power, is a far more stark dimension of this crisis. For instance:

- Seven out of 10 people in the world live in countries where economic inequality has increased in the last 30 years, according to a study published by Oxfam in 2014. Even more significantly, this survey of six countries—Spain, Brazil, India, South Africa, the UK, and the U.S.—showed that a majority of people believe that laws are skewed in favour of the rich.

- On the other hand, the richest 1% increased their share of income, between 1980 and 2012, in 24 of the 26 countries surveyed by Oxfam.
- In the U.S., the wealthiest 1% have captured 95% of the post-financial crisis growth since 2009, while the bottom 90% have become poorer. [3]
- In India, 215 million people, about 20% of the population, have zero assets. [4]
- Sixty two billionaires now own as much as the poorest half of the world's population, according to another Oxfam report published in8 January 2016. This is a dramatic shift from 2010, when 388 billionaires owned as much as the poorer half of humanity. According to the same report, the wealth of the bottom half of the world's population—3.6 billion people—fell by $1 trillion between 2010 and 2015. [5]
- As much as 94.5% of the world's household wealth is held by just 20% of the adult population. [6]

This severe disparity of incomes and asset accumulation is a concern even at the centre table of global economic power, notably the World Economic Forum (WEF). The WEF's annual *Global Risks* reports have identified severe income disparity as a serious risk since 2012. [7] To make matters worse, the International Labour Organization's (ILO) *Employment Outlook* report for 2015 concluded that under-employment and unemployment are chronic global problems that seem to defy solution. [8]

At the same time, climate change-driven extreme weather threatens food production globally. The degradation of soil, air, and water quality is impacting human well-being across the world. By 2025, according to the United Nations, two-thirds of the world population is expected to face water stress conditions. [9]

Business as usual does not offer solutions to any of these crises. Globally, trust in business has been steadily falling, with surveys showing businessmen and bankers, along with politicians, as among the least trusted people in the world. [10]

Although COP21, the Climate Change conference in Paris in December 2015, put markets at the centre of the quest for solutions to the climate crisis, there is a widespread acknowledgement that the modes of capitalist enterprise which we inherited from the 20th century cannot provide the basics of life to the more than 9.6 billion people who will inhabit the planet by 2050. [11]

2. Pressure for change

The pressure for change is coming both from radical politics and an awareness of flaws within formal centres of power—in governments and private corporations. .

The present era of globalisation, with increasingly liberalised capital controls and public policies driven by private corporations, has been challenged by a wide assortment of civil society organisations across the world. Anger and discontent erupted in 1999 when massive street protests brought the World Trade Organization (WTO) ministerial meeting in Seattle to a halt. Although the international media termed these protests "anti-globalisation," they were in fact part of a global struggle for social justice.

This globalisation of protest led to the formation of the World Social Forum (WSF), first held at Porto Alegre, Brazil, in 2001. A decade-and-a-half later, the WSF remains a broad platform of disparate groups drawn together by the “another world is possible” motto. The biennial gatherings of the WSF are a veritable festival of practitioners from spheres as diverse as health, agriculture, education, technology, and more—all seeking to give primacy to human and environmental well-being rather than just GDP growth or profits. [12]

Over time, even as the sharp edge of such protests was perceived by some to have blunted, the Occupy Wall Street movement erupted in 2011. It began as a small sit-in by youth at Zucotti Park near Wall Street in New York, and spread to 82 locations across the world. The “occupy movement” may now have faded away as a street-level protest, but its rallying cry of changing the world order so that 1% of people do not hold the large bulk of total assets in the world, has percolated into mainstream discourse. [13]

This mainstreaming is evident in, for example, the popularity of the 2013 book *Capital in the 21st Century* by French economist Thomas Piketty. The book became a best-seller partly because it showed that vast disparities in the accumulation of assets are inherent to capitalism in its present form, and the dire implications this has for social and economic stability.

Even at the World Economic Forum, where capitalism itself is not challenged, discussions are now premised on the need for new models of global governance that are better suited to a multi-polar world with severe disparities of wealth and power. A WEF report in 2014 concluded that given the complexity and inter-dependence created by globalisation, resilience requires business, governments, and civil society to work together to find solutions. [14]

At the same time, technological innovations have created unprecedented potential for change towards some elements of trusteeship—notably, cooperation and sharing. For example, the open source movement, which began in the realm of computer software is now a modus operandi that runs across diverse sectors; and the term “sharing economy” is becoming common because of the success of Uber and AirBnB.

It is true that trends in the direction of greater cooperation and collaboration are over-shadowed by the continuing dominance of intellectual property regimes designed to concentrate profits in the hands of a few. But the massive technological disruptions, coupled with the inability of the prevailing form of capitalism to deliver even basics to all, and a possible cultural reassertion of sharing rather than acquisition, have created fertile ground for a closer look at Gandhi’s confidence in trusteeship as a framework for fostering well-being.

3. In search of ‘economic democracy’

This exploration begins by rejecting the stereotype of Gandhi as a hyper-idealistic moraliser. In reality, the Gandhi who speaks to our times had an avid appreciation of his family roots in the Baniya (merchant/trader) caste, made diverse use of his training as a lawyer, admired entrepreneurial skills, and above all was unwaveringly committed to an open society that strives for economic justice without the use of force.

Understanding the genesis and nature of Gandhi's interest in trusteeship is merely the entry point of this exploration. In society, as in science, Gandhi insisted, there are no 'failed' experiments; knowing what doesn't work moves us closer to that which will. This love for honest experimentation is what made Gandhi a powerful organiser and enabled him to apply the findings of his inner quest to public life.

This essay will explore the contemporary prospects of trusteeship in two dimensions: Firstly, by looking at efforts to save capitalism from itself through philanthropy and better corporate governance. Secondly, by discussing efforts that go beyond capitalism and pose radically different approaches to ownership—that treat trusteeship as an aspect of *purushartha*—a normative and spiritual framework that gives purpose to life. The aim is to explore if and how trusteeship might be the basis for enabling economic democracy—that is, greater fairness and equal access to opportunities and resources.

Section 1
The historical basis of trusteeship:
Gandhi and other global legacies

"If the trusteeship idea catches, philanthropy, as we know it, will disappear.... A trustee has no heir but the public"—M. K. Gandhi [15]

1.1 What is trusteeship?

Once upon a time, in a village near Jabalpur in central India, a family of four brothers stumbled upon the mythical *paras*—a stone that could turn base metals into gold. The brothers, who were subsistence farmers, thought carefully and realised that the potential treasure could well become a curse—creating conflict amongst them and inciting attacks from others who would covet the magical stone.

So they took the *paras* to the King—since the stone was found on his land it must belong to the sovereign. But the King thought deeply and gave the *paras* back to the farmers along with the following advice: "Use it to create well-being, not gold." So the brothers returned to their village and used the *paras* sparingly to create four lakes which irrigated thousands of acres, and would benefit farmers of that region for generations.

While the vintage of this fable is unknown, the four large manmade lakes it describes can still be found within a 150-kilometre radius of Jabalpur. Estimated to be about 800 years old, the lakes are named after the four brothers in the story—Kudan, Budhan, Sarman, and Kourain.

A literal interpretation of this tale might say that the farmers would have been better off had they lived in our times. They could have availed of many avenues to invest and multiply their gold. They would have legal rights of protection against theft and from any contemporary version of marauding feudal lords. Plus, there is so much more that money can now buy, for our age offers a wider variety and quantity of goods and services than ever before in human history.

And yet, this fable calls for deeper scrutiny, for a more imaginative reading.

One, it invokes the power of ancient wisdom: what is consumed feeds once, but what is given away feeds again and again. There is greater creativity and dynamism in sharing, while hoarding or forcibly concentrating resources breeds greed and fear.
To a small extent, this sentiment is today expressed through philanthropy.

Two, it demonstrates the benefits of generating larger good through collective action—in this case, the strengthening of community structures that would be required to build the lakes and then maintain them over hundreds of years. The opposite of this would have been a concentration of money power and political power, which is always dangerous because it brutalises the oppressed and demeans the exploiters in spirit. Today, this wisdom is partly, even if faintly, expressed through efforts for good corporate governance—in private companies and in government.

Three, the story serves as a reminder that inanimate assets like gold or cash are not really 'wealth' in the way that organic life-sustaining resources are—in this case, water, food, cattle, and a healthy ecosystem. The future of our species depends on redefining value in ways that give greater importance to life-sustaining processes and natural resources rather than money.

Most important of all, the story locates material wealth in a larger vision of what truly fulfils the human spirit—what the Indic civilisation knows as *purushartha*. Indian philosophy defines four levels or stages of *purushartha—dharma* (moral frame), *artha* (material pursuits), *kama* (pleasure-seeking), and *moksha* (liberation of the soul).

Gandhi's faith in trusteeship was anchored in all of the above—in particular, his conviction that a life based on *purushartha* was bound to be the most fulfilling and fruitful —both for the individual and the society in which she lives. Thus, for Gandhi, 'trusteeship'—was less about giving away accumulated wealth and much more about *sadhanshudhi* or purity of the means deployed to create wealth.

Before understanding quite what this means, it is vital to emphasise the importance that Gandhi gave to those with entrepreneurial talent.

1. 2 What Gandhi asked of the rich

In 1934, Gandhi accepted an invitation from a merchant's association in Karachi to address their members. Before agreeing to speak, Gandhi made it clear that he would speak to them as a representative of workers and *daridranarayana*—the poorest of the poor. However, during this speech, Gandhi described businessmen and princes as the "inseparable limbs of India." He said:

> "My duty does not demand that I should destroy one of these limbs in order to serve Daridranarayana. My experience of many years has strengthened my belief that even if it is possible to liquidate these classes, Daridranarayana is not going to benefit by it. What I desire and what is uppermost in my thoughts and dreams is that I should help as much as is possible in bringing about unity among all these classes, and devote my utmost energy to this cause." [16]

He went on to elaborate what he expected from his audience:

> "I presume that, as representatives of the Indian business community, you would not resort to dubious trade practices, would not exploit Daridranarayana and would see that their rights are not violated at your hands. I expect that you would not indulge in any trade which may harm Daridranarayana."

Gandhi acknowledged that many businessmen do not act in this spirit, nor do all rich people use their wealth as if it really belonged to the poor. "In spite of that," Gandhi said, "I am sure the number of rich persons who desire to be the trustees of their wealth is increasing."

Gandhi's confidence was rooted in experiences which showed that altruism and self-interest can be blended with trade. The experience included his interactions with a variety of business people when he was a lawyer in South Africa, his friendship with members of the Quaker community in England, and later his time as a political worker in India.

For instance, he knew how hard Jamnalal Bajaj worked to ensure that his businesses retained the highest ethical standards. Bajaj, who was like a son to Gandhi, headed a burgeoning trading and manufacturing business while also being a full-time freedom fighter—for which the British often sent him to prison.

After one such spell in jail, Bajaj found that the managers in his cotton trading business had joined other merchants in a common malpractice: bales of cotton would be made wet to increase their weight, thus cheating customers who would pay for more than they actually got. Bajaj stopped his managers from doing this and suffered losses in the short run. But soon word spread in the market that Bajaj's seemingly more expensive cotton bales were actually a better bargain—and his profits soared.

Of course Gandhi knew that people like Bajaj were in a minority. The historian B. R. Nanda has noted that while many industrialists revered Gandhi, very few actually stuck their neck out in response to his calls for action in the freedom struggle—let alone trusteeship. Nanda wrote:

> "Gandhi's appeal to industrialists 'to conduct their business on national rather than on purely commercial lines' fell on deaf ears. He discovered that

> industrialists were hard-headed men, not easily swept off their feet by patriotic slogans…To understand the attitude of Indian capitalists to Gandhi and the Congress, it must first be acknowledged that to most of them, Gandhi's economic thought appeared romantic, and his emphasis on the spinning wheel and cottage industries absurd." [17]

When challenged about the number of wealthy individuals who actually saw themselves as stewards of society, Gandhi was undaunted:

> "There may be just one such trustee or there may be none at all. …We should have faith that we can, without violence or with so little violence that it can hardly be called violence, create such a feeling among the rich. We should act in that faith …Only those who have no faith in non-violence can ask how many trustees of this kind can be found." [18]

Gandhi knew that in pre-modern and pre-capitalist times, in virtually all societies across the world, the bazaar was governed by ethical norms that put reciprocal societal relations above purely transactional exchange. Across diverse cultures, greed was frowned upon. So Gandhi emphasised that "Genuine *artha* (materialism) is that alone which includes *paramartha* (higher purpose/ spiritual frame)." [19]

It is only with the dawn of modernity and the rise of capitalism, first in the western world from the 18th century onwards and then globally, that communitarian systems based on mutual aid became subservient to 'the market'. Consequently, ethical and spiritual frameworks—of the kind expressed by the fable of the four brothers—were excised from political economy.

1. 3 Why did Gandhi think trusteeship could work?

1.3.1 Fiduciary duty

In the *Collected Works of Gandhi*, the earliest references to "trustee" are in the letters and briefs he wrote as a lawyer. In its most basic and legal form, a trustee is a person, or a firm that holds or administers property or assets for the benefit of a third party. In essence, a trustee is required to make decisions in the beneficiary's best interests while maintaining a strong level of integrity and impartiality in conducting those duties. [20]

As he became engaged in political struggles, Gandhi began to apply the term trustee in a wider sense to social responsibility. In the realm of business, Gandhian trusteeship, in its most rudimentary form, is an extension of fiduciary responsibility—the operational imperative of contemporary capitalism.

Managers of public companies are fiduciaries. They have a legal and ethical obligation to act in trust and good faith to prudently take care of other people's investments. Gandhi expanded that idea and applied it to the generation and management of all wealth, even completely private wealth, on behalf of society at large.

1.3.2 Transforming private property

Gandhi's aim was not to demolish private property but rather *transform* how it is held and used. By the mid-20th century there was ample evidence that eliminating the right to private ownership by force led to some form of authoritarianism—with a small group concentrating power in its own hands in the name of the working class, as happened in the Soviet Union and in China under Mao Zedong.

> "I cannot accept benevolent or any other dictatorship. Neither will the rich vanish nor will the poor be protected. Some rich men will certainly be killed out and some poor men will be spoon-fed. As a class the rich will remain, and the poor also, in spite of dictatorship labelled benevolent. The real remedy is non-violent democracy, otherwise spelt true education of all. *The rich should be taught the doctrine of stewardship and the poor that of self-help."* [emphasis added]—M.K. Gandhi. [21]

Gandhi was not relying entirely on persuasion to foster trusteeship. Since he lived in a time of violent revolutions, Gandhi told the wealthy that they were faced with a stark choice between class war and converting themselves into trustees of their wealth. But this would have to be a voluntary and cultural shift, not a move driven by fear of punitive laws. As Gandhi wrote in *Young India* in 1931:

> "By the non-violent method, we seek not to destroy the capitalist, we seek to destroy capitalism. We invite the capitalist to regard himself as a trustee for those on whom he depends for the making, the retention and the increase of his capital. Nor need the worker wait for his conversion. If capital is power, so is work. Either is dependent on the other. Immediately the worker realizes his strength, he is in a position to become a co-sharer with the capitalist instead of remaining his slave. If he aims at becoming the sole owner, he will most likely be killing the goose that lays the golden eggs. [22]

At the heart of this reasoning was Gandhi's rejection of the creed that came to dominate western ideas of political economy in the 19th century. Namely, that in its natural state, human life is short, nasty, and brutish, which thus validates brute competition as not just a survival imperative but as the very basis of progress.

Gandhi was not in denial that most of us are creatures of habit and all of us have a violent streak. But he was more fascinated by observing, in daily life, that many people endeavour to develop their will power to make choices in favour of cooperation and non-violence.

1.3.3 Purity of means

Gandhi recognised and respected the talent and ability to generate wealth. In his view, it was this talent as well as the capacity for *work,* and not just one's material possessions, that ought to be held in the spirit of stewardship. Then wealth would be generated without exploitation—and not purely for personal gain but for the sake of society at large. In a conversation with his secretary Pyarelal in 1942 Gandhi said:

> "We must not underrate the business talent and know-how which the owning class have acquired through generations of experience and specialization. Free use of it would accrue to the people under my plan. So long as we have no power, conversion is our weapon by necessity, but after we get power, conversion will be our weapon of choice. *Conversion must precede legislation. Legislation in the absence of conversion remains a dead letter*. As an illustration, we have today the power to enforce rules of sanitation but we can do nothing with it because the public is not ready." [Emphasis added] [23]

'Conversion' meant that business people would not resort to trade or work practices which exploited *daridranarayana* or allowed workers' rights to be violated in any way. Gandhi knew that the takeover of all private property by the State would not necessarily end exploitation or injustice. In an interview given in 1934 he said:

> "I look upon an increase of the power of the State with the greatest fear, because although while apparently doing good by minimizing exploitation, it does the greatest harm to mankind by destroying individuality, which lies at the root of all progress. We know of so many cases where men have adopted trusteeship, but none where the State has really lived for the poor."
>
> "…It is my firm conviction that if the State suppressed capitalism by violence, it will be caught in the coils of violence itself, and will fail to develop non-violence at any time. The State represents violence in a concentrated and organized form. The individual has a soul, but as the State is a soulless machine, it can never be weaned from violence to which it owes its very existence. Hence I prefer the doctrine of trusteeship." [24]

1.3.4 A method of the strong

As with non-violence and *satyagraha*, Gandhi saw trusteeship as a method of the strong. His logic was as follows: greed and the craving for exclusive possession undermine, even destroy, a person's capacity to love. This weakens the person, shrivelling his or her ability to experience joy or find peace. It is the strong and expansive, rather than self-centred, personality that can strive for some degree of non-possession—knowing fully well that its full form is unattainable. So what if perfection in love or non-possession are unattainable in real life, Gandhi wrote, we can ceaselessly strive for both as long as we are alive. [25]

This is why Gandhi exhorted labour to act from a position of strength. In 1934 he wrote:

> "Fear and distrust are twin sisters born of weakness. When labour realizes its strength it won't need to use any forces against moneyed people. It will simply command their attention and respect." [26]

Gandhi's faith in gradual shifts of power structures was rooted in an optimistic view of human nature and a teleological view of history. He had grown up in a time when, in the western world, the vestiges of feudalism were giving way to early signs of democracy based on universal suffrage. It was over the preceding two centuries that the absolute power of monarchs, which once seemed invincible, had withered away with some properties going from the private to public realm.

For instance, in 1760, the British sovereign George III, surrendered the revenue of what till then were royal properties to the national Treasury. He did this for expediency, not for some higher ideal. In exchange, the king was freed from the cost of running the civil government, the national debt accrued by previous monarchs, and his own personal debt. Eventually, in 1961, this gave rise to the legal entity known as the Crown Estate, now valued at about 8.1 billion pounds. The estate's assets are not the private property of the monarch but belong to the people of Britain. [27]

As monarchies and colonialism gave way to democracy and free republics across the world, it was expected that there would be a profound devolution of assets and economic power to the masses. Instead, the early 21st century is witness to new forms of wealth-concentration and economic injustice.

According to the Credit Suisse Global Wealth Report for 2015, 0.7% of the world's adult population now owns almost half of the world's wealth. Equally significantly, the poorest two-thirds of people own just 3% of the world's wealth. [28] Besides, half the world's adult population has assets of less than $3210 per head—and only the top 10% of adults have assets worth $68,800 or more. [29]

It could be argued that these stark disparities testify that the global political economy is running counter to the ideal of trusteeship. Why then is the possibility of trusteeship as a post-communism, post-capitalism framework still worth considering? Firstly, because across the world the aspiration for democracy and a more equitable economic system is well entrenched. There is pressure for change from below. Secondly, because capitalism has historically proven to be quite nimble and is even now grappling to respond to these pressures.

The next section explores one such response—a renewed celebration of large-scale philanthropy and its limitations.

Section 2
Philanthropy

"Whether it is water pouring into a boat
Or a great quantity of money flowing your way
The wise rapidly fling it out with both hands"
Kabir

2.1 Why give away wealth

Is business an end in itself, or is it a servant of society? This question has been a constant ever since the rise of capitalism in the 18th century. This apparently was the question that hung between Swami Vivekananda and John D. Rockefeller when they met in Chicago in 1894, at the home of one of Rockefeller's friends who was Vivekananda's host.

Are the generators of wealth truly its creators, or are they mere instruments through which a much larger social and economic process works for the larger good? This is the question Vivekananda asked the young American millionaire. At first, Rockefeller was repelled by the Indian monk's statement that all the money he was accumulating was not really his but merely channelled through him by God for the good of others.

Rockefeller is said to have walked out of that first encounter seemingly annoyed. But he came back a week later with a newspaper which carried a report of his first major donation. [30] Twenty years later, he established the Rockefeller Foundation, which has, over a century, given away a total of $17 billion, in current dollar value. [31]

Philanthropy in the spirit of charity has ancient roots in all societies. The significance of this monk and millionaire conversation is that it highlights a tussle within capitalism that remains unresolved.

Is philanthropy simply a safety valve for capitalism—a way of socially and morally validating and justifying large concentrations of wealth? Or is it an expression of what the billionaire philanthropist George Soros has often said—that no wealth is really ever private because an individual or company has drawn on the larger social and ethical context to create that wealth?

Several motivations and assumptions have always accompanied philanthropy. Variously, that it is:

- Charity born out of a sense of noblesse oblige
- A payback to a society that provided the ground for wealth generation
- An attempt to rectify imbalances in wealth
- Strategic giving to alter the system so that its structures become more equitable

While all these dimensions are important in their own way, and often overlap, it is the last two that truly honour the ideal of trusteeship.

Private spending for public good has ancient roots in the Indic ideal of *dana*—which was not limited to ritual giving during religious ceremonies or ritualised obligations. As the fable at the beginning of this section indicates, public goods were often started or maintained by funds provided from private coffers.

In the 19th century, some of the earliest modern public infrastructure of Mumbai was funded by private donations. For example, the bridge at Mahim causeway, which links the island city with the area to the north, was built in 1845 with a donation from Lady Avabai Jejeebhoy, wife of the merchant Jamsetjee Jejeebhoy. The same family also built the JJ School of Art and JJ Hospital, even now the largest and among the best-run public hospitals in Mumbai. [32]

A 2013 report on philanthropy in India by Dasra, Omidyar Network, and Deutsche Gesellschaftfür Internationale Zusammenarbeit, notes that many of India's philanthropic families are significantly influenced by Gandhi's call for trusteeship. This influence is clearly trans-generational.

The report by Dasra quotes Nisa Godrej, a great-granddaughter of the original co-founder of Godrej, as saying that:

> "My father emphasized the trusteeship of wealth, which means that you do not actually own anything, and that this wealth is held in trust, where my job is to give it my best and leave it for the better of others. It's not really mine…" [33]

Bhavarlal Jain, founder and chairperson of the $1billion company Jain Irrigation, pioneered micro-irrigation on a mass scale and then expanded abroad. Jain has frequently attributed his business success to the Gandhian ideals of non-violence and holding of wealth in the spirit of trusteeship. He has founded and funded the Gandhi Research Institute, an educational institution and museum, in Jalgaon, Maharashtra.

When Azim Premji, chairman of Wipro Industries, announced in 2013 that he would be turning over a large chunk of his personal stock holdings to his philanthropic foundation, he described it both as a payback and as an act of detachment from the wealth:

> "I strongly believe that those of us who are privileged to have wealth should contribute significantly to try and create a better world for the millions who are far less privileged… I was deeply influenced by Gandhi's notion of holding one's wealth in trusteeship, to be used for the betterment of society and not as if one owned it." [34]

Anu Aga, former chairperson of Thermax, and a prolific philanthropist, takes a similar view:

> "I think some of us have been blessed with wealth…some of it we deserve but some of it is due to luck and hard work of many others. I cannot create my own wealth. I depend on so many others… in a country like India, where you see that the basic needs of so many people are not being met, do you go on the path of more and more consumption yourself and the family, or do you share it with the people and the causes that require it?" [35]

But are these strongly held views, in favour of large scale philanthropy, shared by the new rich in India? *(See box 'An overview of philanthropic giving in India' at the end of this section).*

2.2 The wide gap between millionaires and giving

India's ratio of total billionaire wealth to gross domestic product (GDP) rose from around 1% in the mid-1990s to 22% in 2008, at the time of the global financial meltdown, and was about 10.69% in 2014. [36]

Mumbai, India's financial and industrial hub, has the sixth-largest concentration of high net worth individuals globally—with 30 out of the 68 billionaires in India living in this city. [37] However, there is a big gap between the scale of new wealth that has been generated in India over the last 25 years and the quantum of philanthropy. As Ajay Piramal, head of the Piramal group of companies, says, "The wealthy have to give much more, and do much more." [38]

The conspicuous consumption of India's super rich and the country's affluent professional class is in stark contrast to severe and persistent poverty. According to the Food and Agriculture Organisation, in 2015, 194.6 million Indians were under-nourished—that makes it the highest such concentration in any country. [39]
It is in this context that we must view the new Companies Act of 2013. [40] The Act makes it binding on companies with a net worth of Rs. 500 crores, or a net profit of Rs. 5 crores, or turnover of Rs. 1,000 crores to dedicate 2% of their net profits to public good.

Rahul Bajaj, chairman of the Bajaj Group, finds this ironic and asks if his company should now do less than they have been doing—because they have traditionally committed more than 2% of their profits to philanthropic giving. "Don't mandate my conscience," Bajaj said in an interview to Gateway House. [41]

By defining corporate social responsibility (CSR) largely as philanthropy the new law may do more damage than good. Arun Maira, former chairman of Boston Consultancy in India, has argued that what is more urgently needed is genuine business responsibility and societal trust in business—which means eliminating or minimising the negative social and environmental impacts of a company's operations. Mandating CSR spending on social causes is no substitute for this *sadhanshudhi* or purity of means.

2.3 Conscience laundering

In the global discourse on philanthropy, concerns about the means by which profits are earned have been sharply highlighted by Peter Buffett, son of the legendary investor Warren Buffett. A philanthropist in his own right, Buffett Jr. created a storm in July 2013 with an article in the *New York Times* titled 'The Charitable Industrial Complex'. He wrote:

"Inside any important philanthropy meeting, you witness heads of state meeting with investment managers and corporate leaders. All are searching for answers with their right hand to problems that others in the room have created with their left."

He added: "As more lives and communities are destroyed by the system that creates vast amounts of wealth for the few, the more heroic it sounds to 'give back'. It's what I would call 'conscience laundering'— feeling better about accumulating more than any one person could possibly need to live on by sprinkling a little around as an act of charity." [42]

How, then, can philanthropy be aligned with the means used to create wealth? This is the cutting edge challenge for all those who equate philanthropy not with feel-good charity but with a sense of responsibility to foster systemic change.

Ela Bhatt, founder of the Self-Employed Women's Association (SEWA), a union of almost a million members across India, offers some tangible ways in which to appreciate philanthropy and yet define trusteeship as much more than that. Interestingly, Bhatt's mentor, Anasuya Sarabhai, was an exemplar of trusteeship. Born into one of the richest families of Ahmedabad, Sarabhai dedicated her life to working for labour rights and other social causes. This, says Bhatt, is one dimension of traditional trusteeship—personally dedicating time, money, and energy to working for social and economic justice.

Bhatt emphasises that Gandhi did not look down upon the wealthy because he accepted that everyone will never be equal. "Gandhiji's base was the *Bhagvad Gita,*" says Bhatt, "earn well and enjoy the fruits of your wealth and give the surplus to society—because you are only a *karamadhikari* not a *phaladhikari* [you only have the right to work/action not its fruits]… because the fruit of your work is the consequence of centuries of effort and contribution that others have made. Therefore you are not an 'owner' of wealth but you are its trustee, you hold it in *bharosa* [trust] for society." [43]

Therefore, Bhatt argues, trusteeship is essentially not about giving away surplus wealth but about a heightened sense of social responsibility in running the business, in how profits are earned.

2.4 Strategic philanthropy for systemic change

While all giving must be honoured, says author and philanthropist Rohini Nilkeani, it is no longer enough to just give money to a "good cause." Nilekani, whose original Rs. 10,000 investment in Infosys has made her a multi-millionaire, has given over Rs. 400 crores to support a wide variety of work—access to water and education, think tanks, alternative media, and even Amnesty India. Nilekani is an advocate of 'strategic philanthropy' or giving that fosters systemic change to address root causes and alter the conditions which give rise to social and economic distress.

For example, Arghyam, a foundation created by Nilekani to work in the sphere of water and sanitation, supports a wide range of activities and research aimed at finding both immediate and long-term sustainable solutions to ensure equitable access to clean water. Nilekani also supports groups working to improve the legal system and protect civil liberties.

In 2011, Nilekani curated a series of articles by leading philanthropists for the business daily *The Mint*. In the concluding editorial she discussed the challenges of making philanthropy not just effective but also meaningful in a time of systemic crises. The answer, she proposed, partly lies in the self-aware philanthropist developing a theory of change. That requires, Nilekani wrote, asking some basic questions: "Why is there so much inequality of opportunity? Who can be the change agents? What kind of society is envisioned as a good society? In that society, what role should be played by the *samaj* (society), the *bazaar* (market) and the *sarkaar* (state)?" [44]

Anu Aga of Thermax similarly argues that if the affluent don't speak up, if bodies like the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI) don't work for structural change, who will undertake this task? Aga donates money not just for education, but also to civil society groups working to strengthen democracy, such as the Association for Democratic Reforms, PRS Legislative Research, and Human Rights Watch.

In an interview to *Forbes* magazine in 2013, Aga described her philanthropy as an exercise in self-interest for her grandchildren. Otherwise, she fears: "This country will rebel one day. Right now, people may say 'this is my karma' but I don't see this lasting long. Had I been in their place would I have had the dignity to say that? I don't think so." [45]

If all Indian companies conform to the letter and spirit of the 2% CSR mandate, it is estimated that about Rs. 20,000 crores will become available for public causes. [46] Directing this spending just to fill the immediate material gaps in nutrition, education, health, and sanitation in India is a big enough challenge. Directing some of these funds to collective processes and institutions that strengthen democracy and alter structures in ways that create equal opportunity is a daunting task that cannot be addressed without some serious changes to how the profits are made.

An overview of philanthropic giving in India

Shat-hast sam¯ah¯arsahasra-hastsankir/ Collect with a hundred hands and give it away with a thousand.—Vedic verse

- The first Tata trust, the J. N. Tata Endowment for Higher Education of Indians, was set up in 1892. In 2016, 124 years later, 66% of the shares of Tata Sons are held by various Tata Trusts, which have established a long record of supporting public good through a wide range of funding on health, education, and other areas. [47]

- The Birla Group is famously associated with philanthropic spending on colleges, other educations institutions, healthcare, and temples.
- Shiv Nadar of HCL Technologies has committed 10% of his wealth to philanthropy. The Shiv Nadar Foundation is reported to have invested close to Rs 1,800 crores till 2013. [48]
- A sizeable chunk of the Godrej family's vast land holdings in Mumbai's eastern suburb of Vikhroli are mangroves. In 1974 the family turned 1,000 acres of these mangroves over to the Soonabai Pirojsha Godrej Foundation, in order to preserve it as an environmental resource and a lung for the metropolis. This foundation owns a fourth of the shares in Godrej & Boyce Manufacturing Co Ltd, the holding company of the Godrej group, which still manages the mangroves. [49]
- The Bajaj Group has about 40 charitable trusts with a corpus of about Rs. 5,000 crores—their areas of work include education, health, and building sustainable livelihoods. Every trust is looked after by a family member. For instance, in 2007 chairman Rahul Bajaj donated Rs. 7 crores to Sankara Nethralaya, a non-profit ophthalmic care centre in Chenna, for a vision research centre. [50]
- Rohini and Nandan Nilekani are prominent among the new Indian billionaires for making large philanthropic contributions. Till 2014, they had donated about Rs. 400 crores [51] and in 2015 alone they gave Rs. 2404 crores to support better urban governance, public policy, and education. [52]
- Apart from big-ticket donors there are professionals and first generation rich who are both giving and promoting giving. For example, Amit Chandra, who headed investment banking at DSP Merrill Lynch in the mid-'90s and is now the managing director of Bain Capital. says that he spends 70% of his time and money on philanthropic endeavours. [53]
- P.N.C. Menon, founder of the Sobha Group of Companies, which is worth an estimated $600 million, announced that he would give half of his personal wealth to charity, with a focus on education. Media reports quoted Menon as saying: "Once you make all of the money I don't think you should keep all of it for your family, a large portion of it should go to society I have decided that 50 per cent of mine should go to society. My view is very simple: I am lucky to have made my money …After a certain point in time, money cannot make a difference in your life. I feel that it's not even called charity, it's about accountability and the responsibility of society." [54]
- Narayan Hrudayalaya, in Bangalore, founded by Devi Prasad Shetty, "ensures that the poor get equal access to world-class health care." It was given the Good Company award in Forbes Philanthropy Awards 2013 for "setting up a 6,000 bed multi-speciality hospital chain across India that provides world-class treatment based on a cross-subsidised model." Devi Shetty's mission (as described by *Forbes*): to create multi-speciality "health cities" where every health need can be provided at an affordable price.

Section 3

Trusteeship as better corporate governance

"It has become a great problem these days as to how truth could endure in trade and commerce. In fact, business can be built up only on truth. Honesty, truthfulness, keeping up a promise, equality, justice tempered with mercy, behaviour with colleagues and servants as if they are members of one's family, participating in the happiness and misery of all, diligence, skill, efficiency in accounts, foresight, anxiety for social welfare, common sense, etc. are all inseparable from the dharma of a vaishya. But at present when money has usurped the place of Lakshmi (the Goddess of Wealth) untruth is being counted as cleverness, cruelty is regarded as skill and truth is divorced from trade."—Vinoba Bhave [55]

3.1 How are profits earned?

Hindi films made in the first few decades after India's Independence often depicted businesspersons as villains—stealing from the poor, hoarding essential goods, profiting from the misery of others. Raj Kapoor's 1955 film *Shree 420* is probably the definitive expression of this social commentary. With a dark comic touch, Kapoor shows a vile businessman with a car that has the number plate 840—he is so doubly corrupt! (Section 420 of the Indian Penal Code pertains to cheating and fraud).

It might be argued that these negative portrayals were due to the fact that many of the most prolific and talented film-writers of the time were inclined towards socialism, and some were members of the Communist Party of India. While their ideological tilt may indeed have given an acidic touch to the narratives, what they depicted corresponded with what people experienced in day-to-day life.

In the post-liberalisation decades, from the 1990s onwards, Indian media reflected the changing economic discourse and turned business leaders into popular icons. The generation of wealth became valourised, as opposed to being frowned upon in the earlier socialist-leaning period. More importantly, regulatory structures also improved, and this fostered relatively better corporate governance. For example, the Securities and Exchange Board of India Act of 1992 substantially changed the market landscape in the country, making it much harder for the promoters of a company to cheat either shareholders or the public.

However, non-cheating and other forms of conformity with the law are the bare minimum requirement of businesses. What makes a business a good trustee of society as a whole? This is the elephant in the room in the global discourse on the future of business. Is generating profits for its shareholders the primary purpose of a company? Or, are profits just a means and is the larger purpose to serve the interests of least all stakeholders—and ideally foster wider public well-being?

The fate of societies across the world now depends on how these questions are answered, because we live in an era dominated by commerce and markets. Companies, which run much of this commerce, have been called the building blocks of the modern world. And they are ever-growing: according to *The Economist,* globally, 3 million new firms are registered each year. [56] In India, the number of new companies registered every year is about 90,000 to 100,000. [57]

The global discourse within governments and businesses is now dominated by the assumption that if private entrepreneurship is energised, market-based solutions can be found for even basic needs like health and education.

In that case, the choice is no longer between the public versus private sector, but between trusteeship versus delinquency—or between integrity and wider responsibility versus ruthless profit maximisation.

In this context, it can be argued that a company that operates within the laws of the land, creates jobs and useful products, and pays its taxes, is being a good trustee to society at large. This argument has a powerful appeal for those who believe that as a developing country India must first concentrate on generating wealth and later deal with issues of redistributing the wealth.

For instance, Nachiket Mor, a banker who is also a member of the Central Board of the Reserve Bank of India, argues that in a country with so many unmet basic needs, businesses that want to be good trustees must be highly ambitious about their profit-making and about the size of the business they seek to build. He says:

> "India has served the poorest of the poor through the massive sizes of its drug industry and its telecom industry—this has been driven by aggressive businessmen who perhaps had no overt desire to serve but realized that the only way to make the kind of the money that they wanted to was to build low-cost-high-volume products which people truly needed. In pursing this desire for extreme wealth they ended up creating a lot of value for themselves and for the poorest people of the country. In strong contrast the healthcare industry and the banking industry have remained content with building small-sized efforts with modest profits and have left vast hinterlands untouched.
>
> "I recently had the opportunity to talk to the scions of some of the wealthiest Indian families about philanthropy and left them with the thought that the best way for them to serve the country was not by giving away their wealth but by being even more ambitious than their parents were about adding to it and building mega business that were worthy of India and that serve its billion people as valued customers." [58]

This conventional view of capitalism treats profits as the most reliable indicator that a business is creating both social and financial value—on the assumption that the latter follows the former.

But is it enough for businesses to generate social value through the end product they produce? What about *how* they do it? Individuals who work in these businesses often face a conflict between their individual value system and the organisational value system.

During a lecture at the Indian Institute of Management Bangalore in 2009 titled 'Gandhi, Governance and the Corporation', R. Gopalakrishnan, a director of Tata Sons, suggested that harmonising the corporate value system and the personal value system depends on whether business sees itself as a servant of society. As someone who joined Tata quite late in his career, Gopalakrishnan was struck by how every presentation by managers at any Tata unit ran through the business specs and unfailingly ended with a description of what the company was doing with the neighbouring community. As he said at the IIM lecture:

> "It really didn't matter whether there were six people in a hydroelectric power station or 60 managers in a large fertiliser factory or 6,000 managers in a large steel factory. There was always a standard ending subject—what we are doing for the community around us. I was much struck by this. To be honest, I was initially a bit sceptical. When you are in your early 50s, you tend to become a bit cynical about whether this is a public relations put-on.
>
> "As I continued to visit more units, it became clear that it could not be a put-on. I have never come across a circular from Bombay House which tells managers that their presentation must end that way. People just do it because they are genuinely of the view that their job is to earn profit for the betterment of the community. It is to them that they must return it. I think there is a wonderful commentary on trusteeship when people can actually act and behave that way rather than only make presentations; when people believe in it and they don't have to make an effort to believe in it; when it is not a programmed thing; when they practice trusteeship because is the very reason why they are there.
>
> "I think such a situation would be the nirvana of business, it would earn business a respectful place in society, and business people can hold their head high." [59]

3.2 'Conscious' capitalism

This is not to suggest that the Tata's track record is entirely squeaky clean. It was at a protest against displacement caused by Tata Iron and Steel's plant in Kalinganagar, Odisha, that 14 people were killed in a police firing in 2006. [60] So while the Tatas have to address challenges in actual performance, they have remained leaders in terms of how they set the bar for social responsibility at a relatively higher level.

Along with Marico, the Tata group was one of the few Indian corporates to host the first Conscious Capitalism conference ever held in India—in Mumbai in March 2010. Advocates of 'conscious capitalism', a term that originated in the U.S., celebrate the foundational elements of capitalism—voluntary exchange, entrepreneurship, competition, freedom to trade, and the rule of law. To this, they add an element of "higher purpose"—not just making money but serving stakeholders.

Somewhat predictably, 'conscious capitalism' evokes outrage from two opposite camps. Some capitalists claim that the robust reliability of the profit motive should not be mixed up with mumbo-jumbo about a higher social conscience. At the same time, defenders of working class interests denounce any talk of a 'conscious' capitalism as a wolf in sheep's clothing.

And yet there is a fertile ground between these extreme positions—as was evident at the conference co-hosted by the Boston-based Conscious Capitalism Institute (CCI) and the Confederation of Indian Industry (CII) in Mumbai in 2010. More than a 100 business people gathered to explore a "new management paradigm for a new world" which would enhance the human element in business. As Shubhro Sen, a co-founder of the CCI said, "We want to uphold a kind of capitalism that we can be proud of." [61]

Just what does this mean in practice? In essence, it is a quest for a paradigm of success based on multi-dimensional values, rather than being restricted to money-making.

Harsh Mariwala, chairman of Marico, is convinced that "the business of business is more than business." For Mariwala this has meant reengineering relationships with employees and suppliers, to directly serve their well-being as human beings, and not regard them as just cogs in a wheel. Marico's Farmer First and Cluster Farming Program aims to give the cultivators at an advantage that historically the suppliers of primary produce have not had. In addition, the company supports a wide range of innovations through the Marico Innovation Foundation, which assists social enterprises to innovate solutions in key areas like health, education, and employability, as well as to scale up the innovations for wider impact. [62]

At Godrej, the Good and Green CSR initiative includes skill-building, caring for the environment, and green products. For example, Godrej manufactures Chotukool, a small cooling device that works without electricity and can keep bottles of milk cool enough to prevent spoiling. The company's Good Knight mosquito repellent—which is smokeless and costs relatively less than other similar products—helps protect low-income households from disease-spreading mosquitos. [63]

Some proponents of 'conscious capitalism' seem to know that much more is at stake than just tweaking the management systems of capitalism. Challenges to the very legitimacy of capitalism hover in the air. "The crisis of capitalism that has given birth to a 'Conscious Capitalism' movement suggests that, to a comparatively large number of people, this legitimacy is not quite so self-evident," says Chittaranjan Kaul, formerly a senior executive at Bank of America; he now runs a Bengaluru-based consulting practice called Sanvaad to help companies and their leaders to learn from and respond to change. [64]

The pressure for change towards a more all-round responsibility has increased as more and more companies have suffered financially when their projects are stalled due to opposition from the local communities. This is why J. J. Irani, former head of Tata Steel and one time director of Tata Sons, told the Conscious Capitalism gathering that the factors of production are no longer just capital, land, machinery, and labour, because no project is possible without support from the local community—a clear allusion to the company's experience in Kalinganagar. [65]

Pressure for higher social and environmental standards led the Bombay Stock Exchange (BSE) to launch two environment related indices. The S&P BSE CARBONEX, started in 2012, aims to enable equity investors to manage the risks associated with climate change. The S&P BSE-GREENEX index, also launched in 2012, aims to enable businesses and investors to track the "carbon performance" of companies. This is expected to foster viable market based solutions for industries, investors, and governments to invest in energy efficient practices and sustainable businesses.

The BSE also participates in the Sustainable Stock Exchanges initiative, which is co-organised by various United Nations agencies. This initiative is a peer-to-peer learning platform that aims to enable investors, regulators, and companies to encourage sustainable investment. [66] In 2012, SEBI also made an annual business responsibility report mandatory for all listed companies. [67]

At the international level, the move to push for higher standards of corporate responsibility has been led by the United Nations Global Compact (UNGC) initiative. The Global Compact's India network, known as the Global Compact Society (GCS), includes 322 companies. [68]

However, a report in 2015 by the Centre for Development and Human Rights, a New Delhi-based NGO, says:

> "Despite its popularity among Indian companies, the Global Compact still has many hurdles before it can transform its principles such as human rights and labour issues into ground level reality because the initiative is dominated by only companies instead of having multiple stakeholders.
>
> ...The attitudinal changes among top level management marked by high level conferences on CSR agendas of UNGC initiative have to be matched with steps taken on ground level. The existing gap between these two ends impedes the GC from taking local actions. Also, awareness creating activities of GCS in the form of seminars, workshops and capacity building trainings have reached less than half of GC members in India .... Further, the multi-stakeholder approach which forms the core of UNGC is lacking in India, which also widens the gap in achieving its objectives. Civil society organizations (CSOs) and labour organizations are missing altogether from the GC network." [69]

The impetus for the UNGC's continuing work has partly, if not largely, come from a steady stream of protests across the world against businesses violating the human rights of project-affected people and damaging the environment—such as the protests by Dongria Kondh tribals against Vedanta's bauxite mines in Odisha. [70] Or, for example, a report in the *Economist* in February 2016 documented how people continue to die in bitter conflicts between locals and mining companies in Latin America. [71]

It was many decades of conflicts between big business and local people who are displaced or otherwise hurt in the quest for profits, that gave credence to the Occupy Wall Street mobilisation of "the 99% against the 1%." This was why a small protest that began on Wall Street inspired similar demonstrations across the world in 2011.

Those protesters have now faded from the pages of global media, but their impact has lingered on. For example, Andrew Haldane, chief economist of the Bank of England, has praised the Occupy movement for raising a loud and persuasive voice. At a meeting of the Network for Sustainable Markets, in London in 2012, Haldane described the Occupy phenomenon as a signal of the early stages of a reformation of finance. In a speech titled 'Socially Useful Banking', he said that it was due to the Occupy protests that both bank executives and policymakers are now persuaded that banks must behave in a more moral way, and take greater account of inequality in society. [72]

3.3 Shareholder versus stakeholder capitalism

These developments have highlighted a knotty question that has been around ever since the birth of the modern corporation in 17th century Europe: should corporations only serve shareholders, or do they have to benefit society at large?

In 2014, the Aspen Institute in Colorado, U.S., published a survey to explore the purpose of the corporation in American society. According to slightly more than half the respondents, corporations are legally or ethically obligated to maximise shareholder value. Many of the same respondents also strongly agreed that the primary purpose of the corporation is to serve customers' interests. [73]

Interestingly, proponents of both shareholder and stakeholder value who were surveyed by Aspen agreed on one core principle: "corporations are essential to the well-being of modern society and short-term corporate approaches damage both the corporation and the community." They also agreed that an emphasis on the short-term approach to profits is "the bane of American business and requires remediation to mitigate its most pernicious effects." Some advocates of shareholder-value go so far as to say that "short-term approaches and 'value' are irreconcilable terms."

But the survey results also highlight significant points of difference:

Advocates of shareholder primacy see the corporation as the moral centre of the universe, a positive force. Challengers "view the corporation as an institution that is only one segment in a multi-layered fabric of society—and thus not the moral centre of interest."

Advocates of shareholder primacy see creation of wealth as the key driver in life. The challengers believe that "the possibility of change, entrepreneurship and innovation are key drivers, and wealth creation is just a by-product."

Advocates of shareholder primacy embrace the clarity, simplicity and objectivity of shareholder value, and emphasise it as a legal requirement. Advocates of stakeholder primacy point out that the complexity of actual life is incongruent with reductionist numerical calculations of money profits. The latter argue that value in the form of serving the community must also be taken into account.

3.4 Shared value

The concept of "shared value" is a compromise solution to this tussle between shareholder and stakeholder value. Michael E. Porter, a professor at Harvard University, and Mark R. Kramer, co-founder of FSG, a global social impact consulting firm, have been working to popularise this concept. Their interest in shared value is based on their assessment that "the legitimacy of business has fallen to levels not seen in recent history. This diminished trust in business leads political leaders to set policies that undermine competitiveness and sap economic growth. Business is caught in a vicious circle." [74]

Porter and Kramer have struck a chord because the dominant notion of value creation is seen to be too narrowly defined, with a focus on short-term monetary returns. Why else, they ask, would companies "overlook the well-being of their customers, the depletion of natural resources vital to their businesses, the viability of key suppliers, or the economic distress of the communities in which they produce and sell?"

Shared value is the answer, according to Porter and Kramer, because it "...is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the centre. We believe that it can give rise to the next major transformation of business thinking."

Porter and Kramer are aware that they are pitted against the weight of neoclassical economic thinking, which sees issues such as safety or hiring the disabled as constraints on the corporation:

> "The concept of shared value, in contrast, recognizes that societal needs, not just conventional economic needs, define markets. It also recognizes that social harms or weaknesses frequently create *internal* costs for firms—such as wasted energy or raw materials, costly accidents, and the need for remedial training to compensate for inadequacies in education. And addressing societal harms and constraints does not necessarily raise costs for firms, because they can innovate through using new technologies, operating methods, and management approaches—and as a result, increase their productivity and expand their markets." [75]

After the financial crisis of 2008-9, there has been a tilt in favour of stakeholder value. For example, a group called Initiatives of Change, based in Lucerne, Switzerland, holds an annual gathering on the theme of Trust & Integrity in the Global Economy (TIGE).

This meeting brings together business leaders from across the world to share experiences on how to create jobs and wealth in an equal and sustainable manner.

Initiatives of Change describes itself as a worldwide movement of people of diverse cultures and background. [76] Echoing Gandhi's famous quote about being the change you want to see, the TIGE website says: "People can live the change they wish to see."

The premise of the TIGE process is that:

- Trust and integrity are the price of entry into the new global economy; they are your license to operate. They enhance reputation and reduce reputational risk.
- Business and enterprises exist to meet the needs of all stakeholders in society and not just the shareholders

Naturally, there are passionate counter-challenges by those who believe that any dilution of focus on shareholder value endangers not just companies but the economy as a whole.

For example, early in 2014, the conservative U.S. think thank National Centre for Public Policy Research (NCPPR) challenged Apple's sustainability goals at a shareholder's meeting. These goals include eventually getting 100% of its power from green resources. Since 2011, Apple has reportedly taken the company's reliance on renewable sources of energy from 25% of its total energy use to about 75%. [77]

The challenge from NCPPR was that these decisions are limiting the company's immediate return on capital (ROI). Apple's chief executive, Tim Cook, took them on by saying that his company chooses to do "a lot of things for reasons besides the profit motive." According to a report in the *Independent* newspaper, Cook responded to the NCPPR representative's challenge by saying: "If you want me to do things only for ROI reasons, you should get out of this stock." [78]

The company's aim, said Cook, is to leave the world a better place than we found it. This means, among other measures, that workers everywhere have the right to a safe and fair work environment. Given the company's past record of violations of labour standards in its supply chain, this is a significant aspiration. In 2010-11, Apple was implicated in the suicides of 14 workers at the Foxconn factory in Taiwan, where the bulk of Apple products were then manufactured. [79]

Subsequently, Apple published standards on treatment of factory workers that all its vendors are required to follow. Despite stricter monitoring of its supply chain, problems have persisted. For example, an internal audit by Apple in 2013 revealed cases of child labour being used by some of its suppliers in China. [80] In December 2014, an undercover BBC *Panorama* investigation at Pegatron factories near Shanghai, where Apple moved much of its manufacturing after the Foxconn scandal, found that many of those standards are routinely breached. [81]

Apple's experiences illustrate the vast gap between the often sincere aspirations of corporate leadership to conform to higher labour and environmental standards, and the reality of profit maximisation strategies continuing to hurt labour and environment across the supply chain. So, by and large, "shared value" is still more fiction than fact.

3.5 More roads leading to trusteeship

However, the business case for enhanced CSR has never looked stronger. In its least ambitious form, the case is based on protecting or boosting a company's brand as a part of its risk mitigation strategy.

If we take the Harvard Business Review (HBR) as the centre table of debates on mainstream globalised business, it is clear that long-term commitment to CSR is here to stay. First of all, companies across the world are finding that they benefit directly from having more engaged employees—that is, workers who feel happy at work rather than disconnected. In the U.S., the Corporate Leadership Council claims that highly engaged organisations have the potential to reduce staff turnover by 87% and improve performance by 20%. Partnerships between companies and non-profit entities to promote a social cause are also growing. [82]

Secondly, more and more investors are combining the quest for monetary profits with ESG (environment, social, governance) issues.

As Susan McPherson, senior vice president at Fenton, a social change communication company in the U.S., observes: “Twenty years ago, CSR was limited to corporate philanthropy, and for some businesses, the adherence to environmental legislation. What we see today is a far more complex picture and an ever-widening stakeholder universe. I predict that within the next few years, CSR will be a requirement for all organizations and will positively affect their bottom lines. Good business will be the norm.” [83]

These claims are further validated by growing documentation on what is now globally known as the ‘millennial generation’ or those born between 1982 and 2003. Millennials will comprise more than one in three of adult Americans by 2020 and 75% of the U.S. workforce by 2025. [84]

According to a Brookings Institute study by Morley Winograd and Michael Hais, the millennials’ view of banking, finance, and corporate America is a radical departure from a business culture that worships the accumulation of money. For example:

- 87.5% of millennials disagreed with the statement that "money is the best measure of success," compared to about 78% of the total population with the same view.
- 64% of millennials would rather make $40,000 a year at a job they love than $1,00,000 a year at a job they find boring.
- 83% of millennials agreed with the statement: "There is too much power concentrated in the hands of a few big companies." This is more than all other generations.

Winograd and Hais argue that “As the culture of Wall Street becomes more and more isolated from the beliefs and values of America’s largest adult generation, it is likely to be disrupted by millennials' desire to use government's involvement in the economy to create a fairer and more equitable society."

Their report goes on to argue that the millennials' preference for win/win solutions and their deep sense of fairness will push them to support regulation and policy prescriptions that can impact all of America's corporate governance practices.

On similar lines, a 2015 Deloitte Millennial Survey in India shows that Indian millennials feel business leaders are too heavily focused on meeting short-term financial goals and serving their own personal rewards. What the Indian millennials hanker for are leaders with some of the essential qualities of trusteeship, namely: a greater emphasis on making a positive contribution to society rather than self-aggrandisement, caring about employee well-being and employee growth and development, not just profits. [85]

3.6 Dark cloud, silver lining

Underlying these many positive trends is a persistent darkness. Despite decades of stringent measures to improve social and environmental standards, horrendous violations persist globally, particularly in the sphere of labour.

One of the most stark illustrations of this was the collapse of the Rana Plaza factory outside Dhaka, Bangladesh, in 2013. When the building housing garment manufacturers came down, it killed over 1110 workers. [86] Immediately, there were street demonstrations, in Bangladesh and in Europe, against major European and American retail brands whose products were being made at Rana Plaza. [87] The protesters demanded greater factory safety and better working conditions. Subsequently, religious organisations in western countries, which control more than $100 billion in the assets of garment manufacturers and retailers, put pressure on the companies to improve workplace safety in countries like Bangladesh, the second largest garment exporter in the world. [88]

However, Kellie A. McElhaney, an expert on CSR at the Haas School of Business at the University of California, Berkeley, predicted that these pressures would not have serious positive impacts. "They [the garment companies] are feeling a lot of pressure, but it's not coming from consumers. It's coming from NGOs," she told the *New York Times*.

"They're not feeling it in the marketplace. I believe they're going to do the bare minimum. The NGOs need to make more consumers aware of this." [89]
Some of the world's largest apparel companies, including H&M, Mango, Primark, the Gap, and Walmart, later contributed $21.5m to the Rana Plaza Donors Trust Fund, set up to award compensation to victims and their families. But these contributions were voluntary and left a shortfall of about $8.5 million. [90]

Srinivas Reddy, Bangladesh director of the International Labour Organization (ILO), which will administer the fund, told the *Guardian* that even the multilateral body is not in a position to make the companies do more. [91]

3.7 Perils at the bottom of the pyramid

The Rana Plaza workers are a typical example of what the ILO calls “vulnerable employment”—people who lack formal work arrangements that give them rights to demand “decent working conditions, adequate social security and ‘voice’ through effective representation by trade unions and similar organizations. Vulnerable employment is often characterized by inadequate earnings, low productivity and difficult conditions of work that undermine workers’ fundamental rights.” [92]

According to the ILO’s *World Employment and Social Outlook Report* of 2015, about 45% of the world’s workers are in the vulnerable employment category; that is 1.44 billion people worldwide, half of them living in sub-Saharan Africa and South Asia. Vulnerable employment is one of the main reasons why the richest 10% of people in the world earn 30-40% of the total global income, while the poorest 10% earn around 2% of total income. [93]

Even those workers who are technically not in the ‘vulnerable’ category are being pushed to fight for basic rights. For example, thousands of steel factory workers in Delhi’s Wazirpur industrial area went on strike in June 2014 to demand something as rudimentary as an eight-hour work day and a safe work environment. The 22-day strike ended when the owners of all the factories agreed to these and other basic demands such as minimum wages, employee insurance, and provident fund. [94]

At the same time, those who depend on agriculture for their livelihood have become even more acutely vulnerable. According to the Food and Agriculture Organization (FAO), most of the world’s food is still produced by about 500 million family farms. [95] Over the last few decades a combination of government policies and market forces have encouraged many such farms to buy products like chemical fertilisers, pesticides, and hybrid seeds made by agro-industrial corporations..

The intellectual property rights (IPRs) regimes and public policies of some countries now make it illegal for farmers to use a part of their harvest as seeds, compelling them to purchase new seeds every year. This has resulted in a bitter power struggle between farmers across the world and large multinational corporations which manufacture the seeds.

The roots of this conflict go back to the adoption of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement by the World Trade Organization (WTO) in 1994, which allowed IPR over seeds. Civil society organisations across the world accuse Monsanto, Syngenta, and a host of other multinationals of stifling economic freedoms by preventing farmers from re-using seeds—so that the companies can maximise profits. Agro-industry corporations are using the same logic by which the entertainment industry and software industry have equated sharing with theft. [96] Some companies are also trying to overturn local laws that go against their business interests. For example, agro-industry giants Monsanto and Dow Chemical have jointly filed a lawsuit to challenge a law in Maui County, Hawaii, which banned cultivation of genetically modified organisms (GMO). The companies claim that that the local law conflicts with state and federal laws that support the cultivation of GMO plants. [97]

From Latin America to Africa and South Asia, farmers as well as consumers have taken to the streets to protest such moves by agro-industrial multinationals. This is essentially a tussle over who controls food production in the future—small and medium-scale farmers or multinational corporations. If laws are designed to prevent communities from growing food independent of agro-industrial corporations, it will be a violation of their most basic economic and political freedoms. [98]

So far there is no visible meeting ground between these dark trends and the efforts to move the global corporate sector towards greater environmental and social responsibility. Monsanto, for example, as a member of the UN Global Compact has committed to support human rights, labour, and environment protection. But within the discourse framed by Global Compact, there is little or no room to challenge the extent to which Monsanto's business model benefits or hurts vulnerable sections of the global economy, and concentrates power in ways that might make economic democracy more and more difficult to attain. [99]

3.8 From CSR to trusteeship

These deep contradictions highlight the limitations of CSR as it is currently defined—namely ameliorative efforts to minimise the negative impacts of a company's operations. Grappling with structural injustices is not, so far, part of the CSR agenda. This is why CSR cannot be equated with trusteeship.

What would it take to change this?

Here are some core principles identified by Ela Bhatt, the founder of SEWA and a member of The Elders, a group of independent global leaders founded by Nelson Mandela in 2007. Bhatt, who has led many struggles for economic and social justice in India, has also served on the Board of Governors of the Reserve Bank of India. [100]

Drawing on these experiences she suggests various ways in which companies could go beyond CSR to actually embrace trusteeship: [101]

First, businesses need to take a holistic view of their industry, not just of their own business. For example, those in cotton textiles must understand the whole chain from cotton agriculture to finished cloth, and consider what needs to change in order to give everyone along the chain a better deal.

Second, businesses must trust local products and companies. "Trust our own people first" says Bhatt, "that is trusteeship as *swadeshi*."

Third, "share what you know and build up others' capacity and see this as your *kartavya* [duty/responsibility]. This is possible because trusteeship is based on compassion, not power-hoarding."

Fourth, business people could themselves educate shareholders to cultivate their understanding on issues of trusteeship.

This certainly raises the bar to a much higher level than the prevailing discourse on business and responsibility—from the most minimalist CSR programme to varied attempts to create shared value. But this is still a long way from Gandhian trusteeship, which is in essence a call for a radical shift in how we understand or define ownership.

Section 4
Trusteeship as a radical philosophy of ownership

4.1 Land gift and corporate trusts

Mendha Lekha, a village in Gadchiroli district of Maharashtra, has done away with private property in order to build a stronger community. In 2013, this village of about 480 people, mostly Gond tribals, turned over 200 hectares belonging to 52 families to the village *gram sabha* under the Maharashtra Gramdan Act. This action is said to be a way of uniting the village as an extended family rather than a competing cluster of private land-owners.

One of the community leaders, Devaji Tofa, told *Down To Earth* magazine that people of the Gond tribe traditionally do not see land as property or something to be owned by individuals; it is, instead, a community resource. Tofa says, “With private ownership, people tend to get selfish and isolated.” [102]

Mohan Hirabai Hiralal, a Gandhian activist who has worked closely with the community of Mendha Lekha for decades, sees this as a successful example of the concept of *gram daan* (literally ‘village gift’). Mendha Lekha’s story remains out of the frame of mainstream media in much the same way as the Bhoodan movement, led by Gandhi’s disciple Vinobha Bhave soon after Independence. Hundreds and thousands of acres were voluntarily donated by landlords to the village community in the 1950s and 1960s as *bhoodan* (literally ‘land gift’). But there has been a tendency, both in popular media and academia, to dismiss Bhoodan as utopian and thus a failure.

But *bhoodan* happened on a large enough scale to inspire new state-level legislation—the Maharashtra Gramdan Act in 1964. This law created a framework to enable land-owning farmers in a village to donate 75% of their land to the *gram sabha*, which would then manage the land for the collective good. Such commune-based ownership of resources has been seen by many Gandhians as one form of trusteeship.

In the course of the 20th century, the term ‘commune’ acquired severely negative connotations because in both the Russian and Chinese revolutions the communitarian dimension of such collectives was overtaken, even destroyed, by a dictatorial political system. In the frame of Gandhian trusteeship, a commune is meaningful and viable if and only if it is a voluntary act of the community that forms the commune.

The experiment in Mendha Lekha is significant not because it reaffirms the legacy of Vinobha Bhave and the visionary promise of *bhoodan*, but because the people of Mendha Lekha say their motivation is practical rather than ideological. Having experienced the limitations of both private ownership and dependence on the government, the people of Mendha Lekha have decided to explore what they can do with a form of ownership that fosters community and cooperation. What transpires may or may not live up to their vision, but as an endeavour in search of solutions it is inherently worthwhile. [103]

At the opposite end of the economic pyramid, at the pinnacle of the corporate world, is an example that challenges the concept of private property as an instrument of control aimed at personal aggrandisement. At Tata Sons, a private and unlisted company which promotes a host of companies such as Tata Steel, Tata Consultancy Services, Tata Motors, and others, 66% of shares are held by charitable trusts. An earlier generation of Tatas created these trusts and placed the bulk of their shares in them to serve a wide range of social causes. In 2015, the Tata group's net worth was $134 billion. [104]

> As R. Gopalakrishnan says: ".... Tata is trying to spread these ideas to companies that they acquire around the world. I can tell you one thing: it is electrifying and captivating to them. I have talked about this concept of trusteeship, and the way Tata has practiced it, to the managers of our acquired companies in Detroit, in Northwich, UK, and in Singapore: they just don't believe that this is possible. Gradually the penny drops that it is a very rare and unique kind of organisation that is actually doing this. I would hope in the course of time that it will increase people's commitment that business can be humane and need not be an inhuman pursuit of greed." [105]

To those who operate in the fast tracks of the globalised markets, the experiment in Mendha Lekha and the ownership pattern of Tata Sons may seem like quixotic rarities. But there are compelling reasons for a broader and more wholesome definition of "ownership."

4.2 Focus on the common good as risk protection

Marjorie Kelly, an American business journalist and author of the book *The Divine Right of Capital*, reviewed institutions that were left relatively unscathed by the global financial crisis of 2008. She found that many who did well in hard times were organisations that combined the flexibility of traditional private ownership with a focus on the common good. [106]

Kelly's premise is that as long as businesses are driven by the need to maximise quarterly returns for just their shareholders, economies will be captive to boom-bust cycles. Kelly's survey also showed that experiments in new forms of ownership are growing—perhaps indicating that the world might be in the midst of the most creative period of economic innovation since the Industrial Revolution, driven by what Kelly calls "generative" forms of ownership. A generative economy is one that is not driven by a need for endless expansion based on depleting extraction, but on regenerative systems like living organisms. [107]

Generative companies aim to create the conditions for sustained success over many generations, instead of the currently dominant model of companies that aim to extract short-term monetary wealth. Kelly's examples include a community-owned wind facility in Massachusetts, a lobster cooperative in Maine, a multi-billion-dollar employee-owned department-store chain in London, a foundation-owned pharmaceutical in Denmark, and a farmer-owned dairy in Wisconsin.

Kelly is part of a loose network of American thinkers, activists, and business people who doggedly challenge the claim that there are no alternatives to capitalism. She demonstrates that ownership by employees, community residents, and mission-driven charities, rather than by absentee shareholders, is the way forward.

Her narrative draws inspiration from the UK retailer John Lewis, which had annual revenues of $13.7 billion in 2013 and is entirely owned by its approximately 91,000 employees. The founder of this company, John Spedan Lewis, set up the 'partnership' through a constitution that allows the company to remain commercially nimble while giving every partner, that is, every employee, a voice in the business they co-own. [108]

There are other notable examples of this kind:

- The London Symphony Orchestra is owned by its musicians
- The Green Bay Packers, a major American football team, is owned by the local community
- In Spain, the worker-owned Mondragon cooperatives in the Basque region have grown from a single unit started soon after World War II to a network of cooperatives that now has annual revenues of about $13.2 billion. [109]
- California-based Working Assets began in the 1980s as a progressive credit card company. It now has a subsidiary, Credo Mobile. This for-profit company is mostly owned by its employees, who use a part of their profits to help support the causes they believe in. [110]
- Goodwill Industries in the U.S. is a non-profit that accepts donations to provide skills and job training. In 2014, it served 26.4 million people. It also resold donated clothing, furniture, and household goods and thus prevented a large volume of stuff from going to landfills. [111]
- Amul India, a cooperative of small scale milk producers founded in 1946, is a multi-stakeholder owned enterprise that now has 3.37 million members and a turnover of $3.4 billion in 2014-15. [112]

As Kelly herself points out, even these impressive examples don't represent silver bullets that will solve all problems of injustice in the global economy. But they do represent fundamentally different forms of ownership and thus of economic power.

In India, these trends are evident in the wide range of companies in "impact investing":

- Aavishkaar, India's first social venture capital investor, was founded in 2001 and invests in India's underserved regions by supporting entrepreneurs with both finance and skills. [113]
- Rangsutra is a producer-owned company of artisans and weavers in the villages and small towns of Rajasthan, Uttaranchal, and Assam. It enables otherwise scattered and isolated crafts-persons to access finance, raw materials, contemporary designs, and marketing facilities—thus substantially raising their incomes levels and accumulation of assets. [114]
- Dharani, a company owned by farmers in Anantapur district of Andhra Pradesh, has enabled hundreds of farmers to switch to organic farming by providing finance, technical support, and marketing avenues. [115]

In addition, there is the emergence of the concept of a 'Social and Solidarity Economy'. (SSE). A paper by the United Nations Research Institute for Social Development describes such an economy as: "… the production of goods and services by a broad range of organizations and enterprises that have explicit social and often environmental objectives. They are guided by principles and practices of cooperation, solidarity, ethics and democratic self-management. SSE includes cooperatives and other forms of social enterprise, self-help groups, community-based organizations, associations of informal economy workers, service-provisioning NGOs, solidarity finance schemes, among others." [116]

In September 2013, the UN set up an Inter-Agency Task Force on Social and Solidarity Economy (TFSSE) which aims to like both multilateral agencies and non-governmental networks working in this field. [117] Such work is premised on the awareness that a business-as-usual approach, in government development policies and private enterprise, cannot tackle either climate change, persistent poverty, or the environmental crisis. The TFSSE thus aims to raise the visibility of the SSE in policy circles globally. Dharani and Rangsutra are examples of an SSE.

What all these efforts in diverse forms of ownership have in common is the ability to see happiness itself as wealth.

Section 5
Trusteeship as *purushartha*: a philosophy of life

5.1 Happiness as wealth

Arunachalam Muruganantham grew up in the family of an impoverished handloom weaver in southern India. Today, he is famous for inventing a machine that makes cheap sanitary napkins—thus dramatically improving the menstrual health scenario for women in low income families. At one go, he has addressed a critical health issue and poor menstrual hygiene, as well as generated livelihoods for rural women.

A 2011 survey by AC Nielsen showed that only 12% of Indian women can afford to use sanitary napkins. It also estimated that 70% of all reproductive diseases in India are caused by poor menstrual hygiene, which in turn has an impact on maternal mortality. [118]

Muruganantham views big business as being parasitic, like a mosquito, while his role model is the light touch of a butterfly. "A butterfly can suck honey from the flower without damaging it," he said in an interview to the BBC. [119] This model has taken his machines to 1,300 villages in 23 states, with local women producing and selling the sanitary napkins directly to the customer.

Muruganantham is no millionaire, but he lives comfortably and owns a jeep. "I have accumulated no money but I accumulate a lot of happiness," he said. "If you get rich, you have an apartment with an extra bedroom—and then you die," he told the BBC. Seeing happiness as true wealth, and generating that happiness by meeting a social need, is an essential characteristic of trusteeship. [120]

Linus Torvalds, who created the kernel of the open source Linux software in the early 1990s, expressed a similar view of life when he chose to not use his talent to concentrate knowledge, power and, thus, money. While Muruganantham has innovated at the grassroots to serve an extremely basic need, Torvalds' work as a software designer posed a powerful and creative challenge to the proprietary model of software.

Torvalds has often clarified that he has nothing against making money, but that is simply not what moves him. And, as he said to one journalist, he makes enough to put petrol in his BMW car! Torvalds has also shunned any praise heaped on him for taking a high moral ground. Instead, he repeatedly points out that what he sought to do by propelling the open source software movement was just not possible if profits were the prime mover.

Torvalds is but one example of an ever expanding movement in favour of open knowledge or knowledge commons—and this poses a strong challenge to global IPR regimes based on command and control forms of ownership.

5.2 The commons and non-acquisitive models of ownership

Tim Berners-Lee, the creator of the http and html protocols, which made the world-wide-web possible, has often said that not patenting his work and releasing it into the global commons was the only way to ensure that it would be a truly open and world-wide web. In 2011, on the 20th anniversary of the web, Berners-Lee issued a passionate appeal for the web to be saved as a true commons instead of being cannibalised for private profit by the very companies that the web gave birth to, such as Google and Facebook. [121]

Non-acquisitive models of 'ownership' are also being validated by academic research. Adam Grant, the youngest tenured and highest-rated professor of business at the University of Pennsylvania's Wharton School, has become well-known for demonstrating that giving is the secret to getting ahead. In an interview to the *New York Times*, Grant said that the greatest untapped source of motivation is a sense of service to others. Above all, Grant's work shows that when we focus on how our work contributes to other people's lives, this creates not just a fuzzy feel-good effect but potentially makes us more productive than only thinking about serving our own interests. [122]

In fact, the entire discipline of economics is doing some serious rethinking. For example, Harvard economist Michael Sandel has become famous for highlighting that the global civilisation needs to restore the distinction between good and gold. This may not be possible unless economics books are re-written, because at present they confuse market reasoning for moral reasoning. "We fall into thinking that economic efficiency—getting goods to those with the greatest willingness and ability to pay for them—defines the common good. But this is a mistake," writes Sandel. [123]

We could begin, Sandel says, by desisting from using "an ungainly new verb that has become popular these days in the jargon of politicians, bankers, corporate executives, and policy analysts: 'incentivise'." This approach corrodes both civilisation and democratic culture. Instead of an impoverished public discourse, and a managerial, technocratic politics, Sandel calls for a return to deliberation, reasoning, and persuasion. [124]

At the same time, technology is generating what could be gale-force winds of change that are more conducive to sharing rather than acquisitive models of ownership. The American economist Jeremy Rifkin has predicted the rise of an "anti-capitalism" caused by a dramatic reduction in the marginal costs of production in some industries and services, such as energy, manufacturing, and education.

The fixed costs of solar and wind technology, for example, are still steep, but the cost of capturing each unit of energy is low. Rifkin argues that as technology, especially the 'internet of things' (which connects diverse gadgets and devices through the web) will enable people to make and share goods and services nearly free of cost, it will boost collaborative commons and shared access rather than capitalism as we know it today. [125]

What do all these trends mean for India?

Conclusion

Between 2004 and 2014, about 27% of India's 1,60,600 "high net worth individuals" (HNI) left the country—apparently in search of richer pastures. India was second only to China in terms of exiting rich people. [126] The term 'HNI' did not exist in Gandhi's times. Today, it is commonly used to refer to anyone who has investible wealth of more than a million dollars.

The departing rich people are moving mostly to UK, the U.S., and Australia. According to a survey by Knight Frank, the wealthy are moving in order to make more money. The same survey claims that the number of Indian billionaires will increase to about 136 by

2024. In 2016, Forbes' global list of billionaires featured 84 Indians whose collective assets are about $274 billion. [127]

Sceptics may claim that this data proves that the rich have only one concern—how to further multiply their wealth—and therefore dismiss trusteeship as a pipe-dream. This view is invalid not merely because it is a sweeping generalisation, but also because it ignores four powerful contemporary trends:

- Growing unrest with vast concentration of resources, that is, pressure from below.
- The democratising potential of digital and other contemporary technologies.
- A global consensus on higher levels of accountability from both business and governments.
- A gradual acknowledgement that capitalism in its present form cannot solve the 21st century's big problems, most notably climate change.

What is the relevance of these trends for India, where some political and business leaders argue that the economy has to first grow—social equity and environmental sustainability are secondary goals that can be deferred? [128]

1. The way forward

In this context the way forward depends on creativity at three levels: government, private enterprise, and civil society.

Politicians and policy-makers can start by rejecting the entrenched habit of seeing the private sector in two extreme ways—either as being inherently greedy and in need of harsh policing; or believing that purely shareholder-value generating businesses can, by themselves, ensure universal prosperity.

However, for the government to take a holistic view of business, enough businesses must also assertively act in favour of greater fairness in public policy and transactions. The 'how' of working for greater equity and fairness is no mystery. For instance, Oxfam has drawn up a list of rather rudimentary actions by governments which foster greater equity and make businesses more responsible: [129]

1. Clamp down on tax dodging by corporations and rich individuals.
2. Invest in universal, free public services such as healthcare and education.
3. Share the tax burden fairly, shifting taxation from labour and consumption towards capital and wealth.
4. Introduce minimum wages and move towards a living wage for all workers.
5. Introduce equal pay legislation and promote economic policies to give women a fair deal.
6. Ensure adequate safety nets for the poorest, including a minimum income guarantee.
7. Agree on a global goal to tackle inequality.

Independent think tanks and civil society organisations document in detail those instances where businesses and government policies have succeeded in doing some of the above. Such documentation will shorten the learning curve for businesses that want to venture in the direction of trusteeship.

But all of the above actions, though necessary, will not be sufficient. A large-scale shift towards trusteeship requires both businesses and governments to base all strategies on an acknowledgement of the severe limitations of capitalism.

2. The limits of capitalism

A more passionate advocate of capitalism than Bill Gates would be hard to find. But even Gates acknowledges that capitalism cannot solve one of the most dire threats facing humanity—climate change. In an interview to *Atlantic Magazine* just before the critical Climate Change conference in Paris in December 2015, he explained that since there is evidently no fortune to be made from a rapid shift to non-fossil fuels, a low-carbon economy will not take shape in the required time frame to prevent global temperatures from rising more than two degrees. [130]

Gates sees the answer in a combination of carbon taxes and philanthropy, and he has committed $2 billion of his own money to innovations in non-fossil fuels. By doing this, Gates is acting in the spirit of a trustee, as someone who is responsible to future generations.

But big ticket philanthropy, while it fosters technological innovations, cannot solve the core problem of markets that remain dominated by the maximisation of profit.

This remains true even after $21.4 trillion assets under investment globally are now parked in some kind of socially responsible fund. [131] And even after a 2015 report by the United Nations Principles of Responsible Investing says that any company which ignores its social or environmental externalities violates its fiduciary duty. [132] All these measures are driven by expanded definitions of risk management—to include potential liabilities arising from social unrest, human rights violations, and environmental damage.

However, all of these trends still do not challenge the basic assumption that maximising profits alone drives innovation and ensures economic dynamism. That is why Gates can be generous in his philanthropic giving, but he may not support radical changes in the IPR regimes which have taken shape over the last quarter century. These IPR have led to more and more knowledge being locked up, rather than putting it in the commons—and this has further concentrated wealth.

Above all, the future potential of trusteeship as a framework depends on *sadhanshudhi* or purity of the means by which wealth is created. Is wealth created through business models that disperse opportunities and create ever-widening circles of co-creation? Or is it created through command-and-control business models which concentrate more and more resources in a few hands?

3. Sadhanshudhi: purity of means

Constantly exploring and fine-tuning just what constitutes "purity of means" in our times is the most crucial way in which policy-makers, businesses, and civil society can foster trusteeship. The desire for this may not be evident in newspaper headlines, but it lies just below the surface of public discourse.

In the meeting on trusteeship co-hosted by Gateway House and Sabarmati Ashram on 30 January 2014, all the business persons present reported that many of their peers long for changes in the business and social eco-system so that they can be trustees, rather than participate in corrupt and exploitative practices.

For example, Seva Mandir, an Udaipur-based NGO, has seen this urge manifested at the village level. People realise they can make short-term gains by being complicit in corruption, but this also locks them into loyalties that operate vertically and trap them into a perpetually subservient position to people higher up the hierarchy. By contrast, when a community mobilises to collectively strive for "purity of means" it creates horizontal loyalties that are enriching as well as more empowering for both individuals and the collective.

As one participant at the trusteeship dialogue pointed out, Adam Smith wrote about the importance of an imaginary impartial spectator from whom we all seek admiration and approval. This impartial spectator, much like Gandhi's frequent references to "the still small voice within," is a reality as much as the tug towards purely selfish or corrupt behaviour.

At the same time, virtually all the participants emphasised that efforts to cultivate trusteeship should not get trapped in the search for a perfect society—which inevitably leads to dogmatism. It is far more important to focus on the complex dynamism of human motivations. For instance, greed arises from fear of loss or of being left behind. These fears can be countered by regulatory structures that are open, transparent, and non-discriminatory so that they foster a culture of abundance rather than a scramble for limited resources and patronage.

However, this approach presumes a social mindset, a culture that celebrates sufficiency rather than "*yeh dil mange more"* or endless wants. The counter to heedless consumption is not laws that restrict what we can buy, but people finding greater joy in sharing, cooperation, and re-circulating goods and services. Technology is already headed in this direction and solidarity economy business models are on the rise.

The possibilities for cooperation and networking, opened by technology, do not bypass questions about what truly makes us deeply happy, what gives life meaning. On the contrary, these questions become more relevant than ever before. For these questions are a window to the multiple dimensions where each one of us can explore what it means to be a good trustee at various levels of life.

For example, across the world there is growing demand for the State to be more accountable and responsible to citizens. But there is an equal or greater need for citizens to find effective ways of being better trustees of the State—instead of giving up on it or acting as complaining spectators. This brings home the truth of what Gandhi ceaselessly emphasised: only through a focus on duties can rights effectively come into being for all.

As India's former Attorney General Soli Sorabjee said at a memorial lecture in Mumbai in January 2015, if democracy is to thrive duties have to be as important as rights and tolerance must be the foundation of public and private life. [133]

This exploration of trusteeship is but a preamble to an extensive and continuing dialogue involving people in diverse fields. It needs detailed case studies of businesses, civil society organisations, and political formations where some form of trusteeship has been developed. However, this must be premised on opening up the idea of trusteeship itself—in ways that take into account new forms of ownership and collaboration made possible by advances in technology.

It does not matter if the stories of positive endeavours seem outnumbered by evidence of individuals, companies, and activities that are avidly antithetical to trusteeship even in its most rudimentary form. There is more than a glimmer of promise to sustain the pioneering spirit, and sense of adventure, of those drawn to trusteeship.

They are forever strengthened by this talisman from Gandhi:

> In this age of wonders no one will say that a thing or idea is worthless because it is new. *To say it is impossible because it is difficult, is again not in consonance with the spirit of the age. Things undreamt of are daily being seen, the impossible is ever becoming possible. We are constantly being astonished these days at the amazing discoveries in the field of violence. But I maintain that far more undreamt of and seemingly impossible discoveries will be made in the field of non-violence*. [Emphasis added]. [134]

References

[1] Oxfam Davos report, *62 people own the same as half the world*, 18 January 2016, <https://www.oxfam.org/en/pressroom/pressreleases/2016-01-18/62-people-own-same-half-world-reveals-oxfam-davos-report>

[2] Gandhi, M.K., *Young India*, 26 October 1924, <http://www.gandhi-manibhavan.org/gandhiphilosophy/philosophy_economics_ideals.htm>, p. 421

[3] Oxfam, 'Working For The Few: Political capture and economic inequality', 20 January 2014, <https://www.oxfam.org/sites/www.oxfam.org/files/bp-working-for-few-political-capture-economic-inequality-200114-summ-en.pdf>

[4] Salve, Prachi, '215 Million Indians Have Zero Assets', *India Spend*, 16 February 2015, <http://www.indiaspend.com/cover-story/215-million-indians-have-zero-assets-64839>

[5] Oxfam, *62 people own same as half world*, Oxfam Press Release, 18 January, 2016, <http://www.oxfam.org.uk/media-centre/press-releases/2016/01/62-people-own-same-as-half-world-says-oxfam-inequality-report-davos-world-economic-forum>

[6] The Economist, *The Purse of the One Percent*, 14 October 2014, <http://www.economist.com/blogs/graphicdetail/2014/10/daily-chart-8>

[7] World Economic Forum, *Global Risks 2014*, <http://www3.weforum.org/docs/WEF_GlobalRisks_Report_2014.pdf>

[8] International Labour Organization, *World Employment and Social Outlook: Trends 2015*, 20 January 2015, <http://www.ilo.org/global/research/global-reports/weso/2015/WCMS_337070/lang--en/index.htm>

[9] UN-Water, *Water Scarcity Fact Sheet*, 17 May 2013, <http://www.unwater.org/publications/publications-detail/en/c/204294>

[10] The Economist, *Companies' moral compasses: Some ideas for restoring faith in firms* , 2 [May 2013, <http://www.economist.com/news/business/21572748-some-ideas-restoring-faith-firms-companies-moral-compasses?frsc=dg%7Ca>

[11] United Nations Department of Economic and Social Affairs, *World population projected to reach 9.6 billion by 2050*, 13 June 2013 <https://www.un.org/development/desa/en/news/population/un-report-world-population-projected-to-reach-9-6-billion-by-2050.html>

[12] World Social Forum 2016, <https://fsm2016.org/en/>

[13] Bakshi, Rajni, *Occupy Wall Street: a movement beyond fear*, 5 November 2011,<http://articles.economictimes.indiatimes.com/2011-11-05/news/30363878_1_market-economy-capitalism-stock-markets>

[14] World Economic Forum, *Global Risks 2014* <http://www3.weforum.org/docs/WEF_GlobalRisks_Report_2014.pdf>

[15] Gandhi, M.K., 'Trusteeship', *Harijan,* 12 April 1942, <http://www.mkgandhi.org/voiceoftruth/trusteeship.htm>

[16] Gandhi, M.K., Speech to Businessmen, Karachi, 8 July 1934, Collected Works of Mahatma Gandhi, Volume 58, 151, <https://www.gandhiheritageportal.org/cwmg_volume_thumbview/NTg=#page/186/mode/2up>

[17] Nanda, B.R., '*In Gandhi's Footsteps: The Life and Times of Jamnalal Bajaj*', Oxford University Press, Delhi, 1990, p. 319-321

[18] Iyer, Raghavan, 'Gandhian Trusteeship in Theory and Practice', in *Trusteeship: The Gandhian Alternative*, ed. J.D. Sethi, Gandhi Peace Foundation, New Delhi, 1986. P.4.

[19] Gandhi, M.K., Speech to Businessmen, Karachi, 8 July 1934, Collected Works of Mahatma Gandhi, Volume 58, 151, <https://www.gandhiheritageportal.org/cwmg_volume_thumbview/NTg=#page/186/mode/2up>

[20] Investopedia, *Trustee*, <http://www.investopedia.com/terms/t/trustee.asp>

[21] Harijan, 8 June, 1940, from *The Mind of Mahatma Gandhi*, ed. R.K. Prabhu and U.R. Rao, Navajivan Publishing House, Ahmedabad, 1967, p. 255

[22] Gandhi, M.K., *Young India,* 26 March 1931, <http://www.gandhi-manibhavan.org/gandhiphilosophy/philosophy_trusteeship.htm>

[23] Collected Works of Mahatma Gandhi*, Talk with Pyarelal,* 13 December 1942, vol. 76, <https://www.gandhiheritageportal.org/cwmg_volume_thumbview/NzY=#page/460/mode/2up>, p. 420

[24] Collected Works of Mahatma Gandhi*, 'Interview to Nirmal Kumar Bose',* 9-10 November 1934, vol. 59, <https://www.gandhiheritageportal.org/>, p. 316

[25] Collected Works of Mahatma Gandhi*, 'Interview to Nirmal Kumar Bose',* 9-10 November 1934, , Vol. 59, <https://www.gandhiheritageportal.org/cwmg_volume_thumbview/NTk=#page/354/mode/2up>, p. 316

[26] Gandhi, M.K., 'Letter to B. Srirangasayi', *The Hindu*, 11 October 1934, from *Mahatma Gandhi: Essential Writings*, ed. Judith Brown, Oxford World Classics, Oxford University Press, Oxford, 2008, p. 99

[27] The Crown Estate, *Our history*, <http://www.thecrownestate.co.uk/who-we-are/our-history/>

[28] Credit Suisse, *Global Wealth Report*, October 2015, <https://publications.credit-suisse.com/tasks/render/file/?fileID=F2425415-DCA7-80B8-EAD989AF9341D47E>, p. 24

[29] Credit Suisse, *Global Wealth Report 2015: Underlying Trends Remain Positive*, 13 October 2015, <https://www.credit-suisse.com/in/en/about-us/research/research-institute/news-and-videos/articles/news-and-expertise/2015/10/en/global-wealth-in-2015-underlying-trends-remain-positive.html>

[30] Gopalakrishnan, R., ‘Gandhi, Governance and the Corporation’, speech delivered at Indian Institute of Management, Bangalore, 2 October 2008 <http://www.tata.com/article/inside/lxir!$$$!D8crmY=/TLYVr3YPkMU=>

[31] Rockefeller Foundation, ‘Our History’, <https://www.rockefellerfoundation.org/about-us/our-history/>

[32] Srivastava, Samar, ’The Godrej Foundation: In charity they trust’, *Forbes India*, 2 December 2013, <http://forbesindia.com/printcontent/36631>

[33] Dasra, *Beyond Philanthropy: towards a collaborative approach in India*, 2013, <http://knowledge.dasra.org/research/flip/index.php?report=15>, p. 2

[34] Press Trust of India, ‘Azim Premji to commit more of his wealth to philanthropy’, *The Economic Times*, 19 February 2013, <http://articles.economictimes.indiatimes.com/2013-02-19/news/37179922_1_azim-premji-wealth-scale>

[35] Misra, Udit, ‘Anu Aga: Schooling India’, *Forbes India*, 12 December 2013, <http://forbesindia.com/article/philanthropy-awards-2013/anu-aga-schooling-india/36669/1>

[36] Gandhi, Aditi and Walton, Michael, ‘Where Do India’s Billionaires Get Their Wealth?’, *Economic & Political Weekly*, 6 October 201,2 vol xlvii, no. 40 (For more details, see: <http://knoema.com/wqezguc/world-s-billionaires-wealth-vs-countries-gdp>)

[37] Daily News and Analysis, *With 68 billionaires India ranks 7th globally, Mumbai leads in India with 30*, 10 March 2015, <http://www.dnaindia.com/money/report-with-68-billionaires-india-ranks-7th-globally-mumbai-leads-in-india-with-30-2067378>

[38] Paul, Cuckoo, ‘Amit Chandra brings a portfolio approach to giving’, *Forbes India*, 4 December 2013, <http://forbesindia.com/printcontent/36639>

[39] Food and Agriculture Organization, *The State of Food Insecurity in the World 2015*, <http://www.fao.org/hunger/en/>

[40] Ministry of Law and Justice, Government of India, The Companies Act of 2013, <http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>

[41] Bakshi, Rajni, interview with Rahul Bajaj, Bajaj office in Akurdi, Pune, 4 December 2013.

[42] Buffet, Peter, 'The Charitable-Industrial Complex', *The New York Times*, 26 July 2013, <http://www.nytimes.com/2013/07/27/opinion/the-charitable-industrial-complex.html?_r=0>

[43] Bakshi, Rajni, interview with Ela Bhatt, Ahmedabad, July 2013.

[44] Ataulla, Naheed, 'Nandan Nilekani's journey from Rs 200 to Rs 7,700 crore', *The Times of India*, <http://timesofindia.indiatimes.com/news/Nandan-Nilekanis-journey-from-Rs-200-to-Rs-7700-crore/articleshow/32372480.cms>; and
Nilekani, Rohini, 'Maintaining a sense of balance, humility', *LiveMint*, 21 March 2011, <http://www.livemint.com/Politics/i6ey8vNypkFVIlkSMOtd5O/Maintaining-a-sense-of-balance-humility.html>

[45] Misra, Udit, 'Anu Aga: Schooling India', *Forbes India*, 12 December 2013, <http://forbesindia.com/article/philanthropy-awards-2013/anu-aga-schooling-india/36669/1>

[46] Confederation of Indian Industry and PWC, *Handbook on Corporate Social Responsibility in India*, <https://www.pwc.in/assets/pdfs/publications/2013/handbook-on-corporate-social-responsibility-in-india.pdf>

[47] Tata Trusts, <http://www.tata.com/aboutus/sub_index/Tata-trusts>

[48] Press Trust of India, 'Sobha group founder to give 50% of wealth to charity', *The Hindu*, 7 March 2013, <http://www.thehindubusinessline.com/companies/sobha-group-founder-to-give-50-of-wealth-to-charity/article4484249.ece?homepage=true; 7.3.13>

[49] Srivastava, Samar, 'The Godrej Foundation: In charity they trust', *Forbes India*, 2 December 2013, <http://forbesindia.com/printcontent/36631>

[50] Mishra, Ashish K., 'The Bajaj family has a tradition of giving', *Forbes India*, 3 December 2013, <http://india.forbes.com/article/philanthropy-awards-2013/the-bajaj-family-has-a-tradition-of-giving/36635/2>

[51] Ataulla, Naheed, 'Nandan Nilekani's journey from Rs 200 to Rs 7,700 crore', *The Times of India*, <http://timesofindia.indiatimes.com/news/Nandan-Nilekanis-journey-from-Rs-200-to-Rs-7700-crore/articleshow/32372480.cms>

[52] Ramanathan, Arundhati, 'Wipro's AzimPremji tops list of Indian philanthropists again', *LiveMint*, 8 January 2016, <http://www.livemint.com/Companies/0q003JvZUGE8pCyNYc9ueO/Wipros-Azim-Premji-tops-list-of-Indian-philanthropists-agai.html>

[53] Paul, Cuckoo, ‘Amit Chandra brings a portfolio approach to giving’, *Forbes India*, 4 December 2013 <http://forbesindia.com/article/philanthropy-awards-2013/amit-chandra-brings-a-portfolio-approach-to-giving/36639/3>

[54] Press Trust of India, ‘Sobha group founder to give 50% of wealth to charity’, *The Hindu*, 7 March 2013, <http://www.thehindubusinessline.com/companies/sobha-group-founder-to-give-50-of-wealth-to-charity/article4484249.ece?homepage=true; 7.3.13>)

[55] Narayan, Shriram, *Jamnalal Bajaj: Gandhiji’s ‘Fifth Son’*, Publications Division, Ministry of Information and Broadcasting, Government of India, New Delhi, 1974, pp. 191

[56] The Economist, *Companies’ moral compasses: Some ideas for restoring faith in firms*, 2 March 2013,<http://www.economist.com/news/business/21572748-some-ideas-restoring-faith-firms-companies-moral-compasses?frsc=dg%7Ca>

[57] Ministry of Corporate Affairs, Government of India, 58th Annual Report, *On the Working & Administration of the Companies Act, 1956 Year ended March 31, 2014*, <http://mca.gov.in/Ministry/pdf/58AR_English.pdf>

[58] Bakshi, Rajni, interview and email correspondence with Nachiket Mor.

[59] Gopalakrishnan, R. ‘Gandhi, Governance and the Corporation’, speech delivered at Indian Institute of Management, Bangalore, 2 October 2008, <http://www.tata.com/article/inside/lxir!$$$!D8crmY=/TLYVr3YPkMU=>

[60] Pandey, Balaji, ‘Kalinganagar Tragedy: Development Goal or Development Malaise’, *Social Change* December 2008, vol. 38, no. 4, <http://environmentportal.in/files/Social%20Change%202.pdf>, p. 609-626

[61] Bakshi, Rajni, *A capitalism we can be proud of*, Rediff, 15 March 2010,<http://business.rediff.com/column/2010/mar/15/rajni-bakshi-cloumn-capitalism-that-we-can-be-proud-of.htm>

[62] Marico, *Sustainability at Marico,* <http://marico.com/india/make-a-difference/sustainability>

[63] Srivastava, Samar, ‘The Godrej Foundation: In Charity They Trust’, *Forbes India*, 2 December 2013, <http://forbesindia.com/printcontent/36631>

[64] Bakshi, Rajni, ’A capitalism we can be proud of’, Rediff, 15 March 2010,<http://business.rediff.com/column/2010/mar/15/rajni-bakshi-cloumn-capitalism-that-we-can-be-proud-of.htm>

[65] Infochange reports, *Tribals opposing steel plant in Orissa killed in police firing*, January 2005, <http://infochangeindia.org/human-rights/news/tribals-opposing-steel-plant-in-orissa-killed-in-police-firing.html>

[66] The Sustainable Stock Exchanges Initiative is co-organized by United Nations Conference on Trade and Development (UNCTAD), United Nations Global Compact, United Nations Environment Program Finance Initiative and the United Nations Principles of Responsible Investing. For more details see: <http://www.sseinitiative.org/about/>

[67] International Finance Corporation, *Standard & Poor's ESG India Index Launched: IFC-backed Index Provides Avenue to Invest in Leaders in Environmental, Social, and Corporate Governance Issues*, 30 January 2008, <http://ifcext.ifc.org/IFCExt/pressroom/IFCPressRoom.nsf/0/DF13DDA2BBC96328852573E000544416?OpenDocument>; Securities and Exchange Board of India, *Circular*, 13 August 2012, <http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf>

[68] United Nations Global Compact, <www.unglobalcompact.org>; United Nations Global Compact, India, <https://www.unglobalcompact.org/engage-locally/asia/india>

[69] Mahal, Neha, *The United Nations Global Compact and Corporate Social Responsibility in India*, Centre for Development and Human Rights, 9 February 2015, <http://www.cdhr.org.in/csr/un-global-compact-and-csr-in-india/>

[70] Sethi, Neha, 'Government rejects Vedanta's bauxite mining plans in Niyamgiri', *LiveMint*, 11 January 2014, <http://www.livemint.com/Politics/RfscBlhoFhQDapFA6uU7UK/Government-rejects-Vedantas-bauxite-mining-plans-in-Niyamgi.html>

[71] The Economist, *Mining in Latin America: from conflict to co-operation*, 6 February 2016, <http://www.economist.com/news/americas/21690100-big-miners-have-better-record-their-critics-claim-it-up-governments-balance>

[72] Haldane, Andrew, 'A leaf being turned', Bank of England, 29 October 2012, <http://www.finextra.com/finextra-downloads/newsdocs/haldaneoccupyspeech.pdf>)

[73] The researchers were asked to address a basic question: should the primary purpose of a corporation be to maximise shareholder value? The research consisted of 28 one-hour interviews with men and women who hold an important position in either an investment capacity, as a senior executive in a large corporation, or in an academic setting engaged with issues of business; and Aspen Institute, *Unpacking Corporate Purpose: A Report on the Beliefs of Executives, Investors and Scholars*, May 2014 <http://www.aspeninstitute.org/sites/default/files/content/upload/Unpacking_Corporate_Purpose_May_2014_0.pdf>

[74] Porter, Michael E. and Kramer, Mark R., ‘Creating Shared Value’, *Harvard Business Review*, January-February 2011, <http://hbr.org/2011/01/the-big-idea-creating-shared-value> (Accessed 20 November 2015)

[75] Ibid.

[76] Initiatives of Change, *About trust and integrity in the global economy*, <http://www.caux.ch/Trust-and-Integrity-in-the-Global-Economy-TIGE>

[77] Eleftheriou-Smith, Loulla-Mae, ‘Apple's Tim Cook: Business isn’t just about making a profit’, *The Independent*, 2 MARCH2014,<http://www.independent.co.uk/life-style/gadgets-and-tech/news/apples-tim-cook-business-isnt-just-about-making-a-profit-9163931.html>

[78] Ibid.

[79] Reuters, *Foxconn worker plunges to death at China plant*, 5 November 2010, <http://www.reuters.com/article/us-china-foxconn-death-idUSTRE6A41M920101105>

[80] Garside, Juliette, ‘Child Labour Uncovered in Apple’s Supply Chain’, *The Guardian* , 25 January 2013, <http://www.theguardian.com/technology/2013/jan/25/apple-child-labour-supply>

[81] Bilton, Richard, ‘Apple failing to protect Chinese factory workers’, BBC Panorama, 14 December 2014 <http://www.bbc.com/news/business-30532463>

[82] McPherson, Susan, ‘Why CSR's Future Matters to Your Company’, *Harvard Business Review*, 6 January 2012, <http://blogs.hbr.org/2012/01/why-csrs-future-matters-to-you/> (Accessed 14 December 2015).

[83] Ibid.

[84] Winograd, Morley and Hais, Dr. Michael, *How Millennials Could Upend Wall Street and Corporate America*, Brookings, May 2014, <http://www.brookings.edu/~/media/research/files/papers/2014/05/millennials%20wall%20st/brookings_winogradfinal.pdf>

[85] Deloitte, *The 2015 Deloitte Millennial survey*, Press Release, 16 January 2015,<http://www2.deloitte.com/in/en/pages/about-deloitte/articles/the-2015-deloitte-millennial-survey-press-release.html> (Accessed on 14 June 2015)

[86] Burke, Jason, ‘Bangladesh factory collapse leaves trail of shattered lives’, *The Guardian*, 6 June 2013, <http://www.theguardian.com/world/2013/jun/06/bangladesh-factory-building-collapse-community>

[87] Clean Clothes Campaign, *Activists protest fashion brands' failure to pay Bangladesh disaster victims compensation*, 24 May 2013, <http://www.cleanclothes.org/news/press-releases/2013/05/24/activists-protest-fashion-brands-failure-to-pay-bangladesh-disaster-victims-compensation>

[88] Greenhouse, Steven, 'Retailers Are Pressed on Safety at Factories', *The New York Times*, 10 May 2013,<http://www.nytimes.com/2013/05/11/business/global/clothing-retailers-pressed-on-bangladesh-factory-safety.html?ref=asia>

[89] Ibid.

[90] Westervelt, Amy, 'Two years after Rana Plaza, have conditions improved in Bangladesh's factories?', *The Guardian*, 24 April 2015, <http://www.theguardian.com/sustainable-business/2015/apr/24/bangladesh-factories-building-collapse-garment-dhaka-rana-plaza-brands-hm-gap-workers-construction>

[91] Ibid.

[92] International Labour Organization, *Vulnerable employment and poverty on the rise, Interview with ILO chief of Employment Trends Unit*, 26 January 2010,<http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_120470/lang--en/index.htm>

[93] International Labour Organization, *World Employment and Social Outlook – Trends 2015*, <http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_337069.pdf>

[94] Business Line, *Wazirpur steel factory workers call off strike*, 28 June 2014,<http://www.thehindubusinessline.com/news/wazirpur-steel-factory-workers-call-off-strike/article6158182.ece>; and India Resists, *Workers' Strike at Wazirpur Industrial Area: A PUDR Report*, 22 June 2014, <http://www.indiaresists.com/workers-strike-at-wazirpur-industrial-area-a-pudr-report/>. For more details on Wazipur dispute see: <http://www.countercurrents.org/pudr160714.htm>

[95] Food and Agriculture Organization, *The State of Food and Agriculture Brief 2014* <http://www.fao.org/3/a-i4036e.pdf>

[96] Global Research, '*Free Trade' Agreements Are Criminalising Farmers' Seeds for the Benefit of Multinational Corporations*, 18 November 2014, <http://www.globalresearch.ca/free-trade-agreements-are-criminalising-farmers-seeds-for-the-benefit-of-multinational-corporations/5414731>

[97] McAvoy, Audrey, 'Monsanto, Dow Unit Sue Maui County Over GMO Law', *Huffington Post*, 14 November 2014,

<http://www.huffingtonpost.com/2014/11/13/monsanto-dow-sue-maui_n_6155480.html?ir=India&adsSiteOverride=in>

[98] Global Research, '*Free Trade' Agreements Are Criminalising Farmers' Seeds for the Benefit of Multinational Corporations*, 18 November 2014, <http://www.globalresearch.ca/free-trade-agreements-are-criminalising-farmers-seeds-for-the-benefit-of-multinational-corporations/5414731>Accessed June 12, 2015.

[99] Letter from Monsanto to Secretary-General, United Nations, 4 September 2009, <https://www.unglobalcompact.org/system/commitment_letters/6680/original/Global_Compact_Join_Letter_10013.pdf?1262613347>

[100] The Elders, *About the Elders*, <http://theelders.org/about>

[101] Bakshi, Rajni, interview with Ela Bhatt, Ahmedabad, July 2013.

[102] Pallavi, Aparna, 'Mendha Lekha residents gift all their farms to *gram sabha*', *Down to Earth*, 9 September 2013, <http://www.downtoearth.org.in/content/mendha-lekha-residents-gift-all-their-farms-gram-sabha>

[103] Ibid.

[104] Tata, *Tata Group Financials*, <http://www.tata.com/htm/Group_Investor_GroupFinancials.htm#group>

[105] Gopalakrishnan, R., 'Gandhi, Governance and the Corporation', speech delivered at Indian Institute of Management, Bangalore, 2 October 2008, < <http://www.tata.com/article/inside/lxir!$$$!D8crmY=/TLYVr3YPkMU=>

[106] Marjorie Kelly is cofounder of Corporation 20/20, an initiative to chart the future of responsible enterprise; she is on the senior staff of the Tellus Institute, a Boston think tank. She is the author of *The Divine Right of Capital* and was co-founder and editor of *Business Ethics* magazine, <http://www.marjoriekelly.com/>

[107] Kelly, Marjorie, *An Excerpt from Owning our Future: The emerging ownership revolution*, <http://www.bkconnection.com/static/Owning_Our_Future_EXCERPT.pdf>

[108] John Lewis Partnership, *About*, <http://www.johnlewispartnership.co.uk/about.html>

[109] Mondragon, <http://www.mondragon-corporation.com/eng/>

[110] Working Assets, <http://www.workingassets.com/>

[111] Goodwill Industries International Inc., *About Us*, <http://ww.goodwill.org/about-us/>

[112] Amul, *GCMMFL: Gujarat Coperative Milk Marketing Federation Limited*, <http://www.amul.com/m/organisation>

[113] Aavishkar, *About Us*, <http://www.aavishkaar.in/about-us.php#our-company>

[114] Rangasutra, <http://www.rangsutra.com/rangsutra.html>

[115] Dharani, <http://www.timbaktu.org/our-programmes/rural-enterprise/dharani/>

[116] United Nations Research Institute for Social Development, *Social and Solidarity Economy and the Challenge of Sustainable Development*, Executive Summary of TFSSE Position Paper, September 2014, <http://www.unrisd.org/ssetaskforce-positionpaper>

[117] TFSSE, < http://unsse.org/>

[118] Venema, Vibeke, 'The Indian sanitary pad revolutionary' ,BBC World Service, 4 March 2014, <http://www.bbc.com/news/magazine-26260978>

[119] Ibid.

[120] Most of Muruganantham's clients are NGOs and women's self-help groups. A manual machine costs around Rs. 75, 000, a semi-automated machine costs more. Each machine converts 3,000 women to pad-usage, and provides employment for 10. They can produce 200-250 pads a day, which sell for an average of about Rs. 2.5.

[121] Berners-Lee, Tim, 'Long Live the Web: A Call for Continued Open Standards and Neutrality', *Scientific American*, 1 December 2010, <http://www.scientificamerican.com/article/long-live-the-web/>

[122] Dominus, Susan, 'Is Giving the Secret to Getting Ahead?', *The New York Times*, 27 March 2013, <http://www.nytimes.com/2013/03/31/magazine/is-giving-the-secret-to-getting-ahead.html?pagewanted=1&_r=3&hp&>

[123] Sandel, Michael, 'If I ruled the world: Michael Sandel', *Prospect,* 19 S*eptember 2012,* <http://www.prospectmagazine.co.uk/economics/if-i-ruled-the-world-michael-sandel/#.u5arhnjjjfg>

[124] Ibid.

[125] Rifkin, Jeremy, 'The Rise of Anti-Capitalism', *The New York Times*, 15 March 2014, <http://www.nytimes.com/2014/03/16/opinion/sunday/the-rise-of-anti-capitalism.html?_r=0>

[126] Karnik, Madhura, 'Indian millionaires are fleeing the country', *Quartz*, 11 March 2015, <http://qz.com/359529/indian-millionaires-are-fleeing-the-country/>;
Knight Frank, '*The Wealth Report 2015*',

<http://content.knightfrank.com/research/83/documents/en/wealth-report-2015-2716.pdf>

[127] Datta, Aveek, '84 Indian billionaires on Forbes' 2016 richest list', *Forbes India*, 2 March 2016, <http://forbesindia.com/article/special/84-indian-billionaires-on-forbes-2016-richest-list/42569/1>

[128] A leading Indian investor wrote in May 2014: "Rule us, rule us hard, rule us ruthlessly, but for Lord Ram's sake, give us real growth, and income. The means don't matter. We just want happy endings," 'Shankar Sharma to Narendra Modi: Give us real economic growth and income', *The Economic Times*, 20 May 2014, <http://articles.economictimes.indiatimes.com/2014-05-20/news/49974898_1_narendra-modi-secularism-shankar-sharma>

[129] Oxfam, *Richest 1% will own more than all the rest by 2016*, <https://www.oxfam.org/en/pressroom/pressreleases/2015-01-19/richest-1-will-own-more-all-rest-2016>

[130] Bennet, James, 'We need an energy miracle': interview with Bill Gates, *Atlantic Monthly*, November 2015, <http://www.theatlantic.com/magazine/archive/2015/11/we-need-an-energy-miracle/407881/>

[131] Global Sustainable Investment Alliance, *Global Sustainable Investment Review 2014*, February 2015, <http://www.gsi-alliance.org/wp-content/uploads/2015/02/GSIA_Review_download.pdf>

[132] United Nations Environment Programme Finance Initiative, *Fiduciary Duty in the 21st Century*, October, 2015, <http://www.unepfi.org/fileadmin/documents/fiduciary_duty_21st_century.pdf>

[133] Bakshi, Rajni, 'Tolerance as a duty is prerequisite to making India', Rediff, 12 January 2015, <http://www.rediff.com/news/column/rajni-bakshi-tolerance-as-a-duty-is-a-pre-requisite-to-making-india/20150112.htm>

[134] Gandhi, M.K., *Harijan*, 25 August 1940, <http://www.mkgandhi.org/trusteeship/chap06.htm>