

## From charity to responsibility

Corporate social responsibility or simply CSR, as the “beyond business” initiatives of companies have come to be globally known, is a complex, evolving subject. Any serious attempt to understand it in a large, diverse, developing country like India calls for considerable research and contextual analyses. Though in vogue for centuries, more as a form of charity and largely driven by religious beliefs, CSR as a concept has matured only recently. Corporate charity initiatives continue to be viewed with suspicion by many.

For Pushpa Sundar, who has wide experience ranging from some years in the Indian Administrative Service to many more with various organisations, international, non-profit, government and corporate, the challenge was to bring perspective and fairness while framing the issues relating to CSR. In the foreword, Indian industrialist Ratan N. Tata describes the book as a “worthy sequel” to “Beyond Business: From Merchant Charity to Corporate Citizenship” that she wrote in 2000. What makes ‘Business and Community’ an interesting read is the broad-based appeal it is bound to create, be it among the elite, the industrialists or the uninitiated who want to know what CSR is all about. The timing could not have been better — when the Companies Bill 2012 seeks to give a mandatory feel to what largely has been a voluntary effort so far. Every company with a net worth of Rs. 500 crore or more, or turnover above Rs.1,000 crore or net profit over Rs. 5 crore in any financial year, the Bill says, should constitute a CSR Committee. The panel will recommend its activities for discharging CSR in such a manner that the company spends at least 2 per cent of its average net profits of the previous three years on CSR activities. This in itself could be a significant harbinger of change as there is no provision for CSR spending by companies in the present law — Companies Act, 1956.

The book traces the tradition of giving, something that remains integral to Indian society, by Indian businesses in the early British rule, primarily traders, and the role played by the entrepreneurs in India’s independence struggle. From mere merchants and financiers to industrialists, the book chronicles the genesis, progress and challenges of CSR. Since a study of CSR in isolation will not take the reader anywhere, Ms. Sundar has woven in various related aspects that add value to the details and make the book interesting. The additional, contextual information is so much that there is always a possibility that the reader forgets it is a book on CSR.

### Influence of religion

Setting the book apart from others is its commitment to telling the story and not resorting to preaching. It comes off as a fair account. There is no undue coverage eulogising any individual or corporate entity. Neither does it spare the guilty nor criticise entities in a fashion that could be mistaken for activism.

The book provides insights into various aspects of the society and the business at different times. While discussing altruism, the influence of religion and leaders in the course of theorising

on CSR, the book also talks of the growth and fall of various merchant communities region-wise. In one chapter discussing the lifestyle of merchants, their mahajans, it provides a peek into how some rich merchants splurged. “While in Bombay, Ahmedabad or Madras, merchants led frugal lives and contributed to charity, many of the vast fortunes accumulated by Bengali business families in the 18 and early 19 centuries were frittered away on wasteful pomp and show and ostentatious, competitive lifestyles,” the author notes.

“At Durga Puja, Gobindram Mitra had the entire image of the goddess wrapt in gold and silver leaf and spent Rs.50,000 on the fortnight-long worship; Ramtanu Gupta wore no dhoti more than once and had his palace washed down daily with rose water; Bhuban Mohan Niyogi burnt Rs.10 notes to light his cigarettes — tales of such follies could be multiplied endlessly. But there were a few who also gave generously to charity... but frequently, charity was often only another means of displaying wealth.”

Such details also help accentuate the difference that came about when industrialisation picked up. It includes the role of Sir Jamsetji Tata, widely regarded as the father of modern Indian philanthropy. The book discusses every change in the system, be it the move away from informal, ad hoc charity motivated by religion, channelled through religious or caste-based/occupation-based organisations to ‘secular’ philanthropy. In terms of fields of interest, education was the most favoured and industrialists in many parts of the country played a key role in promoting women’s education. Other preferred activities were creation of medical facilities, endowment of civic facilities, and revival of Indian arts. “On the minus side, little was attempted to tackle more basic problems like sanitation and housing for the poor...”

One thing common across the times was that even where charity was most purely altruistic, it was “never entirely free of business consideration.” As a chapter on CSR between 1960 and 1990 says, many medium-sized companies too, during this period, became socially conscious and introduced programmes of rural and community development. Even this move was not without a personal motive — many took to rural development for the tax concessions it fetched them, particularly in the backdrop of a high tax regime. Once the concessions were withdrawn in 1983-84 many of them stopped their programmes.

An exhaustive account of CSR, this book, in ten chapters, packs in a wide range of information. Discussing malpractice and regulation, it refers to various reports, including that of Wanchoo Committee (The Direct Taxes Enquiry Committee), 1971, which said business houses that had created trusts had mostly appropriated the trust funds for their own businesses. It also speaks about the role of State, the need for large companies to spread CSR culture to small SMEs, and the importance of being both competitive and socially responsible.

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