

Chapter 3

Corporate Governance and Gandhi's Trusteeship

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ABSTRACT

Abstract Corporate governance is the system or rule of a company who gives instructions to run a company or organization properly, so that the people working in the corporate sector or company or all the groups associated with the concerned company such as the administrators of the company, shareholders, customers, board members and society are benefited. Corporate governance includes the principles, rules, procedures and instructions etc. for running an organization. This article is related with the Gandhi's trusteeship theory and present corporate governance. Mahatma Gandhi in his trusteeship theory saw the capitalists as protectors of other sections of society.

INTRODUCTION

Corporate governance is the system that gives principles or instructions to run a company or organization properly, so that the people working in the concerned company or all the groups associated with the concerned company such as the administrators of the company, shareholders, customers, board members and society are benefited. Corporate governance includes the principles, rules, procedures, and instructions etc. for running an organization. This article is related with the Gandhi's trusteeship theory and present corporate governance. Mahatma Gandhi in his trusteeship theory saw the capitalists as protectors of other sections of society. Gandhi strongly believed that the development of society and the needs of society could not be fulfilled by snatching capital from the capitalists, but by changing their hearts,

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by making them aware of their responsibilities towards society, the development of society and the needs of society could be fulfilled.

Like Gandhi's principle of trusteeship, the main objective of today's corporate governance is the interest of every person associated with the company. Gandhi considered the capitalists as trustees of society. For this reason, good practices establish condition to protect and equability reward shareholders for the capital contributed, to reward workers for their work and intellectual contribution; to offer customers higher quality products and services and better prices; to adequately remunerate suppliers for the delivery of products or the provision of services and to offer them guarantees or the confidence that they will be paid in a timely manner; to offer creditors that the resources they have lent to the company will be restored and that they will be well compensated; it also includes responsibility towards society in general, thus including compliance with tax obligation, (Fadiya, 1999).

Objective of the paper-

1. Studying Gandhi's Trusteeship and Corporate Governance.
2. To know Gandhi's purpose of trusteeship and corporate governance.
3. Describe Gandhi's work on trusteeship and corporate governance.
4. Gandhi's contribution to the cause of trusteeship and corporate governance in the field of social justice.
5. Gandhi's trusteeship and corporate governance contributed to economic equality.

Relevance of Corporate Governance and Gandhi's Trusteeship

Gandhi's philosophy of trusteeship and corporate governance both make significant contributions to the establishment of social justice and economic equality. Therefore, the study of both Gandhi's philosophy of trusteeship and corporate governance has its own special significance. Gandhi's trusteeship philosophy and corporate governance are both philosophies that play an important role in the establishment of 21st century social and economic justice.

Corporate Governance and Gandhi's Trusteeship

The private (corporate) sector of the 19th century, when capitalism and feudalism were known for their exploitative and totalitarian tendencies. Even at that time, Gandhi saw the capitalists as protectors and spoke of changing the hearts of the cap-

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