

ZAKAT, DANA AND CORPORATE SOCIAL RESPONSIBILITY

Arjya B. Majumdar*

INTRODUCTION

How corporations make decisions is a matter of some interest¹. While existent norms and regulations on corporate governance set out the basic parameters within which a corporation may operate², the actual decision making process is left to the discretion of the Board of Directors³. For example, company law under most jurisdictions will mandate that resolutions of the Board of Directors must be passed either at a meeting of the Board or after the draft resolutions have been circulated for deliberation. However, this sets out the procedural standards which are required to be met. There is little guidance in the realm of company law jurisprudence which guides corporations and their Boards as to what principles to follow when deliberating and passing a resolution.

This paper examines one of the guiding factors that determine human behavior-religion- and its applicability to corporate decision making. Specifically, one of the common threads of thought across all religions is that of charity – the idea that one must give away one’s wealth for the well-being of others, without any hope or expectation of returns. This notion of gratuitous transfer of wealth to the less privileged finds itself in every religious text across the world and strikes a common chord between the three most popular religions in Asia⁴. There seem to be few other principles which are so globally accepted. Further, religious systems have provided mechanisms to address economic injustice and poverty alleviation similar to modern day complex taxation and welfare systems⁵. Our examination of religious tenets focusses on two concepts. Firstly, Zakat, the Islamic practice of giving and consequent self-purification⁶. Second, the concept of Dāna, as the practice of giving in both Hinduism and Buddhism⁷. This paper seeks to first identify the traditions relating to charity within religious texts such as the Hadith, the Manusmriti and the Tripataka.

In the absence of institutions, including the concept of the corporation, during the time when such religious texts were envisaged, the directions mandating charity are by default, applicable to individuals. However, applying religious texts to juristic and artificial persons is somewhat of a challenging proposition. A company does not have

* Assistant Professor, Assistant Dean (Academic Affairs) and Assistant Director, Michigan-Jindal Global Centre for Corporate and Financial Law and Policy, Jindal Global Law School. The author is grateful to Mr Akshit Aggarwal, Mr Toshin Bishnoi and Mr Suprotik Das, students of the Jindal Global Law School. Any errors remain the author’s own

¹ JAMES CHAMPY, REENGINEERING MANAGEMENT: THE MANDATE FOR NEW LEADERSHIP, (1995).

² Consider shareholders’ authority in the constitutional documents of a corporation.

³ Stephen M. Bainbridge, *Why a Board? Group Decisionmaking in Corporate Governance*, 55 VAND. L. REV. 1, (2002).

⁴ Pew Research Centre, *The Global Religious Landscape: A Report on the Size and Distribution of the World’s Major Religious Groups as of 2010*, 10 (December 2012), <http://www.bc.edu/content/dam/files/centers/jesinst/pdf/Grim-globalReligion-full.pdf>.

⁵ Russell Powell, *Zakat: Drawing Insights for Legal Theory and Economic Policy from Islamic Jurisprudence*, 7 PITT. TAX REV. 43, (2010).

⁶ MOHD MA’SUM BILLAH, *APPLIED ISLAMIC LAW OF TRADE AND FINANCE: A SELECTION OF CONTEMPORARY PRACTICAL ISSUES* 229, (3rd ed. 2007).

⁷ John H. Barnett, *A Business Model of Enlightenment*, 4 J. BUS. ETHICS 57, (1985).

a soul- it does not go to heaven or hell when it is liquidated and is not reincarnated post liquidation⁸. However, this paper goes on to consider the creation of the modern-day corporation through three lenses. One, of the traditionally accepted independent corporate personality. Second of the theory that a corporation does not exist as an independent legal entity, but is merely a nexus of contracts⁹ between directors, shareholders, customers, vendors. Finally, through the lens of the ‘insider model’ of business, wherein the controlling interest in a corporation is closely held by a single or a group of shareholders with a long term view. This is particularly true of Asian countries such as India and China, which are “marked with concentrated stock ownership and a preponderance of family-controlled businesses while state-controlled businesses form an important segment of the corporate sector in many of these countries.”¹⁰

Arguing further that- in the absence of a large number of shareholders, Asian corporations tend to be family and individual driven¹¹- such families and individuals may have a propensity to inculcate their individual traditions into inanimate and juristic bodies such as the corporations they run and control. As a result, this paper finally considers whether the tradition of giving, as mandated by religion may be a significant factor to boost Corporate Social Responsibility. While most Asian countries have some form of voluntary guidelines on corporate social responsibility¹², mandatory laws relating to CSR have been passed in Indonesia¹³ and India¹⁴. A recent report even suggests that Indian consumers would be willing to spend more on products manufactured by socially responsible companies¹⁵. This paper posits that a tradition of giving, spurred by religious mandate, does make CSR far more relevant in Asia.

In spite of any shortcomings that the concept and practice of CSR may have, there remains a worldwide opinion that corporations should take into account, the needs of the society with which they have a symbiotic relationship¹⁶.

⁸ At least not in the sense of reincarnation under Hindu and Buddhist beliefs.

⁹ See, Mitu Gulati, William A. Klein and Eric M. Zolt, *Connected Contracts*, 47 UCLA L. REV. 887, (2000); Stephen M. Bainbridge, *The Politics of Corporate Governance*, 18 HARV. J.L. & PUB. POL’Y. 671, 681–82 (1995) (describing the “nexus” or “web” theory of corporate governance).

¹⁰ Rajesh Chakrabarti, *Corporate Governance in India – Evolution and Challenges* (January 17, 2005), available at: <http://ssrn.com/abstract=649857>.

¹¹ Randall Morck and Lloyd Steier, *The Global History of Corporate Governance: An Introduction*, (Nat’l Bureau of Econ. Research, NBER Working Paper No. 11062, 2005).

¹² Consider Article 5 of the Company Law of the People’s Republic of China, the Malaysian Code on Corporate Governance and the Keidanren Charter for Good Corporate Behavior (Japan) all of which provide voluntary guidelines on corporate social responsibility.

¹³ Article 74 of Law 40/2007 concerning Limited Liability Companies read with Government Regulation No 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.

¹⁴ § 135 The Indian Companies Act, No. 18 of 2013, INDIA CODE (1993), available at: <http://indiacode.nic.in/acts-in-pdf/182013.pdf>.

¹⁵ Consumers Who Care, Nielsen August 2013, available at: <http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2013%20Reports/Nielsen-Global-Report-Consumers-Who-Care-August-2013.pdf> (last visited on Nov. 30, 2013).

¹⁶ The call for greater corporate participation in the well-being of society was first raised in ADOLF A. BERLE and GARDINER C. MEANS, *THE MODERN CORPORATION AND PRIVATE PROPERTY*, (1932) and echoed specifically in the context of CSR in Merrick Dodd, *For Whom are the Corporate Managers Trustees?*, HARV. L. R. 1145 (1932); but see Milton Friedman, *The Social Responsibility of Business is to Increase its Profits*, *The New York Times Magazine*, Sept. 1970.

I. EXAMINING THE CORPORATION

We may now examine the creation of the modern-day corporation through the lens of independent corporate personality as well as a nexus of contracts¹⁷. In the absence of a large number of shareholders, Asian corporations tend to be family¹⁸ and individual¹⁹ driven- such families and individuals would have a propensity to inculcate their individual traditions into inanimate and juristic bodies such as the corporations they run and control²⁰. In family run firms, particularly in Asia, most families owning such businesses also play a significant role in the management of such businesses. It is not unusual to see family members of the promoter on the Board of Directors of a family run corporation, despite the absence of qualifications or experience required to manage a company. Further, certain managerial positions within the company are often vested within the family itself – passing on from generation to generation²¹. In the absence of a true separation of powers between shareholders and company management, the regular rules and processes of corporate decision making no longer apply.

Given that Asian family- run businesses are prone to imbibing practices based on religious diktat, we must therefore consider whether the classic model of a separate legal entity²² may be deconstructed in the light of ideological interference by majority shareholders. In spite of any enabling provisions in the extant law relating to corporations, it seems that there is enough evidence that company management too, is connected to the individual or family shareholders through familial ties, above and beyond the definitive appointment of company management²³.

Consider now, the ‘connected contracts’²⁴ theory. As the name suggests, the model rejects the notion of the firm itself- that the corporation as a legal entity is a fiction and does not exist at all. What exists is a number of participants engaged in contracts with each other, the terms of which are pre-determined by company law. The connected contracts perspective is applied to an important aspect of joint activity— the putative bar gain over control. Looking at business activity as bargains among individuals who agree to undertake a specific project leads to the insight that control of the venture is not automatically allocated to equity. However, the connected contracts theory too, suggests that the ownership and management of a corporation are two separate

¹⁷ See Gulati, *supra* note 9, (describing the “nexus” or “web” theory of corporate governance).

¹⁸ Stijn Claessens, Simeon Djankov, Joseph P. H. Fan and Larry H. P. Lang, *Disentangling the Incentive and Entrenchment Effects of Large Shareholdings*, 57(6) J. FIN., 2741 (2002); See also Raghuram G. Rajan and Luigi Zingales, *Which Capitalism? Lessons from the East Asia Crisis*, 11 J. APPLIED CORP. FIN., 40 (1998).

¹⁹ Stijn Claessens, Simeon Djankov, and Larry Lang, *The Separation of Ownership and Control in East Asian Corporations*, 58(1-2) J. FIN. ECON., 81 (2000) (more than two-thirds of East Asian firms are controlled by a single shareholder).

²⁰ The social capital invested in family run businesses also bring to the forefront, familial relationships in the governance of such family run businesses. See Mikko Mustakallio, Erko Autio, and Shaker A. Zahra, *Relational and Contractual Governance in Family Firms: Effects on Strategic Decision Making*, FAM. BUS. REV., 205 (2002).

²¹ This practice seems to transcend international boundaries as well. Consider the case of James Murdoch, son of Rupert Murdoch, who was appointed as Deputy Chief Operating Officer of News Corporation. The Murdoch family holds approximately 40% of the voting rights in News Corporation. See James Murdoch: A chip off the old block?, BBC News, Nov. 4, 2003, available at: <http://news.bbc.co.uk/2/hi/business/3132678.stm> (Last visited on Jan 19, 2014).

²² *Salomon v A Salomon & Co Ltd* [1897] AC 22 (this much celebrated case is credited with the ideation of a company as a separate legal entity). See also BERLE AND MEANS, *supra* note 16, (bringing the phenomenon of separation of ownership and control as a defining characteristic of the modern corporation).

²³ Claessens, *supra* note 18, (observing that in most family and individual driven companies, the management, i.e. board of directors are either the shareholders themselves or related to the shareholders).

²⁴ See Gulati, *supra* note 9, (describing the “nexus” or “web” theory of corporate governance).

contracting parties. In joint economic activity, every relationship includes a bargain over control and that individual parties to the nexus of contracts seldom have total control or even total residual control. However, this argument is tested when the shareholder and the management of a corporation are one and the same. It is submitted that while total control may still not vest in the owner-manager, the bargaining power and therefore much of the control would be vested in the same. If we were to take into consideration, the 'stakeholder primacy'²⁵ model, the same issues of unification of stakeholders and management would apply. If the decision making process of a corporation must necessarily take into account the needs of all affected parties, this process may require re-thinking when the parties making the decisions are the ones being affected themselves.

Perhaps it is possible to now view companies as extensions of the individuals who own and run them. While it is easier to consider one-man companies as extensions of shareholders²⁶, for regular companies, whether privately or publicly incorporated, there are complexities. However, in our case of an individual or group of individuals with large holdings, an argument may be made for such an extension²⁷.

In such cases- where the owner/ shareholder and the management are vested in the same individual or set of connected individuals- businesses tend to be run with a heavy influence of the owner's (or the family's) personal preferences. Most such influences may be innocuous, for example, the observance of certain religious festivals, but not others and the prohibition of non-vegetarian food within the company premises²⁸. Other influences, such as discriminatory practices in employment, may not be that harmless²⁹. There have been reports of substantial differences between religious sub-groups (by age and sex) across a range of key measures, including: differences in the proportion who are economically active; differences in the proportion of the economically active who successfully gain employment; among the employed, differences in the type of jobs held and in reported income. The analysis suggests a more complex picture than the Muslim/ non-Muslim dichotomy often inferred from analysis using conventional ethnic group classifications, with notable differences between Indian Sikhs and Hindus, and between Indian Muslims and Pakistani and Bangladeshi Muslims³⁰. These personal

²⁵ Stephen M. Bainbridge, *Community and Statism: A conservative Contractarian Critique of Progressive Corporate Law Scholarship*, 856 (January 1997) (observing that the stakeholder models of business requires that companies take into account the needs of all of the company's constituencies, i.e. customers, vendors, employees and that corporate decisions cannot be unilaterally for the benefit of shareholders).

²⁶ Warner Fuller, *The Incorporated Individual: A Study of the One-Man Company*, 51 HARV. L. REV., 1373 (1938).

²⁷ Liu Shaobo, *The Paradox of Private Benefits of Control and Excessive Benefits of Control: A New Theoretical Explanation of Large Shareholders' Expropriation of Small Ones [J]*, 2 ECON. RES. J., 85 (2007).

²⁸ Karen C. Cash, George R. Gray and Sally A. Rood, *A framework for accommodating religion and spirituality in the workplace*, 14 (3) THE ACAD. OF MGMT. EXECUTIVE, 124 (2000) (Irrespective of equal employment opportunity and anti-discrimination laws, employers in the United States are struggling to understand and effectively deal with the challenges of employee rights and needs in the workplace); *See also* Rubin England, *Religious Observance and Discrimination in Employment*, 22 SYRACUSE L. REV., 1019 (1970).

²⁹ *See generally* CHARLES A. SULLIVAN AND LAUREN W. KAVANAGH, *EMPLOYMENT DISCRIMINATION: LAW AND PRACTICE*, (Wolters Kluwer, 2013); *See also* Rasheeda Bhagat, *Muslims' dilemma in Modiland*, Business Line, Nov. 19, 2012, available at: <http://www.thehindubusinessline.com/opinion/columns/rasheeda-bhagat/muslims-dilemma-in-modiland/article4112041.ece> (Last visited on Jan. 19, 2014) (arguing that Indian Muslims are underprivileged — without homes, education, employment); *See also* Shaikh Azizur Rahman, *Muslims masquerade as Hindus for India jobs*, AlJazeera, Dec. 10, 2013, available at: <http://www.aljazeera.com/indepth/features/2013/12/muslims-masquerade-as-hindus-india-jobs-2013129134443863250.html> (Last visited on Jan. 19, 2014) (noting that facing religious discrimination in the Hindu-dominated job market, many Muslims are forced to assume fake identities).

³⁰ Mark S. Brown, *Religion and economic activity in the South Asian population*, 23 (6) ETHNIC AND RACIAL STUD., 1035 (2000).

preferences may also extend to community building measures for same religious or communal groups³¹.

Therefore, while it is true that the primary aim of a business establishment is to generate profits, it is possible that the ideologies inherent in the promoters' lives filter into the manner in which the business establishment is run³². Having considered the issue of the unification of the shareholder and the management of a corporation, it may be argued that there is a possibility of disregarding the standard norms and regulations of separation. Further, that as a result of heavy influence from the majority shareholder(s) in terms of personal preferences and traditional observance, we must therefore, consider whether the tradition of giving, as mandated by religion may be a significant factor to boost CSR in Asia.

II. CHARITY AND RELIGION

Laws relating to acceptable social behavior are not new to Asia. Ancient texts lay down the manner in which society was to function, the boundaries of inter-personal relationships and even detailed descriptions as to how members of a particular class or community were to carry out their lives. It is not without much surprise that these texts are invariably borne out of a religious ideology.

The tradition of charity finds itself in every religious text across the world. There seem to be few other principles which are so globally accepted. Whether it is the Zakat, the Islamic practice of giving and consequent self-purification, or the Dāna, the practice of giving in Hinduism and Buddhism³³, the concept of gratuitous transfer of wealth to the less privileged, strikes a common chord between the three most prevalent religions in Asia³⁴.

It would be worthwhile to first identify the traditions relating to charity within religious texts such as the Hadith, the Tripataka and the Manusmriti. In the absence of institutions, including the concept of the corporation, during the time when such religious texts were envisaged, the directions mandating charity are by default, applicable to individuals.

a. Zakat

Islamists attribute the development and fulfillment of society to not only individual

³¹ Caroline Osella, *Muslim Entrepreneurs between India & the Gulf*, 19 ISIM REV., 8 (2007), arguing that "Kerala's entrepreneurs have a strongly Congregationalist focus and a sharp sense of duty towards the wider Muslim community, towards contemporary re-imaginings of the *dar ul Islam*. They feel themselves morally accountable to the wider community, responsible for its development, and guided by a vision of the steps that need to be taken". Further, "potential Arab donors are presented with the chance of bestowing benevolent generosity to support "backward" Muslims' development and participating in the renaissance of Islamic culture and values".

³² See Harvey S. James, *Owner as manager, extended horizons and the family firm*, 6 (1) INT'L. J. ECON. BUS. 41 (1999) (arguing that family ties, loyalty, insurance and stability often play a significant role in decision making in family run firms).

³³ Barnett, *supra* note 7.

³⁴ <http://maps.unomaha.edu/Peterson/geog1000/Sidebar/SAsiaReligions/MajorReligions.html> (Last visited on March 29, 2014)

needs but more so, the needs of the society and the goal of social justice with tranquility in the social order³⁵. Followers of Islam must adhere to the following fundamental tenets, or pillars of Islam³⁶ –

- *Shahadah*: The recognition that there is only one God and that Muhammad is his Prophet;
- *Salat*: Regular, daily devotional acts of prayer;
- *Sawm*: Fasting during Ramadan;
- *Zakat*: The payment of obligatory charity;
- *Hajj*: Pilgrimage to Mecca atleast once in a lifetime.

Zakat literally means ‘purity’³⁷. It is an obligatory alms tax which Muslims are obligated³⁸ to pay³⁹. Contrast this with ‘*sadaqa*’, a broader term which encompasses charitable offerings⁴⁰ and is a voluntary act. The primary source of the theological mandate for the payment of Zakat can be found in the Hadith and the Quran⁴¹. The Qur’an refers to Zakat on 32 occasions⁴² and refers to identifies eight beneficiaries of Zakat⁴³ -

- the poor⁴⁴,
- the needy⁴⁵.
- those who collect them⁴⁶.

³⁵ Geoffrey Williams and John Zinkin, *Islam and CSR: A Study of the Compatibility between the Tenets of Islam and the UN Global Compact*, 91 (4) J. BUS. ETHICS, 519 (Feb., 2010); *See also* (Al Qur’an 62:9-10) (“O ye who believe! When the call is proclaimed to prayer on Friday, hasten earnestly to the remembrance of Allah and leave off your business. That is the best for you if ye but knew. And when the prayer is finished, then may ye disperse through the land and seek of Allah’s bounty and remember Allah frequently that ye may prosper”)

³⁶ SAHIH BUKHARI, HADITH, Vol. 1, Book 2, No. 7 available at: http://www.sahih-bukhari.com/Pages/Bukhari_1_02.php (“Allah’s Apostle said: Islam is based on (the following) five (principles): 1. To testify that none has the right to be worshipped but Allah and Muhammad is Allah’s Apostle. 2. To offer the (compulsory congregational) prayers dutifully and perfectly. 3. To pay zakat (i.e. obligatory charity). 4. To perform Hajj. (i.e. Pilgrimage to Mecca) 5. To observe fast during the month of Ramadan”); *See also* SAHIH BUKHARI, HADITH, Vol. 6, Book 60, No. 40 available at: http://www.sahih-bukhari.com/Pages/Bukhari_6_60.php (“A man came to Ibn ‘Umar and said, “O Abu Abdur Rahman! What made you perform Hajj in one year and Umra in another year and leave the Jihad for Allah’ Cause though you know how much Allah recommends it?” Ibn ‘Umar replied, “O son of my brother! Islam is founded on five principles, i.e. believe in Allah and His Apostle, the five compulsory prayers, the fasting of the month of Ramadan, the payment of zakat, and the Hajj to the House (of Allah).”)

³⁷Suliman Bashear, *On the Origins and Development of the Meaning of Zakat in Early Islam*, 40 Arabica 84, 87-94 (1993); *See also* BILLAH, *supra* note 6.

³⁸ *See* Powell *supra* note 5.

³⁹ Amy Singer, *Serving Up Charity: The Ottoman Public Kitchen*, 35 (3) J. INTERDISC. HIST., 481 (Winter 2005); *See also* Encyclopedia of Islam (C.E. Bosworth, ed.) (2004) (“The obligatory payment by Muslims of a determinate portion of specified categories of their lawful property for the benefit of the poor and other enumerated classes or, as generally in Quranic usage, the portion of property so paid.”); *See* “Sadaqa” (“has among its meanings that of voluntary alms, often referred to in Islamic literature as...’alms of spontaneity,’ or...’alms of supererogation,’ in distinction to obligatory alms, frequently also termed sadaqa, but more commonly known as zakat.”)

⁴⁰ JOHN L. ESPOSITO, ISLAM: THE STRAIGHT PATH 92 (3rd ed. 1988) (“This is not regarded as charity, since it is not really voluntary but instead is owed, by those who have received their wealth as a trust from God’s bounty to the poor.”).

⁴¹ NOEL J. COULSON, A HISTORY OF ISLAMIC LAW 55-61 (1964).

⁴² *See* The Quran, Surah 2:43, 83, 110, 177, 277, 4:77, 162; 5:12, 55; 7:156; 9:5, 11, 18, 71; 18:81; 19:13, 31, 55; 21:73; 22:41, 78; 23:4; 24:37, 56; 27:3; 31:4; 33:33; 41:7; 58:13; 73:20; 98:5.

⁴³ *See* The Quran, Surah 9:60 (Abdullah Yusuf Ali trans.) (“The alms are only for the poor and the needy and those who collect them and those whose hearts are to be reconciled, and to free the captives and the debtors, and for the cause of Allah, and [for] the wayfarer; a duty imposed by Allah. Allah is Knower, Wise”).

⁴⁴ HANNA E. KASSIS, A CONCORDANCE OF THE QUR’AN 431 (1983).

⁴⁵ *See* ENCYCLOPEDIA OF ISLAM, *supra* note 39, at article on “Misikin”.

⁴⁶ This term is used to refer to the cost of those who collect and distribute alms. *See* KASSIS, *supra* note 44, at 266. It was also used to justify the tax levied by Muslim states as an administrative cost *See* Powell, *supra* note 5, at 49.

- those whose hearts are to be reconciled,⁴⁷⁴⁸.
- for purchasing freedom for slaves⁴⁹ and
- for those burdened by debt⁵⁰.
- to support the ‘cause of Allah’⁵¹
- to benefit travelers⁵² and those, who temporarily do not have access to their wealth⁵³.

As mentioned earlier, zakat is a requirement for all believers of Islam⁵⁴. The Hadith⁵⁵ specifies that if a person does not pay Zakat, then Allah will withhold his blessings from that person⁵⁶. Zakat also makes it obligatory to keep property productive and distribute a part to others for common good⁵⁷.

Before determining the percentage of Zakat to be given, it is essential to calculate what proportion of wealth Muslims need for their sustenance and living. This is known as *nisab*. *Nisab*, is a limit that is set forth for a person’s wealth which includes a person’s living costs⁵⁸. If one’s wealth triggers the *nisab* limit, the payment of Zakat is obligatory⁵⁹. Further, Zakat is paid on the excess wealth which has not been used for over a year⁶⁰. There are clearly specified limits for *Nisab* and Zakat⁶¹: 200 dirhams for cash value and commercial capitals; 5 camels, 30 cows and 40 goats/sheep for pasturing herds: 5 *Wasqs* (camel loads) or 300 *Sa’s* for grains and essential food stuffs. Sahih Al

⁴⁷ See The Quran, Surah 9:60 (Abdullah Yusuf Ali trans.) (“those whose hearts have been recently reconciled” refers to recent converts to Islam) and to those who are potential converts and those who do not fully believe in the message of Islam.

⁴⁸ See *id.* (Pickthall trans.) (“here reconciliation is not completed”).

⁴⁹ Bernard K. Freamon, *Slavery, Freedom, and the Doctrine of Consensus in Islamic Jurisprudence*, 11 (1) HARV. HUM. RTS. J., 1, 43 (1998). *But see* Powell, *supra* note 5 at 52 (arguing that that slaves were considered an investment in production and therefore exempt from payment of zakat).

⁵⁰ ABU HAMID AL-GHAZALI, MYSTERIES OF ZAKAT 65 (Nabih Amin Faris, trans., 1974) (Al-Ghazali limits the amount that a debtor may receive to the extent of indebtedness in a separate discussion from manumission payments.).

⁵¹ See Powell, *supra* note 5, at 50. See also ZIAUDDIN AHMED, ISLAMIC STUDIES, 343 – 355 (Vol. 10, No. 4, December 1971) (The seventh class has very wide connotations and can include a plethora of activities. A historic interpretation of this was to help those engaged in the defence of Islam).

⁵² NICOLAS PRODROMON AGHNIDES, MOHAMMEDAN THEORIES OF FINANCE 527 (1916).

⁵³ See Powell, *supra* note 5, at 53.

⁵⁴ See Sahih Al Bukhari Hadith, *supra* note 36; See ENCYCLOPAEDIA OF ISLAM, *supra* note 39; Mohammed I. Khalili, *A Comment on the Heat-of-Passion Crimes, Honor Killings, and Islam*, 21 (2) POLITICS AND THE LIFE SCIENCES, 38 (Sep., 2002).

⁵⁵ The Hadith is considered a report of the sayings and deeds of the Prophet Muhammad as bestowed upon his followers and is an important jurisprudential resource to understanding and placing the Qur’an in context.

⁵⁶ SAHIH BUKHARI, HADITH, Vol. 2, Book 24, No. 513, available at: http://www.sahih-bukhari.com/Pages/Bukhari_2_24.php Narrated by Asma, (“The Prophet said to me, Do not withhold your money, (for if you did so) Allah would with-hold His blessings from you”); Vol. 2, Book 24, No. 515, available at http://www.sahih-bukhari.com/Pages/Bukhari_2_24.php Narrated by Asma' bint Abu Bakr, (“That she had gone to the Prophet and he said, Do not shut your money bag; otherwise Allah too will with-hold His blessings from you. Spend (in Allah's Cause) as much as you can afford”).

⁵⁷ ABDUL AZIZ BIN MUHAMMAD, ZAKAT AND RURAL DEVELOPMENT IN MALAYSIA 79-101 (1993).

⁵⁸ See SAHIH AL BUKHARI, THE TRANSLATION OF THE MEANINGS OF SAHIH AL BUKHARI, 275-338 (Taqi-ud-din Al- Hilali et al eds., Dr. Muhamad Muhsin Khan trans., Al Saadawi Publications 1996).

⁵⁹ Ziauddin Ahmad, *Nisab of Zakat*, 20 (3) Islamic Studies Institute, 239 (Autumn 1981).

⁶⁰ Salma Taman, *The Concept of Corporate Social Responsibility in Islam*, 21 IND. INTL & COMP. L. REV. 481, 489 (2011).

⁶¹ See Ziauddin Ahmad, *Supra* note 28, at 239

Bukhari also adds that property worth less than five *uqiyas* of silver will not be subject to Zakat⁶². Crops that are irrigated are subject to a 5% Zakat⁶³, while crops that do not require irrigation are subject to a 10% Zakat⁶⁴. Pearls, ambergris as well as found buried treasure⁶⁵ is subject to Zakat at the rate of 20%⁶⁶. However, the default rate for other taxable goods is 2.5% of their value⁶⁷.

Non-compliance with regard to the payment of Zakat results in numerous unwanted results including transformation of the person's wealth into a bald-headed poisonous male snake⁶⁸. Further, if a person hoards wealth and does not pay Zakat, according to the Hadith, he will be subject to brutal punishment and a searing hell fire⁶⁹.

b. Dana in Buddhism

Buddhist scriptures are described in the Triptika meaning "three baskets"⁷⁰. These include the Vinaya Pitaka, the Sutta Pitaka and the Abhidhama Pitaka⁷¹. Each Pitaka is divided into Nikāyas or volumes⁷². The Sutta Pitaka⁷³ consists of five Nikāyas - the Dīgha-nikāya, the Magghima-nikāya, the Samyutta-nikāya, the Anguttara-nikāya, and the Khuddaka-nikāya⁷⁴. It is under the Anguttara Nikaya that the Dana Sutta (or teachings pertaining to gifts) is provided⁷⁵.

The concept of Dana loosely refers to the act of charitable contributions⁷⁶. Of course, this may not be restricted to currency only- food, medicine, kindness, compassion and knowledge may all be bestowed as gifts⁷⁷. It may sound paradoxical but one indeed possesses something worthwhile not by hoarding but by sharing with

⁶² See Sahih Al Bukhari, *Supra* note 26, at 876-1772

⁶³ See Sahih Al Bukhari, *Supra* note 27, at 1483

⁶⁴ *Id.*

⁶⁵ *Id.* at 336

⁶⁶ *Id.* at 335

⁶⁷ *Id.* at 1454

⁶⁸ *Id.* at Volume 2, Book 24, Number 486; Volume 6, Book 60, Number 88; Volume 6, Book 60, Number 182

⁶⁹ See Sahih Al Bukhari Hadith, *supra* note 2, Narrated by Al-Ahnaf bin Qais Volume 2, Book 24, Number 489; Narrated by 'Adi bin Hatim Volume 2, Book 24, Number 494; Narrated by 'Adi bin Hatim Volume 2, Book 24, Number 498; Narrated by Aisha Volume 2, Book 24, Number 499; Narrated by Abu Said Al-Khudri Volume 2, Book 24, Number 541; Narrated by Az-Zubair bin Al'Awwam, Volume 2, Book 24, Number 550.

⁷⁰ LEWIS LANCASTER, BUDDHIST BOOKS AND TEXTS: CANON AND CANONIZATION: AN ENTRY FROM MACMILLAN REFERENCE USA'S *ENCYCLOPEDIA OF RELIGION*, 1252 (2nd ed.)

⁷¹ NAK CHOON PAIK, TRIPITAKA KOREANA, Transactions of the Korea Branch of the Royal Asiatic Society 32 (1951): 65-67.

⁷² The Pali Text Society's Pali-English Dictionary, <http://dsal.uchicago.edu/cgi-bin/philologic/getobject.pl?c.2:1:6.pali> (Last visited on March 30, 2014)

⁷³ Paik, *supra* note 71 (the Sutta Pitaka professes to record the discourses uttered by the Buddha during his lifetime).

⁷⁴ See generally WORLD OF THE BUDDHA: AN INTRODUCTION TO BUDDHIST LITERATURE, (Lucien Stryk ed., 1994).

⁷⁵ Tipitaka, Anguttara Nikaya 7.49.

⁷⁶ VIJAY NATH, DANA, GIFT SYSTEM IN ANCIENT INDIA, C. 600 BC-C. AD 300: A SOCIO-ECONOMIC PERSPECTIVE (1987); E.B. FINDLY, DĀNA: GIVING AND GETTING IN PALI BUDDHISM (2003); T. Endo, DĀNA: THE DEVELOPMENT OF ITS CONCEPT AND PRACTICE (1987); MARIA RUTH HIBBETS, THE ETHICS OF THE GIFT: A STUDY OF MEDIEVAL SOUTH ASIAN DISCOURSES ON DĀNA (1999); K. Lakshmi, *Altruism and Dāna: Impact on Self and Well-being*, 19(1) J. HUM. VALUES, 65 (2013); G. Vitanage, *Buddhist Ideals of Government*, (2014 ed., 1961).

⁷⁷ Siri Perera, *Charity or Dana in Buddhism*, 93 The Maha Bodhi 17 (1985).

others. The more he gives to others, the more he has for his own.⁷⁸

The concept of Dana is a purely discretionary, in the sense that there is no obligation to give- and that it should result out of the donor's free will⁷⁹. With regard to the circumstances under which a gift should be given, Buddhist scripture states, “Wherever the mind feels inspired”⁸⁰.

However, that is not to say that Dana is unimportant in the realm of Buddhist texts. The primary ethical activity which a Buddhist learns to develop is giving, *dāna*, which forms a basis for further moral and spiritual development is not only practiced towards the community, but it is a pervading value of Buddhist societies⁸¹. Further, assuming a steady rate of diligent wealth accumulation (and no debt), reduced consumption permits greater opportunity for giving. This is desirable not simply because generosity is a householder virtue, but because giving allows Buddhists to practice non-attachment to material objects as well as possessive feelings; it is training in selflessness, non-self or *anattā*⁸².

Under Buddhism, the only path to prosperity is by overcoming poverty. One of its appropriate tools is the perfection of giving, the above-mentioned *Dāna Pāramī*.⁸³

c. *Dana in Hinduism*

Hinduism one of the oldest of the major religions also subscribes to the concept of Dana, as a practice of virtue. Compassion and assistance to others in need is a highly cherished value in Hinduism and has been recognized as a most potent source of *punya* (merit).

The tenets of Hinduism are not crystallized into a single body of literature⁸⁴. Rather, it is spread over a number of texts, which have been created at various points of time. These texts include the Vedas, their accompanying Upanishads, the Bhagavad Gita, the Manusmriti, amongst others. The Rig Veda suggests that “The person who has no concern (for others) earns his food in vain. I tell you the truth - it is as good as his death. He, who feeds neither the good and the learned nor a friend and eats all by himself, only sins all by himself.”⁸⁵.

The principles of these religious texts were further made applicable to govern Hindu

⁷⁸ K. S. Dhammananda, *How to practice Buddhism*, Buddhist Missionary Society (1989).

⁷⁹ FINDLY, *supra* note 76.

⁸⁰ Thanissaro Bhikkhu, No Strings Attached: The Buddha's Culture of Generosity, ACCESS TO INSIGHT, <http://www.accesstoinight.org/lib/authors/thanissaro/nostringsattached.html> (Last visited on Apr. 6, 2014).

⁸¹ PETER HARVEY, AN INTRODUCTION TO BUDDHISM: TEACHINGS, HISTORY AND PRACTICES (INTRODUCTION TO RELIGION), (1990).

⁸² Juliana Essen, *Buddhist Economics in HANDBOOK OF ECONOMICS AND ETHICS* (Jan Peil and Irene Van Staveren eds., 2009)

⁸³ Glen Alexandrin, *Elements of Buddhist Economics*, 20 (2) INT'L. J. SOC. ECON., 3 (1993).

⁸⁴ Letter addressed to Melchior Cochet de Saint Vallier by Father Boucher, dated circa 1714, as cited in J. H. NELSON, A PROSPECTUS OF THE SCIENTIFIC STUDY OF HINDU LAW, 1188 (1881).

⁸⁵ M. V. Nadkarni, *Does Hinduism lack social concern?*, ECONOMIC AND POLITICAL WEEKLY, 2007.

society and polity as guidelines. One of the best known guidelines is the Manusmriti⁸⁶. The Manusmriti makes a number of references to the act of giving. One should give, according to one's ability, wealth to Brahmanas learned in the Vedas and living alone; (thus) one obtains after death heavenly bliss⁸⁷. Let him, without tiring, always offer sacrifices and perform works of charity with faith; for offerings and charitable works made with faith and with lawfully earned money, (procure) endless rewards⁸⁸. "Let him always practise, according to his ability, with a cheerful heart, the duty of liberality, both by sacrifices and by charitable works, if he finds a worthy recipient (for his gifts)⁸⁹.

The Manusmriti goes on to describe, in some detail, the resulting benefits of gifting various items including water, food, gold, silver, property, grain, cows, amongst others⁹⁰. It is also believed that these benefits would be gained in the birth succeeding the one in which the gift was given⁹¹.

Under the Manusmriti, while business and industry were encouraged, earning wealth had to be subject to dharma and unfair dealings had to be banned.⁹² For Hindus dana (giving)⁹³ is an important part of one's dharma (religious duty). Dana is inextricably linked to the Hindu concept of dharma, which has a wide variety of meanings such as eternal law, duty, conduct, behavior, morality and righteousness.

The four primary objectives in the practice of Dana are⁹⁴:

- **Punya** - Merit, the polar opposite of *paap* or sin which helps us attain *moksha* or liberation.
- **Prayaschita** - Act of repentance, compensation and confession by a religious or social sinner. This is the second most important philosophical motive behind *Dana* in India. This could take on the form of monetary taxation or performance of rituals, community feast and giving alms to the poor. Temples in India utilise *prayashchita* as an effective fundraising tool.
- **Aparigriha** - Non-accumulation of wealth; living with bare essentials. This is most difficult to follow and is practised by spiritual people and those who have renounced the world.
- **Karuna** - Compassion for the poor and destitute.

⁸⁶ Literally translated as 'what was remembered by Manu'. Under Hindu belief, Manu is the progenitor of mankind upon the commencement of each yuga (cycle) of the universe and is responsible for the transference of divine mandate from the old yuga into the new. GEORG BUHLER, THE LAWS OF MANU (Vol. 25, 1886). Further, the manner in which the Manusmriti is constructed, giving unity to the entire body of Hindu jurisprudence, makes it an extremely popular source of Hindu law, Patrick Olivelle, *Renouncer and Renunciation in the Dharmasastras*, in STUDIES IN DHARMASUTRA, 102 (1984).

⁸⁷ Manusmriti XI.6 BUHLER, *id.* at 431.

⁸⁸ Manusmriti IV.226 BUHLER, *id.* at 164.

⁸⁹ Manusmriti IV.227, *id.*

⁹⁰ Manusmriti IV.228- 233, *id.*

⁹¹ Manusmriti IV.234, *id.*

⁹² Nadkarni, *supra* note 85.

⁹³ S. Singh, *Spirituality and the Role of Ego: Insights for Management*, 4(1) PURUSHARTHA: A J. OF MGMT. ETHICS AND SPIRITUALITY (2012).

⁹⁴ P. Anand, *Hindu diaspora and religious philanthropy in the United States*, (Presented at the 6th International Society for Third Sector Research Toronto, July 2004).

Of the four, *punya* and *prayaschita* imply self-interest (therefore motivating individuals to donate), whereas *aparigriha* and *karuna* imply selfless duty towards others.⁹⁵

Interestingly however, certain forms of debt financing in medieval India were considered as almsgiving as well. In certain parts of India, the moneylending practice involved the payment of interest as well⁹⁶. Depending upon the interest rate charged upon debts, the practice of moneylending could be virtuous, sinful or neither. A virtuous interest is that of one percent a month or twelve percent a year. It was considered an act of virtue on the basis that in spite of the small profit made by the financier, the debt itself alleviated the misery of one in need⁹⁷. This form of financing was akin to almsgiving.

Similar to the concept in Buddhism, Dana is discretionary in Hinduism as well. This is in contrast to Zakat in Islam, which is mandatory.

III. WHETHER RELIGION MAY BE A DRIVING FACTOR OF CSR

One of the key issues addressed by this paper is the applicability of religious beliefs in the process of corporate decision making. Section II of this paper argues that in family and individual run firms, the propensity of inculcating personal beliefs and values increases. So why not religious beliefs?

The idea of a corporation being run keeping in mind religious beliefs cannot be any more unfamiliar than a corporation being run keeping in mind racial ones. While there is enough evidence to support the existence of racial discrimination in corporations, sadly, no such empirical evidence exists for religious sentiment⁹⁸.

The question that then arises is of the incentives of a majority shareholder/ owner to induct his/ her own religious beliefs into the workplace. In many extremes, doing so would result in a form of religious intolerance which may run afoul of an applicable equal employment opportunities rule. However, if we are to consider the firm as an extension of the primary shareholder, then it stands to reason that the religious beliefs of the individual in near total control of the firm will also be transferred to the firm.

There have been occasions when the state mandates, under religious diktat, that certain norms be followed. An example of this would be the practice of Zakat in Islamic nations. Corporate Social Responsibility is an obligation for Muslim citizens⁹⁹ and

⁹⁵ Rakesh Kapoor and Amit Kumar Sharma, *Religious Philanthropy and Organized Social Development Efforts in India*, (Occasional Paper No 3, Sampradaan - Indian Centre for Philanthropy 2000).

⁹⁶ Contrast this with Islamic forms of finance.

⁹⁷ Ludo Rocher, *Father Boucher's Letter on the Administration of Hindu Law*, in *STUDIES IN DHARMA SUTRA*, 32-33 (1984).

⁹⁸ Lisa A. Keister, *Religion and wealth: The role of religious affiliation and participation in early adult asset accumulation*, 82(1) *SOCIAL FORCES* 175, (2003) (Specifically with regard to wealth distribution, researchers have documented extreme inequalities in wealth ownership, but the processes that create these inequalities are not well understood. One important contributing factor that attracts little attention is religion.).

⁹⁹ See Taman, *supra* note 60, at 483.

corporations too, being artificial persons, are required to pay Zakat¹⁰⁰. The amount of Zakat to be paid by Malaysian corporations on assets is 2.5%¹⁰¹. Zakat, in the corporate sector is based on the principle that anything obtained to trade for a profit is subject to it¹⁰².

Corporations in Pakistan are required to pay Zakat at the rate of 2.5% on the following 11 assets –

1. Savings Bank Accounts;
2. Notice Deposit Receipts/Accounts;
3. Fixed Deposit Receipts and Accounts;
4. Savings/Deposit Certificates, Accounts and Similar Certificates/ Accounts;
5. NIT Units;
6. ICP Mutual Fund Certificates;
7. Government Securities;
8. Shares of Companies and Statutory Corporations;
9. Annuities;
10. Life Insurance Policies;
11. Provident Funds

Buddhism and Hinduism on the other hand, do not make acts of charity mandatory. Both follow a doctrine of causality - good causes and intentions leads to good results; evil causes lead to evil results. By encouraging followers to follow good deeds, it may be argued that Buddhism creates harmony in society.¹⁰³

If we were to consider the various definitions of Corporate Social Responsibility¹⁰⁴, one common thread that seems to bind most opinions is that – in order for a corporation to undertake effective CSR activities, it must build socially responsible processes and considerations into its very structure and operations. Buddhism does not condemn wealth as long as such wealth is not exploitative. Moreover, people who are charitably inclined can use their wealth in ways that are beneficial for society as a whole¹⁰⁵.

¹⁰⁰ *Id.* at 489.

¹⁰¹ Nur Barizah Abu Bakar, *A Zakat Accounting Standard (ZAS) for Malaysian Companies*, 24(4) THE AMERICAN J. ISLAMIC SOCIAL SCIENCES 79 (2007); Medani Ahmed and Sebastian Gianci, *Zakat*, in ENCYCLOPEDIA OF TAXATION AND TAX POLICY, 479.

¹⁰² YUSUF AL-QARADAWI, *FIQH AZ ZAKAT: A COMPARATIVE STUDY: THE RULES, REGULATIONS AND PHILOSOPHY OF ZAKAT IN THE LIGHT OF THE QURAN AND SUNNA* (Kahf Monzer trans., 1999).

¹⁰³ JOANNA MACY, *MUTUAL CAUSALITY IN BUDDHISM AND GENERAL SYSTEMS THEORY: THE DHARMA OF NATURAL SYSTEMS*, (1991).

¹⁰⁴ For a review of a large number of definitions of the term ‘Corporate Social Responsibility’, see Alexander Dahlsrud, *How corporate social responsibility is defined: an analysis of 37 definitions*, 15(1) CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL MANAGEMENT 1, 7 (2008); According to McWilliams and Siegel, CSR refers to “actions that appear to further some social good, beyond the interests of the firm and that which is required by law”, A McWilliams and D Siegel, *Corporate Social Responsibility: A Theory of the firm Perspective*, THE ACAD. MGMT. REV. 117 (2001); See also Archie B. Carroll, *Corporate social responsibility: Evolution of a Definitional Construct*, 38(3) BUSINESS & SOCIETY, 268, 269 (1999) (One of the major issues pertaining to CSR is the lack of a universally accepted definition).

¹⁰⁵ PHRA THEPWETHI AND P. A. PAYUTTO, *BUDDHIST ECONOMICS--A MIDDLE WAY FOR THE MARKET PLACE*, 39 (Bruce Evans and Dhammavijaya trans., 1994).

These ethical instructions¹⁰⁶ in Buddhism points beyond the realization of well-being in the society, as they also refer to environmental preservation¹⁰⁷ and to the ensuring of the prospects of future generations. Further, Buddhism aims the cessation of suffering, which precedes the economic aim of the profit motive. This intrinsic motivation can fill the gap between the deficiencies of CSR and effective social responsibility¹⁰⁸.

There seems to have been some application to Buddhist principles to corporations Ahimsā or ‘without harm’ in accordance with Buddhist business practices requires a threefold responsibility – towards human beings, society and the environment –, because “*these principles are related to the three interconnected aspects of human existence*”. In accordance with this statement, economic activities mustn’t harm oneself, the well-being of the actor, and mustn’t harm others, by causing social problem or environmental imbalance¹⁰⁹. There are a number of new approaches to business all over the world, wherein the aim is neither profit-maximization, nor the cessation of suffering, but these businesses function in accordance with the above mentioned five principles of the Buddhist economic strategy –in a sense they are “Buddhist” companies. Examples of such businesses include community supported agriculture, a variety of ‘slow’ movements, eco-tourism, ethical fashion and ethical banking, etc. They contribute to the realization of well- being for all as they operate beyond the market, employ handicapped people, realize two-way bilateral relations, aim the satisfaction of basic needs, protect nature, and re-establish trust in society.¹¹⁰ Buddhism has also been identified as a potent resource for combating the miseries associated with living in an advanced economy. Most importantly, the economic system should serve the whole of society and protect the environment and its diversity¹¹¹.

Some difficulty arises in applying tenets of Hinduism to businesses. While some anecdotal evidence suggestive of the Hindu principles of contentment and fatalism being responsible for the slow rate of GDP growth in India in the seventies exists¹¹², corporate and economic stability may be explained in terms of cultural characteristics specifically associated with Vedic Hinduism¹¹³.

All three religions as discussed above do have a common strain of thought with regard to charitable giving. While Islam mandates it and Islamic nations implement the same through state regulation, Buddhism and Hinduism adopt a more discretionary approach – citing causality for what is referred to as ‘good karma’.

¹⁰⁶ VEN. PATEGAMA GNANARAMA, AN APPROACH TO BUDDHIST SOCIAL PHILOSOPHY, 1-7 (1996).

¹⁰⁷ Y. P. Kim, Buddhist Pañca-sīla as Global Ethics and Its Educational Meaning, *Earth Ethics and Religious Education*, 44.

¹⁰⁸ L. Lahiri, *Buddhism and Social Harmony*, in BUDDHISM AND SOCIAL HARMONY: PROCEEDING OF THE 12TH INTERNATIONAL BUDDHIST CONFERENCE, 1986, 64 (1986).

¹⁰⁹ THEPWATHI AND PAYUTTO, *supra* note 105.

¹¹⁰ Julie Nelson, *The Relational Firm: A Buddhist and Feminist Analysis*, in BUSINESS WITHIN LIMITS. DEEP ECOLOGY AND BUDDHIST ECONOMICS 195 – 219 (Laszlo Zsolnai and Knut Johannessen Ims eds., 2006).

¹¹¹ Ian Harris, *Buddhism and Good Governance: Doctrinal Resources, Institutional Problems*, in SELECTED PAPERS ON BUDDHIST CONTRIBUTIONS TO GOOD GOVERNANCE AND DEVELOPMENT 26–45, (2007).

¹¹² This is referred to as the ‘Hindu rate of growth’ – the term is attributed to Professor Raj Krishna, an economist who retired as Member of the Planning Commission of India, see Montek Singh Ahluwalia, *First Raj Krishna Memorial Lecture, 1995: Economic Reforms for the Nineties*, available at: <http://planningcommission.gov.in/aboutus/speech/spemsa/msa033.pdf>.

¹¹³ Surendra K. Kaushik, *Hindu Rate of Growth as the Global Growth Rate*, 4(2) INT’L. RES. J. APPLIED FIN. (2013).

The question that then arises is that whether decision makers of companies would inculcate religious principles. On this point, it may be argued that ethical principles are valuable only if there is a desire on the part of individual decision-makers for them to be applied¹¹⁴. Thus, in spite of any religious or moral pressures, the application of such religious or moral guidelines are personal choices and absent state intervention, individuals may choose either way. However, need to recognize the complex structure of business principles and the extensive reach of moral sentiments by using theoretical considerations and a careful interpretation of Japan's remarkable economic success as a result of inculcating traditional values in business practices¹¹⁵. The presence or absence of particular features of business ethics can influence the operation of the economy, and even the nature of the society and its politics¹¹⁶.

In the event that shareholders and management do choose to imbibe traditional values and religious diktat into their everyday business practices, would there be an incentive to do so? Possibly. If one were to consider a corporation as an extension of a majority shareholder or group of shareholders, then any action taken on part of the corporation would be an action on part of the shareholders¹¹⁷. In which case, a corporate action that qualifies as one with good intentions or good effects, including the act of charity, for example, would be considered as an action on part of not just the company, but the shareholders as well. Thus, the benefits derived from a good action would also, under religious edict, be distributed between the company as well as the shareholders.

However, it has been seen that, broadly, religious individuals do not prioritise the responsibilities of the firm differently, but do tend to hold broader conceptions of the social responsibilities of businesses¹¹⁸.

CONCLUSION

One of the common strains of philosophy for all religions is that of giving. This paper considers applying religious principles of charity, by whatever name called, to corporate decision making. While Islam mandates that failure to be charitable is a punishable offence, other religions make it discretionary. Irrespective of whether religion makes the act of giving mandatory or discretionary, it is argued that, absent state intervention, there is some ground for decision makers to include religious principles in their businesses – namely that of enjoyment of benefits derived from good actions spurred by religion.

In terms of further research, there are two issues that have been touched upon briefly in this paper, without delving into details. The first is that of the applicability of the three most popular models of corporate governance- i.e., shareholder primacy,

¹¹⁴ Archie B. Carroll, *Principles of Business Ethics: Their Role in Decision Making and an Initial Consensus*, 28(8) MGMT. DECISION (1990).

¹¹⁵ Amartya Sen, *Economics, Business Principles and Moral Sentiments*, 7(3) BUSINESS ETHICS Q. 5 (1997).

¹¹⁶ *Id.*

¹¹⁷ *Supra* note 27.

¹¹⁸ S. Brammer, Geoffrey Williams & J. Zinkin, *Religion and Attitudes to Corporate Social Responsibility in a Large Cross-Country Sample*, 71(3) J. BUS. ETHICS, 229-243 (2007).

connected contracts and stakeholder primacy- in light of family-run businesses wherein the owner/ shareholder and the management are, for all practical purposes, one and the same individual or set of related or connected individuals. The second pertains to the difficulty in empirically establishing a correlation between religious proclivity and CSR. A recent report suggests that 75% of Indian consumers would be willing to spend more on products manufactured by socially responsible companies¹¹⁹. Perhaps similar studies could be undertaken for the entire Asian region.

¹¹⁹ Consumers Who Care, Nielsen, August 2013, available at: <http://www.nielsen.com/us/en/reports/2013/consumers-who-care.html> (Last visited on Nov. 30, 2013).