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Artha within Dharma: Integrity is integral

A hundred years ago, Mahatma Gandhi mentioned a list of 7 social sins in his newspaper 'Young India'. Wealth without work. Pleasure without conscience. Knowledge without character. Commerce without morality. Science without humanity. Worship without sacrifice. Politics without principle.

Yes, commerce without morality was one of the sins 'the father of the nation' highlighted long before India's entrepreneurial and industrial ambitions took wing. It is even more relevant today with India being one of the

largest economies in the world. While businesses operate with many licenses, the biggest license is a societal license. No entrepreneur with long-term ambitions should risk running a business bereft of morality and devoid of integrity. Not just because of regulations, but also because of the social anchor that we have had for ages.

The Indian Model of Stakeholder Capitalism

There are striking parallels between the growth of the US economy and its capital markets and where India is today. India fundamentally differs in one aspect, though. It comes out clearly in what renowned US economist Milton Friedman said in his famous "Friedman Doctrine". In his 1970 essay, he argued that the sole social responsibility of a business is to increase its profits for its shareholders. This doctrine has understandably attracted criticism from time to time, especially during times when excesses of unchecked capitalism come to the fore. This approach is known as shareholder capitalism, of which the biggest example is the US.

India traditionally did not accept this premise of an 'owner's first approach'. M.K. Gandhi had asserted way back in the 1940s that "*Capital as such is not evil; it is its wrong use that is evil.*" He called the holder of wealth its trustee rather than its owner. This paved the way for how Indian industrialists should approach business. What India follows

is a capitalism of a different kind, viz., stakeholder capitalism. Make no mistake, stakeholder capitalism focuses on growth and profits too. However, it does not lose sight of how the profits are generated and shared. It does not undermine integrity. This creates 'trust' among stakeholders, including shareholders. This may seem trivial when the economic cycle is favourable. However, during challenging times, it is this trust built through integrity that can help organisations ride out the storm.

Artha within Dharma

Our cultural wiring helps here too. 'Artha', the pursuit of prosperity, counted as legitimate and even noble, but on one condition. It had to be pursued within 'Dharma'. Wealth built on a shortcut or on someone else's exploitation carried a cost. The concept of Artha within Dharma is deeply and directly linked to Karma. In Indian philosophy, Karma is the universal law of cause and effect that every action creates a corresponding reaction. Bearing this in mind gives us a more viable form of capitalism.



As a famous quote goes, "*Integrity is doing the right thing when no one is watching.*" With the Indian philosophy of 'Karma', there is no such thing as an unwitnessed action. Integrity is simply paramount.

In the corporate world, our dharma is also defined by regulations, and our regulators have played their part here. India was one of the first countries in the world to transform Corporate Social Responsibility (CSR) from a voluntary charitable act into a statutory obligation. 2% CSR mandate requires

certain companies to spend at least 2% of their average net profits on social and environmental development.

Inherently the ultimate outcome of integrity in business is trust. Not the top line, not the bottom line, but TRUST.

Trust as the air we breathe

In an era defined by Volatility, Uncertainty, Complexity, and Ambiguity (VUCA), corporate lifespans are shrinking drastically. As per some studies, the average tenure of a company in the S&P 500 was thirty-three years in 1964 and twenty-four by 2016, with something closer to twelve projected by 2027.

Geopolitics drives business risk now as much as economics does. Climate change has moved from mere forecast to operating cost impact. Technology keeps changing at an unprecedented pace. The younger generation asks where a product came from before it buys, and where its money goes before it invests. In such a world, focusing merely on traditional metrics like immediate top-line dominance or market share is not good enough. To lead through this chaos, executives require more than just standard IQ and EQ; they must rely heavily on their AQ (Adaptability Quotient) to navigate change, and their SQ (Spiritual Quotient) to maintain humility and ethical grounding. The ultimate anchor that helps an organisation stand its ground is trust, and trust is the direct dividend of years of unyielding integrity.



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When a business operates within its Dharma, doing the right thing in the dark, it accumulates a reservoir of goodwill among its employees, consumers, suppliers, investors, and wider community. In a hyper-connected world where a company's flaws are instantly exposed, a foundation built on trust acts as an insurance policy against existential crises. Stakeholders will rally to protect a trusted institution, but they will eagerly abandon an opportunistic one. Ultimately, corporate integrity is not a regulatory compliance chore; it is the ultimate strategy for institutional resilience and longevity.

India: Walking a path of difference to make a world of difference

On the national front too, India has stuck to doing the right thing even as global consensus on ESG has taken the backseat. Many other Governments qualify at one summit what they promised at the last. Institutions join net-zero alliances only to leave them. The United States has stepped back from the Paris Agreement and the three letters of ESG have become politically contested. Amid this global volatility, India has held its course.

At Glasgow, the Prime Minister announced the Panchamrut, committing to net-zero by 2070. The government locked it into national industrial policies by accelerating the National Green Hydrogen Mission and tripling renewable energy targets. On the demand side, Mission LiFE (Lifestyle for Environment) turns climate action into a citizen-led movement, focusing on zero-waste traditions, circular economies, and



water conservation. Furthermore, our largest listed companies must now report on sustainability by law (Business Responsibility and Sustainability Report - BRSR).

We built a “glocal” architecture too to make claims checkable, ensuring ratings reflect domestic conditions rather than an imported lens.

One World, One Family

India is the sixth largest economy in the world and accounts for 18% of humanity. We have come a long way yet have a long way to go. As we aim to move from a per capita income of ~\$2,800 to a high middle-income status by 2047, our path will not blindly follow the path taken by economies before us. We will aspire to grow but with a difference. An inclusive growth in harmony with the environment and the world. Vasudhaiva Kutumbakam. The whole world is one family is something our culture teaches us.

India should not travel anyone else's development path. We have a long way to go, and we intend to do so democratically, sustainably, and inclusively. We can build a model others might look to follow in the years to come. Capitalism with a conscience.

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