

## JAIN BUSINESS ETHICS

by

Atul K. Shah  
Chief Executive of Diverse Ethics (<http://www.diverseethics.com>)

Email: [atul.s@ntlworld.com](mailto:atul.s@ntlworld.com)

## Introduction

*One of the oldest living religions in the world, Jainism, also boasts one of the most successful and enduring business communities today. This paper analyses the values of the Jains and how they have contributed to economic success. It demonstrates the critical importance of culture and community to lasting business success, and shows how modern-day studies of social responsibility and sustainability could learn a lot from the Jain culture and community.*

Mahatma Gandhi, one of the greatest leaders of the twentieth century was inspired in his philosophy of non-violence by the Jain faith. The Jain tradition is over three thousand years old, originating in India and having its own distinct set of scriptures, art, literature, rituals and philosophy. Although small in number, the Jain influence on the history and culture of India has been extremely significant (Jaini, 1979). The primary philosophy of the Jains is Ahimsa, reverence for all life, and modern Jains follow an ethical code of conduct – they are strict vegetarians, have strong family and community values, are generous philanthropists, and have a high sense of self-discipline in their daily lives. In business, they are seen as astute, trustworthy, reliable, and versatile, operating in most of the modern world cities with effortless ease. Their biggest success has been in the Diamond industry, where out of nowhere, in fifty years, they have come to dominate the world diamond polishing trade and have a strong presence in Antwerp (Bilefsky, 2003). In North America, in a short time many Jains have come to occupy senior positions in medicine, information technology, business, finance and commercial property. In Europe, the largest concentration of Jains outside India is in the city of London where again they excel in a range of businesses. There are in all 40,000 Jains in the UK alone, and beautiful temples and cultural centres in London, Leicester and Manchester. There are other communities in East Africa, Singapore, Hong Kong, Sydney, Perth.

As we have often seen, business practices cannot be isolated from their social and cultural contexts – hence to understand them, we need to examine and analyse these wider contexts. Weber's classic study (Weber, 1930) demonstrates that what we know as capitalism today would not have arisen

were it not for the Protestant work and religious ethics. The best values come not from impersonal rules and regulations but from the ideals of individuals who set their own standards of honesty, thrift and integrity. The success of the Jewish community in business worldwide is widely known and acknowledged. This success is founded on similar values to the Jains – hard work, self-discipline, education and intelligence, integrity and also a sense of community loyalty. When the Jains migrated from India to East Africa at the turn of the twentieth century, they took very little in their pocket, but their culture helped them not only to flourish but to educate and transform a whole new generation. Most of the British Jains originate from East Africa. Their influence on the economic development of that region has also been significant.

Jain scriptures and texts are in Prakrit, Sanskrit and other ancient Indian languages which are not easily accessible to the modern reader. However, there has been a significant growth in study and scholarship of this culture in the twentieth century, with several books and articles written in the English language. Examples of these are Dundas (2002), Jaini (1979), Glasenapp (1999), Cort (2001), Sangave (1997) and Chapple (2002). This study draws widely from this rich research.

The purpose of this paper is to examine the ethics and practical values of this highly successful and moral business community. Jain history and philosophy will first be discussed and then the analysis will move on to the business and social practices of the Jains, teasing out the strengths and weaknesses of this framework and community. In particular, this paper also examines the state of the modern day community and the erosion of values, highlighting the critical challenges that lie ahead. Finally, the salient messages of this study for the literature on Business Ethics will be analysed and implications for future research will be teased out.

### **History and Geography**

Lord Mahavira was born in Northern India around 599 BC and was the twenty-fourth in the line of *Tirthankaras* or prophets. He was a Prince, and a contemporary of Lord Buddha. From a very young age, he started to question

the deeper meaning of life and felt that material comforts do not bring inner happiness. At a young age, Mahavira gave up his material comforts and walked without any possessions or clothes into the forest to meditate and reflect on the true wisdom of life. This solitary effort was continued for twelve years, with intense fasting and self-discipline, and he attained perfect knowledge or Kevalya Gnan at the Rijuvalika River in modern day Bihar, India. He discovered that the aim of life was to attain freedom from bondage through purification of the soul – liberation from the cycle of birth and rebirth would lead to ultimate bliss and immortality. From the outset, Mahavira was against any form of discrimination – be it of caste, women or other species. At that time in the history of India, these were very radical and revolutionary ideas, especially considering the domination of the Brahmin priestly caste. Mahavira then founded a large order of monks and nuns, guiding them on the path to living in total Ahimsa, causing a minimum of harm to all living beings and purifying the soul for liberation. After his death, many of his teachings were transmitted orally and then written down in the form of scriptures. The Jains who came to follow him, spread out far and wide all over India, including Rajasthan, Gujarat, Maharashtra and Karnataka. Scholarship and self-study was strongly encouraged and the monks and nuns became profound scholars of philosophy, arts and linguistics, with many becoming some of the greatest poets, writers and philosophers of India (Dundas 2002). The lay community of followers branched into many fields, becoming Ministers and Chief Ministers to Royal Kingdoms, Merchants and Professionals. It has been widely acknowledged by many writers that the influence of Jains on the history and development of India has been and continues to be way out of proportion to their numbers. The migration of Jains westwards out of India began at the turn of the twentieth century, first to East Africa, and then to United Kingdom and North America. There was a smaller migration eastwards which happened around the same time. Kamdar (2000) gives a fascinating account of one such migration eastwards to Burma and then westwards to California.

Jain monks and nuns are the spiritual role models and teachers of the community. They observe very strict codes of conduct, possessing very little and have to move from one place to another regularly and are not allowed to

settle in any one locality. They are not allowed to use any transportation and have to walk from one place to another. They depend on the community for their food and give regular discourses and dialogues with leaders, participating actively in major festivals and religious events. There have been many examples in history of successful businessmen giving up their worldly lives to become monks. Lay Jains are members of different community groupings and attain regular worship or meditation sessions, lectures and festivals. In India, there is direct and regular interaction with the monks and nuns by the community, but this is much less so in foreign communities as monks and nuns generally do not travel outside India.

### **Values**

*Ahimsa* means non-violence, something that is common in most faith traditions. However, for Jains, *Ahimsa* starts from the mind, and the non-violence has to be lived in thought, word and deed. It also extends to all living beings, not just to human beings alone. Lord Mahavir said 'Every living being has a zest for life, and we must respect this in all our thoughts and actions.' Thus the Jains are the oldest living vegetarian community on the planet, and have had a huge impact on the practice of vegetarianism in modern India. For example, in all prisons, the diet is strictly vegetarian, a direct influence of Jain philosophy.

When a community respects all living beings, its natural characteristic becomes humility and simplicity, allowing space and freedom for all to co-exist. Also, this has led to restrictions in the trades that Jains can pursue as they cannot partake in any business which involves animal products (Jaini, 2002).

The principle of *Aparigraha* explains that possessiveness and materialism are the root causes of human bondage and prevent us from realising true spiritual freedom and liberation. In fact, greed is seen by Jains as a form of violence, as its nature is exploitative. Thus although the Jains are less than 1% of India's population, they are known to give more than 50% of all charitable

donations in India. For them, business is an occupation, not a pre-occupation, and charity is a natural outlet for business success.

*Anekant* explains that truth has many facets – there is no single absolute truth (Mahapragya, 2002). It depends on who is seeing and from what perspective. Such an approach prevents fundamentalism, and even respects other faiths and world-views. This encourages Jains to be tolerant and respect and assimilate with different cultures, and *anekant* has helped them significantly in operating in the dynamic multi-cultural modern world. In business, they will deal with all nationalities, and only appear Jains when others see what they order for dinner! Otherwise, they do not impose their values on others.

*Asteya & Satya* encourages Jains to be truthful and honest in their actions, and not steal that, which belongs to others. Integrity and sincerity are very critical to their conduct and character. Often their business philosophy is win-win rather than win-lose. *Parasparopagraho Jivanam* explains that all life is interdependent, and operating often as close family or community-knit businesses, the Jains have a high sense of mutuality and this also restrains their greed and selfishness.

Jains believe that man should be a master of his senses, not a slave to them. Hence *Saiyam* or self-discipline and self-control is very important, and this is widely acknowledged as a key ingredient of successful leadership.

*Tapas*, or restraint in eating is also a very critical virtue. Regular fasting (no food allowed, only water) is encouraged, with eight-day fasts during the holy festival of Paryushan being very common. The aim of this is to control greed and hunger, and also purify the soul for liberation.

These values are reinforced daily through religious practices like *pooja*, *samaik* and meditation. It is fascinating to visit a Jain temple in the heart of Mumbai's business district and watch entrepreneurs coming to pray and worship in the morning before they start their businesses. Without such regular reinforcement and renewal, it is likely that the pace of modern life and

the tide of greed and materialism that is sweeping the world today would erode the values. In essence the culture is deeply introspective, where individuals are encouraged to see the fault in themselves first before they look for or identify fault in others. It is a philosophy of continuous self-improvement and self-purification.

### **Community**

The Jain psyche is of collectivism, not just with one another, but also with other life forms, the planet and the universe. The individual is part of a family, which is part of the community, which is part of the country, the planet, the universe. The entire culture has evolved around this belief, and as a result, wherever Jains migrate, they form such communities. This is also common to other Indian cultures like Hinduism and Buddhism. Spirituality plays a strong part in these groupings, and encourages a sense of humility and camaraderie. It has a significant impact in business and tampers the selfishness, egoism and individualism that can result from business success. All are equal in the philosophy of Jainism. The fact that Jains live and participate in organised community groupings also acts as a check on their moral behaviour, as the fear of loss of name or reputation would lead to implicit abolition from the community and a loss of credit. This works especially strongly in the global Diamond business community and has helped them to organise into an effective 'cartel' in a very short space of time (Kothari, 2003).

Many writers have described the importance of social capital in commerce, especially for new and smaller enterprises – it gives them a priceless start, not just financially, but in all other respects including advice and guidance (see e.g. Hawken, 1993; Roddick, 2000). In some of the historic districts of Mumbai, it is fascinating to see temples in the heart of the business districts, which acted as a focal point for social networking and mutual support, enabling them to become some of the giants of business today.

## **Sustainability**

There is a growing literature on the importance of sustainability in business – with a special focus on the preservation of the eco-system (see e.g. Hawken, 1993). Much of this literature has been a reaction to the environmental crisis of the modern world and rarely draws upon the wisdom of ancient cultures or traditions, many of which have actually lived very sustainably for generations. When one examines the philosophy and practices of the Jains, there is a deep sense of eco-consciousness. In actual fact, the Jains never saw nature or the environment as something separate worthy of care and protection – they always felt that they were a part of nature itself and to harm nature was to harm oneself (Singhvi, 2002). These beliefs had a strong impact on their choice of business and professions and of course the conduct and character of their businesses. We can say that the approach was integral and holistic, with little separation from their business lives and personal lives – all flowed into one another in a natural way.

Jains believe that they are merely passengers on this planet and should endeavour to minimise harm and maximise good. Therefore, business is always a means and never an end. Profit is not the overriding aim; quality service, workmanship and discipline are vitally important. Business is a means to serve society and, if possible, uplift it. The monks who own nothing and are nomadic, walk barefeet, thus leaving a light footprint, not just in theory, but in everyday practice. Right Knowledge and Understanding (*Samyag Gnan*) is crucial to their livelihood.

The trade or the professions Jains choose to pursue are determined by their values (Jaini, 2002). They avoid the meat industry or anything that is directly or indirectly connected to the killing of animals. They tend to specialise in trading businesses, import/export, wholesaling and retailing. A Jain family owns one of the largest newspapers in the world, the Times of India. A lot of business is conducted on the basis of relationship and trust, avoiding the need for expensive lawyers and contracts. There is a desire to benefit the opposite party in any deal, not to squeeze them and exploit them as actions



are taken with a longer-term orientation, and it is understood that relationships are key to long-term success. Inter-dependence is a natural law, even in business, and business transactions adhere to this. A lot of businesses tend to be family run, with many continuing and evolving for generations. There is a deep sense of loyalty to the locality from where business is done, and there is active charitable contribution and community patronage. Employees are treated and trained as colleagues, and those who leave are helped in setting up their own businesses and not seen as threats or competition. This is especially true for the diamond-polishing industry.

Through a daily 48-minute *Samayika*, Jains reflect on their actions, seek forgiveness for any transgressions and actively attempt to renew and rekindle their intelligence so that harm is avoided and good is done. This is a daily act of humble worship and meditation. It is an inner bath and cleansing, removing the grime of greed, of ego and selfishness. It is part of the process of constant self-improvement. It keeps the ego down and raises the soul up. In this way, right understanding is retained and even elevated.

Jain monks are the role models and examples of selflessness. They possess nothing, and hence do not suffer from financial insecurity. They have firmly put their faith in the wisdom of the inner soul and its capability to transcend life. As nomads, they have to beg for their food and provide knowledge and wisdom to people whom they meet along their journey. Many Jains feed the monks with their own hands and spend valuable time with them, listening to their discourses and resolving any personal questions or dilemmas. All over India beautiful temples have been built, hospitals, schools, orphanages and libraries by businessmen who have been inspired by Jain monks. Their lifestyle is one of unconditional giving, and they spread this wisdom wherever they set foot. This is elevation, not sustenance – hence true Jain philosophy moves beyond the idea of sustainability to human evolution and liberation.

### **Not for Profit**

Jains believe that the wealth and financial profits earned by their businesses do not belong to them. This comes from the principle of *Aparigraha* or non-

possesiveness. Just as the monks are simple and selfless, entrepreneurs are encouraged to detach themselves from their business and believe that success is not because of effort or personal intelligence but due to their good merit earned from past lives (*punya*). Profit is a reward and not a return. It is nature's dividend and not a performance measure or benchmark. It has no connection with any person or ego, as no one person is the true performer. Thus charity becomes a natural act for Jains, not requiring any active sacrifice. Nature's fruits need to be replanted, so that more trees and fruits may grow in the future. They are certainly not meant for hoarding. Accumulation leads to rotting, insecurity and, finally, loss. For Jains, business helps them fulfill their household duties of earning and protecting the family, but they are constantly reminded of their higher moral purpose. The entrepreneurs are in essence mediums for the circulation of wealth (Jaini, 2002).

Thus the standard measures of accounting, the profit and loss account and the balance sheet do not hold much significance. In fact, the limitations of quantitative measurement have been understood a long time ago, and business is practised with strong qualitative criteria, which do not appear on any financial statement. Values like trust, relationships, human capital and employee morale, service and loyalty, have long been recognised as vitally necessary to business success and longevity. Through private ownership, there is a strong sense of responsibility – very few Jain businesses are quoted on stock markets anywhere in the world, even though they may be bigger than some quoted companies. Shah (1996) explains why ethical behaviour guided by conscience is much easier in owner-managed companies than in large quoted companies.

Ownership and the related responsibility are rarely delegated. In such a scenario, the importance of financial and ethical accounting standards is much less – if there is a fraud or cheating, the owner is doing it to himself or herself! Similarly, auditing is done by owners themselves visiting various branches and seeing how operations are conducted. Typically, Jain businesses stay within controllable human limits and do not get overtaken by

greed and desire for growth and expansion for its own sake. If entrepreneurs were unfair or unjust, they would find out very quickly as the supplier or customer is not a remote but a relationship partner. Hence actions would be revised and mistakes corrected if necessary.

Charity leads to personal contentment and encourages the entrepreneur to give more and see the fruits of their harvest, reminding them of the need to circulate wealth and not accumulate it. Jain businessmen have inspired some of the greatest artistic triumphs of the human soul – witness the temples of Mount Abu in Rajasthan or Palitana in Gujarat. This is social and ecological elevation, not private exploitation or greed. Neither is it purely about sustenance. Very often, Jain entrepreneurs involve themselves directly in their local communities, sharing their skills and expertise and also their financial wealth. This direct involvement helps them to keep their feet on the ground and to understand the needs of the community. Here again, like business, charity is rarely at arm's length but a direct extension, which empowers the Jain to fulfil the needs of the people and the environment in every which way.

Financial surpluses, if they exist, are re-invested in the business or the community, and there is a bias towards ethical investment. Wherever possible, Jains like to know where their money is used, and where they are unsure, they would not invest.

The word 'greed' is related to hunger, and primarily relates to food, although today it has been translated to business and materialism. Jains have a very strong sense of restraint where food is concerned. They understand it as the root cause of greed and so keep it at bay, eat very moderately and fast very often. Of course the food must not harm or injure, but it must not lead to indulgence either. Restraint of food is another reminder of the temporality of life on this planet and so is the importance of focussing on salvation through self-discipline and self-improvement. Hence Jain businessmen actively control their greed through self-restraint. It is believed that desire for food is a root cause of violence and active restraint helps one to keep such tendencies

at bay. Jains practise hunger to avoid greed and elevate the soul. This also enhances their self-discipline.

True Jains do not just leave a light footprint on the planet. They raise the quality of all life, inspire others through their own wisdom and example, and keep things simple, trusting in nature for salvation and liberation. They elevate life, modestly, silently and selflessly.

### **Moral Leadership**

Almost every book on leadership identifies values and integrity as a key ingredient to successful leadership in any field (e.g. Covey, 1989). Where individuals come from cultures or communities with strict moral codes of conduct, there is evidence that these produce some of the best leaders. Examples of these are the Mormons, the Japanese, Jewish and Protestant communities. The Jains also come in this fold – often people say that they are natural born leaders. This is why they are business leaders today, and in some cases, leaders of whole sections of industry as we saw in the case of the diamond polishing industry. By being humble and un-imposing, they often become role models for their workers and for other entrepreneurs with whom they trade. Thus the impact of their values often transcends their own businesses.

Elsewhere, Newton (1984) and others have argued that change in corporate consciousness and ethics depend to a large extent on the leadership and the values of the leaders. There are plenty of examples of business leaders today who are also public heroes because of their personal stories and lived examples of their values. Where leaders come from strong active communities, these traits are mutually supported and reinforced. Also, family ties and relationships are very important in Indian culture, and most Jain businesses are family owned. These networks help new entrepreneurs and build goodwill and mutuality. In the process, new life is breathed into the culture and values. Here again, the success of the Jain diamond industry is significant because of this huge network of families and relatives – it has given them a collective power that has arisen from their common Jain roots. In

fact, historically, in ancient India that was ruled by various Kings, the Kings entrusted the precious stone trade to the Jains as they were seen to be the most honourable and trustworthy communities of India.

In India, there are plenty of examples of Jains having been in a family business for generations, and hence having inherited contacts and ties over hundreds of years. Here again, the social networks become a considerable resource of strength and support, and become priceless when it comes to growth and expansion. New migrant communities in any part of the world have to start from scratch as they cannot easily rely on old networks in a new land as these are non-existent. This is true even among the migrant Jains of the twentieth century who went to the Far East, East Africa, UK and North America. Often, they had to start from zero, although their success and growth came from importing their families and building new local communities in places where they migrated. Today, there are Jain temples and communities in all major cities of the world including London, New York, Los Angeles, Chicago, Hong Kong, Nairobi – but these were built by the migrant Jains.

### **Globalisation**

The forces of globalisation have been said to lead to a mono-culture of greed and wealth maximisation, where culture and communities are becoming increasingly fluid and irrelevant (Korten, 1995). In the case of Jains, globalisation has been a boon because it has helped them to live their values and earn their income over a much larger geographical space and market size. As tolerance and versatility are key to their culture, these have become unique assets in the fast-changing world of today. As a result, Jain businesses operate in every major city of the modern world, with some Jains even operating in Siberia, Russia! They take their vegetarian food with them to last them for several months during the long winters.

However, retaining culture in a changing world and in foreign lands is trying for any community, and the Jains have not been immune to this. In particular, it has affected the young generation, who are born and raised in very different

environments, and the only place they would encounter Jainism would be in their homes or community centres. This crisis is particularly true in North America and the United Kingdom. What is prompting Jains to search and learn about their culture is their identity crisis where they are trying to come to terms with who they are and what they believe in and stand for, and how they relate to the wider communities where they live today.

Men primarily dominate the 21st century Jain business community – in fact, business has generally been a male endeavour. Modernity and travel has led to a significant transformation of the community. In particular it has distanced these men from their spiritual roots and consciousness. Very few of the modern jet-set entrepreneurs would pray or meditate regularly, and even fewer understand the philosophy and meaning of Jainism as it is quite complex. Also the retention and passing of inherited wealth and businesses to new generations within the family, coupled with the exponential rise in profits and wealth in recent years has given rise to greed and materialism among the modern entrepreneurs and a related erosion of their values. The existence of stock markets and quoted companies has given rise to a huge increase in ‘unearned’ income and wealth – this has led to significant financial indigestion and the related ills. *Aparigraha* needs to be reminded and revived, as money has taken over so many social customs – even at times festivals and celebrations are dominated by who has given what rather than the inner wisdoms and spirituality. In India, there is a huge boom in Jain temple construction, not because of the need, but because of the importance of exhibitionism and showmanship. There seems to be an obsession with control over anything – be it wealth, business or public activity, and the deeper sense of charity and selflessness is getting lost in this tide. If they are not careful, the Jain business success story of today may become history in a short span of time.

## **Conclusion**

This paper examines the ethics of an important global business community, which operates under its own values which are strongly influenced by their cultural and religious heritage. It demonstrates that such communities

succeed because of these beliefs and cohesiveness, and there is an individual and collective conscience that regulates their behaviour. Modern literature on corporate social responsibility, sustainability and fair trade could learn from such cultures and communities who have stood the test of time and geography. There is significant scope here for future research – field studies, which analyse individual family businesses and their inter- and intra-generational histories and practices, would be very illuminating. Also historical studies of the traditional merchant guilds that were formed around the temples would illuminate the deep connection between spirituality, ethics and commerce that would be relevant for sustainable businesses of the future. The processes of self-regulation that check ethical behaviour would be fascinating to unravel. Similarly, the role played by conscience and its influence on leadership and character for enduring businesses would help understand why it is that some communities continue to prosper over generations.

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