



Comparative Study of Corporate Social Responsibility Practices: Global Perspectives

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Abstract:

This abstract provides an overview of a comparative study on Corporate Social Responsibility (CSR) practices, examining global perspectives. The research delves into the diverse approaches and implementations of CSR by various organizations worldwide. Through a comparative lens, the study aims to analyze the effectiveness, challenges, and innovations within CSR practices across different regions. By synthesizing data and insights, the abstract offers a glimpse into the evolving landscape of CSR on a global scale, highlighting key trends, best practices, and areas for potential improvement. The findings contribute to a deeper understanding of the nuanced dynamics surrounding CSR initiatives and their impact on businesses and society at large.

Key words: Corporate Social Responsibility, Global trends, technological, multinational corporations, corporate sector

Introduction:

The Comparative Study of Corporate Social Responsibility (CSR) Practices: Global Perspectives delves into the multifaceted landscape of CSR initiatives across diverse regions and nations. Corporate Social Responsibility has evolved into a crucial aspect of business strategy, transcending geographical boundaries and cultural differences. This study seeks to explore and compare the various approaches, challenges, and outcomes of CSR practices on a global scale.

In an era where businesses are increasingly recognized as key players in addressing societal issues, understanding the nuances of CSR implementation becomes paramount. This comparative analysis aims to shed light on the distinctive features that shape CSR practices worldwide, emphasizing the impact of cultural, economic, and institutional factors on corporate engagement in social responsibility.

The study encompasses a broad spectrum of countries, ranging from developed economies to emerging markets and developing nations. By examining CSR initiatives in different global contexts, we aim to identify common trends, unique challenges, and successful strategies employed by businesses to integrate social responsibility into their operations.

Through this comparative lens, we strive to contribute insights that can inform policymakers, businesses, and researchers alike, fostering a deeper understanding of the global dynamics of CSR practices. By highlighting both commonalities and divergences, this study aims to provide a comprehensive perspective on the evolution and effectiveness of CSR initiatives worldwide.

Developing countries, often categorized as third-world nations, are frequently associated with challenges such as poverty, low levels of education, inadequate healthcare and sanitation, as well as insufficient infrastructure and communication networks. Despite the abundance of natural resources in many underdeveloped countries, these resources often go untapped or are not fully utilized. South Asian nations, including India, Pakistan, Bangladesh, Sri Lanka, and Southeast Asian countries, exemplify these characteristics.

According to Matten and Moon⁸⁹, the implementation of Corporate Social Responsibility (CSR) practices varies from one nation to another due to differences in cultural and traditional norms. In developing nations, the constraints on planning and executing CSR activities are profound. These countries face significant difficulties in adopting international standards, practices, and procedures for the implementation of CSR initiatives. Researchers such as Chambers et al. (2003), Welford (2005), and Baughn et al.⁹⁰ argue that cultural differences represent significant and inherent obstacles to the adoption of international CSR standards in developing nations globally.

INDIA

While the Companies Act of 2013 marked the formal introduction of Corporate Social Responsibility (CSR) activities as a legal mandate in India, it is crucial to recognize that the essence of CSR has deep historical roots in the country. Various forms of CSR, such as 'Dharmamada' by Hindus, 'Zakat' by Muslims, and 'Dashaant' by Sikhs, have been practiced since ancient times. In India, both individuals and corporations have traditionally viewed charity and philanthropy as religious duties, creating a longstanding tradition.

Prominent entities in the Indian corporate sector, including the Tatas, Birlas, Ambanis, Reddy, Infosys, and Wipro, have been actively engaged in CSR initiatives since their inception, voluntarily contributing to social welfare even before legal obligations were in place. The Gandhian Trusteeship Model of CSR holds a central place in Indian CSR theory, emphasizing equitable distribution of wealth to achieve social parity, a principle embraced by corporations contributing to societal betterment.

India, with a population of 1.3 billion and a predominantly agrarian economy, faces challenges such as a high degree of uncertainty in the agricultural sector contributing to poverty. Corporate initiatives, like those by Wipro, are commendable for addressing these challenges by allocating resources to improve literacy rates and promoting basic education, health, and sanitation in various regions.

The Tata Group's CSR initiatives in Jamshepur and its surroundings have significantly contributed to regional development and poverty alleviation. The Karmayog CSR Study, conducted with a sample of 500 companies, highlighted the diverse CSR landscape in India. While 229 companies showed no engagement in CSR activities, the remaining 271 demonstrated varying levels of commitment. Approximately half of the companies engaged in some form of CSR activities, with a majority focusing on fundamental education, potable water, and mid-day meals for students.

Shrivastava and Venkateshwaran's classification of companies into two categories further illustrates the CSR landscape, distinguishing between socially responsible CSR activities within legal boundaries (category one) and philanthropic CSR activities involving voluntary donations without expecting returns (category two). This diversity in CSR practices in India reflects both the historical roots and evolving nature of corporate responsibility in the country.

The chapter delves into the conceptual aspects of Corporate Social Responsibility (CSR) theory, providing operational definitions of terms frequently used within the text. This section offers an unbiased analysis of both contemporary and classical CSR theories. Existing research highlights that economically prosperous nations often engage in CSR voluntarily, while less developed or developing countries may require legal mandates for the implementation of CSR practices.

The discussion also explores the insight that A. B. Carroll's pyramidal theory of CSR serves as the foundation for contemporary CSR theories and practices. However, it is noteworthy that Carroll later reassessed his four-dimensional CSR theory, recognizing that the philanthropic dimension could be integrated with the remaining three dimensions of the CSR Pyramid. This revision transforms it into a three-dimensional theory, acknowledging the dynamic nature of CSR frameworks over time.

Commencing with the onset of the industrial revolution, business underwent rapid expansion in the subsequent decades. Throughout the 20th century, corporate activities pertaining to product manufacturing, marketing, trade, and commerce

experienced a significant surge, propelled by advancements in technology. The advent of computers, the internet, and Information and Technology Enabled Services (ITES) revolutionized communication by bridging geographical gaps and compressing timeframes. Concurrently, biotechnology-based research revolutionized productivity and quality standards in agriculture and healthcare.

The relentless pace of technological evolution saw newer technologies regularly supplanting their predecessors. Digital technology interventions, coupled with advancements in transportation and communication, facilitated the diversification and expansion of markets. These transformations metamorphosed the world into a virtual global village, transcending national boundaries and giving rise to multinational corporations (MNCs) wielding influence and financial clout surpassing that of many nations.

International regulatory bodies such as the World Trade Organisation (WTO) and the General Agreement on Trade and Tariffs (GATT) emerged to regulate trade barriers and foster the free movement of goods globally. However, the impact of technological advancements on industrial growth and economic development varied significantly across nations, influenced by factors such as resource availability, cultural norms, education levels, governance quality, and regional disparities.

Furthermore, environmental sustainability emerged as a pressing concern amidst rapid development. Science and technology catalyzed transformative changes across various spheres, exemplified by the Green Revolution in India, which revolutionized agricultural productivity and transformed the nation into a food surplus economy. Similarly, breakthroughs in healthcare led to the eradication and control of communicable diseases, thereby enhancing longevity and quality of life worldwide.

In the new millennium, information technology and the internet reshaped perceptions of geographical distance and time. Mobile applications emerged as powerful tools for socioeconomic empowerment, particularly among marginalized communities, facilitating access to employment opportunities and income generation. Predictions made by pioneers like Vinton Cerf regarding the convergence of technology and media have materialized, with digital innovations reshaping industries such as television and music.

Today, the majority of video content is accessed on-demand, indicative of the transformative impact of digital technology on traditional media consumption patterns. These developments underscore the profound influence of new technologies on society, underscoring the imperative for adaptability and innovation in an ever-evolving technological landscape.

The discourse on Corporate Social Responsibility (CSR) has evolved over the past 65 years, originating from Bowen's seminal work advocating for corporations' imperative engagement in CSR. Notably, scholars like Secchi and Lee have observed a global shift in both the interpretation and implementation of CSR. The contemporary perspective emphasizes a dual commitment: fulfilling economic obligations and enhancing the community's quality of life (Bichtaa).

Key theoretical frameworks, such as utilitarianism and agency (specifically managerial and relational), play a pivotal role in shaping CSR discussions. Utilitarian theory asserts that companies function within the economic system with the primary objective of profit maximization. This perspective aligns with strategies for gaining a competitive advantage, as articulated by Porter and Cramer.

Managerial theory, the second focal point, emphasizes the optimal utilization of external resources as crucial for a company to achieve its objectives. This perspective underscores the importance of efficient management practices to navigate the complexities of contemporary CSR. In essence, both utilitarian and managerial theories contribute to a holistic understanding of CSR, encompassing economic responsibilities and effective resource utilization for societal benefit.

South Africa

In the South African context, Corporate Social Responsibility (CSR) involves corporations voluntarily allocating resources towards social initiatives and investment opportunities that contribute to progress in both economic and social dimensions of society. Recognizing the interconnectedness with societal progress, companies in South Africa have shifted focus since 1994, moving from a profit-centric approach to prioritizing the promotion of social welfare.

It's noteworthy that, despite this positive trend, there is no legal mandate requiring corporations to allocate funds for CSR initiatives. The reports of King II and King III, acknowledging the importance of prioritizing stakeholders' well-being, have not

mandated CSR practices for companies. The King I report (1994) and the subsequent King II report (2002) did not impose obligations in this regard.

Encouragingly, there is a commendable overall tendency towards CSR implementation in South Africa. For instance, BHP Billiton, a multinational mining corporation, has undertaken sustainable development measures, encompassing initiatives in education, training, capacity building, healthcare, sanitation, and other socio-economic development efforts. While some companies align with international standards on CSR, there remains a need for a broader commitment from a larger number of companies to enhance awareness and adoption of CSR practices across the country.

Japan

According to an article titled "Overview of 'CSR' in Japan: Ideals, Intentions, and Realities at Advanced Companies," published by the Tokyo Foundation on September 10, 2014, the prevailing belief is that each social issue is a complex interplay of individual obligations. Addressing these issues requires comprehensive efforts from all segments and levels of society, including corporations and citizens, based on their respective responsibilities, rather than relying solely on the government.

In Japan, the corporate sector is under heightened pressure to contribute due to its robust organizational capabilities and financial resources. This reflects the approach taken in implementing Corporate Social Responsibility (CSR) in Japan and its surrounding regions. The emphasis is on a collective responsibility shared by corporations and citizens alike, recognizing that the resolution of social issues demands a multi-faceted approach.

The article underscores the awareness of Japan's social responsiveness, acknowledging that social problems vary across countries and necessitate tailored approaches. Japan aligns with this perspective, emphasizing the importance of customized and culturally sensitive Corporate Social Responsibility (CSR) practices to address the unique challenges and opportunities present in the country and its neighboring regions.

Pakistan

In 2012, Bushra Azhar authored an article titled "CSR in Pakistan: The Good, the Bad, and Ugly," published by The Triple Bottom-Line Magazine. The article critically evaluates the current state of CSR implementation in Pakistan, shedding light on both positive and negative aspects.

The article underscores concerns about the insufficient adoption of corporate social responsibility (CSR) by companies in Pakistan, revealing a tendency to prioritize financial goals over societal welfare. It points out instances of irresponsible advertising, monopolistic practices, neglect of customer relationship management, and a general disregard for social interests by certain companies.

However, amidst these challenges, the article recognizes noteworthy CSR efforts by specific corporations like Pfizer and PARCO in Pakistan. These companies have demonstrated a commitment to CSR initiatives that extend beyond mere financial pursuits, reflecting a positive aspect of corporate engagement in social responsibility.

Given Pakistan's status as a developing nation, the article acknowledges the challenges associated with resource constraints, hindering widespread implementation of Corporate Social Responsibility (CSR) practices. This situation emphasizes the need for concerted efforts to overcome these challenges and promote responsible corporate practices for the overall betterment of society in Pakistan.

Bangladesh

As a developing nation, Bangladesh grapples with challenges associated with economic resource allocation that could be redirected towards corporate social responsibility initiatives. Numerous corporations and government-owned financial institutions are actively engaged in contributing to the socioeconomic progress of the country. Notably, Bangladesh faces persistent challenges related to poverty, illiteracy, and the limited empowerment of women.

An assessment conducted by Jannatul Ferdous in the International Journal of Business, Economics, and Law focused on four state-owned banks in Bangladesh, exploring their corporate social responsibility practices. Ferdous's findings, published in 2015, reveal the active involvement of these banks in CSR activities, particularly in the areas of education, healthcare, and disaster relief.

However, the study highlights a notable absence of emphasis on environmental and sports initiatives as integral components of corporate social responsibility endeavors in Bangladesh. This observation suggests a potential gap in the comprehensive integration of CSR initiatives. In light of the presented evidence, it becomes apparent that corporate social responsibility practices in Bangladesh are currently insufficient and necessitate proactive measures to enhance their scope and effectiveness for the promotion of overall social welfare.

Saudi Arabia

In recent years, there has been a noticeable upswing in the adoption of corporate social responsibility (CSR) initiatives by several prominent organizations in Saudi Arabia. This trend underscores the growing significance of CSR in the Kingdom, showcasing substantial development in this domain over the past five years, with particularly noteworthy growth in the last two years (M, Samita). This reflects a positive shift towards social responsibility and ethical business practices.

The King Khalid Foundation, as stated on its webpage, serves as a charitable entity dedicated to achieving virtuous objectives, principles, and values. The foundation aims to exert a positive influence on individuals' lives, aligning with the posthumous aspirations of King Khalid Bin Abdul-Aziz. The King Khalid Award for Responsible Competitiveness, a program acknowledging responsible leadership within Saudi Arabian companies, stands out among the foundation's various initiatives. Notably, the National Commercial Bank received the King Khalid Award for responsible competitiveness in 2010.

Saudi Basic Industries Corporation (SABIC) has also actively engaged in corporate social responsibility (CSR) initiatives, earning recognition for its efforts. On April 1, 2014, SABIC was honored with the GCC-CSR Award, acknowledging it as the top-performing company in the Gulf Region concerning adherence to CSR standards. This accolade highlights SABIC's commitment to ethical and socially responsible business practices.

Research by Samita Maqbool further supports the notion that Saudi Arabia is experiencing robust growth in CSR practices, indicating a positive trajectory towards responsible corporate citizenship in the region.

Sri Lanka

Sri Lanka, positioned as a developing nation, demonstrates a robust understanding and implementation of Corporate Social Responsibility (CSR) principles. The analysis of CSR in Sri Lanka is structured around four key dimensions: environmental protection, customer service, employee welfare, and community outreach. As outlined by Sweeny (2009), these dimensions provide a comprehensive framework for evaluating CSR practices in the country.

In the realm of environmental protection, Sri Lanka emphasizes strategies such as waste reduction, energy conservation, and the preservation of the natural environment. This commitment aligns with the broader goal of sustainable and responsible business practices.

The dimension of customer service is characterized by a dedication to prompt grievance resolution and a commitment to delivering value to patrons. This reflects the understanding that customer satisfaction is integral to the overall success and reputation of businesses in Sri Lanka.

Employee welfare represents the third significant aspect of CSR in Sri Lanka. Companies in the country focus on caring for their employees by facilitating skill development and fostering long-term career growth. This approach acknowledges the importance of a motivated and skilled workforce for sustainable business practices.

In conclusion, Sri Lanka's approach to CSR is multifaceted, incorporating environmental consciousness, customer-centric practices, and a commitment to employee well-being. This holistic perspective reflects the country's dedication to responsible corporate citizenship and contributes to its overall development as a socially conscious nation.

Malaysia

As a developing nation with the ambitious goal of achieving developed status by 2020 under the Vision 2020 Plan established in 1991, Malaysia considers Corporate Social Responsibility (CSR) as a vital tool for guiding its socio-economic development. The Vision 2020 Plan is recognized as a pivotal strategic document outlining the trajectory of the country's progress.

Malaysia places significant emphasis on CSR to promote social progress and achieve equitable distribution of income and wealth. The Chief Executive of the Sime Darby Foundation, Zainal Abidin, underscores the imperative nature of adopting

CSR practices, particularly in light of the substantial annual profits totaling billions of Ringgits generated by Sime Darby Berhad, the foundation's benefactor.

In an article titled "The Basis for Corporate Social Responsibility in Malaysia," authored by S. R. Abdulrazak and Fauziah Sh. Ahmed and published in the *Global Business and Management Research: An International Journal* in 2014, Malaysia's inclination towards a CSR model tailored to its unique environment is highlighted. Rather than simply adopting a Western model, the country aspires to develop a CSR framework that aligns with its specific cultural and socio-economic context.

This approach reflects Malaysia's commitment to cultivating a distinctive CSR landscape that addresses its specific needs and challenges, contributing to the nation's overall development goals.

Singapore

In Singapore, Corporate Social Responsibility (CSR) is deeply rooted in the principle of Corporate Citizenship. The headquarters of Corporate Citizenship are situated at 10 Anson Road, 39-07, International Plaza, Singapore 079903. This organization collaborates closely with the government to shape and refine CSR policies in the country, providing a robust framework for CSR implementation.

Singaporean organizations exhibit diverse perspectives on CSR, employing various terminologies to comprehend its essence. While some companies view CSR as a general obligation, others perceive it as a strategic tool for promoting sustainability, and yet others embrace it as a shared value across stakeholders. Despite these differences, the overarching concept of CSR in Singapore revolves around the voluntary management of environmental, social, and economic issues by organizations. The goal is to mitigate adverse effects and optimize positive impacts on society and the environment.

Companies in Singapore that uphold responsible business practices demonstrate a willingness to allocate resources towards community welfare. The expectation is that Singaporean enterprises will adhere to the principles outlined in the CSR roadmap, which emphasizes four fundamental tenets. By prioritizing corporate social responsibility, businesses contribute to Singapore's sustainable development and societal well-being.

Conclusion

Corporate Social Responsibility (CSR) has evolved as a pivotal concern in today's corporate landscape, with its formal initiation credited to Howard Bowen's philanthropic efforts in 1953. Bowen's work laid the foundation for CSR awareness, further advanced by Carroll's pyramidal model. Notably, all social scientists, excluding Milton Friedan, express support for CSR concerns.

This chapter provides a comprehensive overview of the current state of CSR practices globally. Notably, Canada and China exhibit robust CSR implementation compared to countries like Pakistan, Bangladesh, Sri Lanka, and India. The heightened awareness surrounding CSR practices worldwide is indicative of evolving business practices.

Human rights, labor, and ethics form integral principles within any business enterprise, emphasizing their endorsement for sustainable business viability. Besides other concerns, environmental issues such as climate change receive due consideration, acknowledging the symbiotic relationship between business and society.

While many companies globally are increasingly aware of their social responsibility, there's a continued need for awareness-raising efforts. Several African and Asian nations face exclusion from CSR practices due to economic factors hindering their engagement.

The chapter analyzes the social, legal, and economic aspects of the CSR framework in India, stressing the necessity for a comprehensive understanding of these systems for effective CSR development. Corporations are urged to conduct thorough analyses of the socio-economic and judicial systems, as well as legal methodologies, to design pragmatic CSR frameworks.

CSR, being multifaceted, encompasses social, legal, and economic factors. Carroll's CSR pyramid prioritizes economic, legal, ethical, and philanthropic responsibilities. Economic obligations involve profitable business operations, legal responsibility mandates adherence to laws, and ethical responsibility emphasizes societal well-being. The pyramid posits that corporations bear an ethical obligation to contribute positively to society, forming the fundamental principle of CSR.

The chapter examines the implications of social, legal, and economic dimensions, emphasizing the need for thorough evaluations of these variables to formulate effective CSR policies. In India, the Companies Act of 2013 mandates CSR practices, positioning it as a legal obligation for listed companies, necessitating compliance for societal betterment.

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