

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

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ABSTRACT

CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Society and business are complimentary to each other in their goal for sustainable development. One cannot thrive without the other. Hence, business has a moral responsibility to contribute in enhancing larger social goal. The main aim of this research paper is to analyze and understand the role of corporate social responsibility in the overall scenario of sustainable development and inclusive growth. Further, this paper will also analyze the contribution of various Indian organizations for the social upliftment.

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development is a process of meeting human development goals while sustaining the ability of natural systems to continue to provide the natural resources and ecosystem services upon which the economy and society depends. While the modern concept of sustainable development is derived most strongly from the 1987 Brundtland Report, it is rooted in earlier ideas about sustainable forest management and twentieth century environmental concerns. As the concept developed, it has shifted to focus more on economic development, social development and environmental protection for future generations.

Sustainable development is the organizing principle for sustaining finite resources necessary to provide for the needs of future generations of life on the planet. It is a process that envisions a desirable future state for human societies in which living conditions and resource-use continue to meet human needs without undermining the "integrity, stability and beauty" of natural biotic systems.

Keywords: Corporate social responsibility (CSR), integrity, sustainability, beauty.

INTRODUCTION

CSR is now accepted as a means to achieve sustainable development of an organization. Hence it needs to be accepted as an organizational objective. Under this Act, the prescribed plan of companies is required to outlay a portion of their profit on CSR activities.

Business can no longer limit themselves to using resources by indulging in activities that increase their profit only. The Companies have to be socially responsible corporate citizens and also contribute to greater common social good. Ultimately, the aim of social responsibility is all about integrating the three objectives: economic, environmental and social within the framework of company operations and growth. Though the philanthropy is a fore runner to the concept of CSR, it's much more than the philanthropy. An organization can accomplish sustainable development, if the CSR becomes an integral part of its business process. CSR impacts almost every operational area of a company. The Companies Act 2013, intends to inculcate the philosophy of CSR among Indian companies.

OBJECTIVES

- Make a critical analysis of the concept of corporate social responsibility.
- To analyze CSR in an Indian scenario
- To understand the areas of CSR in which the companies are involved
- To study the challenges in implementation in CSR and recommendation for effective implementation.

RESEARCH METHODOLOGY

The research proposes to use qualitative research tools to empirically support the arguments of this research paper that successful companies in India do value social responsibility. The researcher has adopted the doctrinal method in order to study the development of CSR in Indian context and would further adopt the empirical research to find out whether successful companies in India value social responsibility and standards of ethics.

CORPORATE SOCIAL RESPONSIBILITY IN INDIA

The CSR Country Brief for India 2016 focuses on specific factors relevant for Norwegian companies wishing to implement CSR successfully in their India operations. The conditions for business operations in India vary for different areas, and consequently, by this way CSR is perceived and implemented. This note is meant as a brief for Norwegian companies such as: ABB holdings, GE health care, Tide, Siemens, HP etc; looking to establish themselves in India. In 2016 Innovation Norway created a more

comprehensive CSR guide for India, which you can find here. It includes advice on how to further develop or adapt your own CSR policy, useful links, information on voluntary guidelines and further information on relevant laws and guidelines of interest when doing business in India.

Human Rights

Human rights violations are crucial CSR concerns for companies and Norwegian companies should support and respect human rights and ensure that they are not complicit in human rights abuses in India. Human rights in India are covered under “The Protection of Human Rights Act, 1993 (as amended by the Protection of Human Rights (Amendment) Act, 2006-No. 43 of 2006)”. This is handled by the “National Human Rights Commission”. Continuous attempts are being made by the Commission to address various human rights issues, and some of these are being monitored as programmes under the directions of the Supreme Court.

Child Labour

In India 1 out of 11 children under 14 years old works. According to UNICEF, insufficient attention has been given in India to eliminating the worst forms of child labor. India is a member of the International Labor Organization and has ratified 40 of the ILO conventions; however, the core conventions relating to child labor has not been ratified. The 1986 Child Labor Law bans employment of children in some dangerous occupations, such as factories and mines, and regulates the working conditions in others, e.g. it is legal for children to work in family business and entertainment industry. In 2015 they amended the child labor law and introduced the category “adolescence” (14-18 years old) and barred them for working in hazardous industries. In 2014 Kailash Satyarthi won the Nobel Peace Prize for his work on preventing child labor in India, this has brought more attention to the problem which continues to prevail.

Environmental issues

India struggles heavily with environmental problems. Air and water pollution are prevalent. The main environmental law related to production is The Environment (Protection) Act (1986). This law gives the Central government the authority to protect and improve environmental quality, as well as to control and reduce pollution from all sources. Another development is the E-Waste Management & Handling Rules which came into effect from 1st of May, 2012. It concerns the producers’ liability for recycling and reducing e-waste, meaning discarding electronic devices and equipment, in the country. These laws are often not enforced and there are weaknesses in the implementation and control mechanisms. A proper environmental policy may therefore be necessary for many Norwegian companies in India in order not to worsen the already precarious state of the Indian environment.

Transparency and corruption

Despite being one of the world’s most attractive targets for FDI, India still has excessive problems with corruption. In the Transparency International (TI) Corruption Perceptions Index 2015, India ranked 76 (up from 85 in 2014) of 168 countries, with a score of 38 out of 100. In comparison, Norway ranked fifth with a score of 87. India is ranked 130 out of 190 countries in the World Bank Group’s annual report “Doing Business 2017,” one rank up from last year.

Valuable Resources and Practical Guidelines

Norwegian companies deciding to do business in India will benefit from preparing a strategy on how to deal with corruption and to implement good supply chain management. Useful resources include: Transparency International Norway, UN Global Compact, Ethical Trade Initiative (IEH), National Voluntary Guidelines on Social, Environmental & Economic responsibilities of business in India, FICCI Voluntary CSR Guidelines and OECD Guidelines for Multinational Enterprises.

Upliftment of Society

Various organisation in India are raising funds, joining and supporting NGO'S for upliftment of society like HDFC, ICICI, Jet Airways.

Employee's Welfare

Employees are the backbone of every organisation. Every organisation wants that their employees should be fully satisfied to enjoy the environment in which they work and live. Various international human rights and employees' welfare programme are handful of examples of CSR.

SUGGESTIONS FOR EFFECTIVE IMPLEMENTATION OF CSR

- Every organisation should decide minimum annual expenditure for the CSR activities. In order to ensure, Inclusive growth, envisaged in our Plan Vision document ,rural areas should get priority over urban areas in the matter of getting returns from CSR activities.
- Public & private partnership can also be a better tool for effective implementation of CSR activities.

CONCLUSION

CSR activities are primarily inspired by Gandhi's concept of social trusteeship and thus focus on the well-being of employees and the common man. This focus is likely also due to the nature of the industry and the fact that India is a developing nation. Manufacturers who can focus on social responsibility do so to take care of employees. Moreover, India is still struggling to provide basic amenities to all of its people. Also, Indian factories particularly in Manipur lack the resources needed just to treat their employees well; then carrying out CSR along is a difficult task for them.

The report provides interesting insights not only about the spending pattern but also tabulates it across industry segments (banking, IT, oil & Gas etc.) thematic sectors (education, healthcare, women empowerment etc.) and geographies (states where CSR spending happened). As per the report, the thematic areas of Education and skill development and Healthcare and Sanitation received the highest CSR funds. There are 10 companies that spent more than Rs 50 Cr each on healthcare while 9 companies spent more than Rs 50 Cr each on education and skills development projects.

The data from 2015-16 suggests an increase in adherence to the documentation guidelines and a substantial increase from 79% in 2014-15 to 92% of actual CSR spend to the prescribed CSR. About one-third of the companies have spent more than the mandated CSR fund suggesting that the companies who were doing social good and spending substantial fund on CSR before the mandatory CSR regime still continues the doing same with pushing the boundaries further for the good of communities.

Bhomik Shah, CEO and Founder of NGO BOX said “We see a lot of improvement both at quantitative and qualitative fronts in CSR spend. Last year we have seen a trend of companies shifting from traditional CSR projects to developing rural sports. Companies have started partnering with several NGO’s to promote sports to the rural population.”

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