



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

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ABSTRACT :

The words such as globalization liberalization privatization or any country, as development of economy and country go hand in hand. Big corporate emergence with great ambition of making a profit and attaining the world class position give the uneven distribution of profit and wealth. With the help of Earth's resources industries are making profit no doubt there is climax of information technology, but Earth's resources must be used for the benefit of the society as a whole. Profit which is earned by the corporate should be used for environmental and economical sustainability. These cannot be only responsibility of government, but demands on effective participation from the corporate and business world. As far as India is concern here, these concepts have very historical background, many examples can quote as a social responsibility in not only the work of government.



Company law 2013, give the backing for this concept and this is one of the major element of economic returns India. According to the company law 2013, corporate social responsibility become legal obligation and it is the tool to ensure the greater participation of business entrepreneurs towards protecting the natural eco-system and enhancing the quality of life while undertaking a development activity. Corporate sector to ensure greater harmony between economic development, environmental sustainability and public sas. Clusters should have been identified which intend to clarify whether corporate social responsibility co-relates with the social dimation of sustainable development. CSR is purely management concept but which integrates social environmental concern in there business.

KEYWORDS : Corporate social responsibility, sustainable development Philanthropy, liberalization, globalization.

- **Research limitation** – The study elucidate the theoretical and practical contribution of CSR towards achieving the goal of sustainable development. Also aim to represent the relationship between CSR and sustainable development, as a tool of development of whole society and a bridge the gap of disequilibrium.
- **Introduction** – Corporations around the world are always straggling to cater the needs of present generation where total dynamic world is these corporation are being called upon to take a responsibility for the ways their operations impact societies and the natural environment. It is moral or social responsibility of any corporation to use a profit or share of profit towards the well being of the society the concept of CSR has long back history. Traditionally in the united states, CSR has been defined much more in terms of a philanthropic model, “CSR, corporate conscience and corporate citizenship is the integration of socially beneficial programmes and practices into a corporation’s business model and

culture. It aims to increase long term profits for online and offline businesses by enabling them to become more efficient and attract positive attention for their efforts”.



CSR achieves balance economic, environmental and social (“ Triple Bottom-Line-Approach”) at the same time addressing the expectations of share holders and stakeholders. It is very important tool for small and medium enterprises in the developing countries. A properly implemented CSR concept bring along a variety of competitive advantages such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality efficient human resource base, which improve brand image and reputation, risk management process.

Jen Boynton defines CSR, “ It is simple way that companies to take responsibility for the social and environmental impacts of their business operations”. Always CSR is associated with organizational behaviour.

- **Brief history of CSR** – In 1950 primary focus was on the responsibility of business to society and doing ‘good deeds’ for society.

In 1960 key events, people ideas were instrumental and social change adhered in industries.

In 1970, managers of business starts dealing with GR activities and issues.

In 1980, business and social interest come closer and corporates become more responsible.

In 1990, the concept of CSR has become accepted through out the world and it is approved universally.

In 2000, the CSR has become an important strategic issue and many corporate gient were doing the moral responsibility as far as India is concern, India is the first country in the world introduce statutory CSR through the new company law 2013 In India religions tradition of DaanSeva zakat (which means ones earning must be share by poor in the term of donation) operated as helping privileged and disposed society Religion also played vital role in promotion the concept of CSR.

There are broadly 4 phases of CSR development in India.

- Pure Philanthropy and clarity during industrialization.
- CSR as social development.
- CSR had its relation in the element of mixed Economy.
- Started abandoning traditional engagement with CSR and integrated sustainable business.

In the first phase clarity and Philanthropy were main drivers culture, religion, family values, tradition and industrialization had influencial effect on CSR. Some industries inclined there efforts towards social as well as economic development. In second phase during independence movement, Indian industries stress there dedication towards the progress of society as a whole. Trust is most important and encourages employment and rural development.

In the third phase CSR had its relation to the element of mixed economy emergence of public sector undertaking and laws relating ‘ labour and environmental standards. CSR emphasized upon transparency,

social accountability and regular stock holders dialogues. In spite of such attempts the CSR failed to catch the stream.

In the both phase Indian companies started abandoning their traditional engagement with CSR and integrated into a sustainable business Indian companies grow rapidly and this made them more willing. In terms of production and manufacturing bases, due to globalization has transformed India into an important destination.

legal framework in India – Under section 135 companies Act 2013, any company having a network of Rs.300 crores or more, or a turnover of Rs.1000 crores or more or a net profit of Rs.5 crores or more has to spend atleast 2% of last 3 years average net profit on CSR activities as specified schedule VII of the companies Act 2013. The rules came into effect from 1stApril 2014.

According to SEBI notification, “enterprises are accountable to larger society and adopting of responsible business. Practices in the interest of the social set up and environment are as vital as their financial and operational performance”.

Section VII of the companies bill has considerably widened

- **The ambit of CSR activities –**

- Poverty eradication.
- Promotion of education gender equality and women empowerment.
- Reducing child mortality and improving maternal health.
- Ensuring environmental sustainability.
- Employment – Enhancing, vocational skill and social business projects.
- Relies and funds for socio economic development.

- **Current trends and status of CSR –**

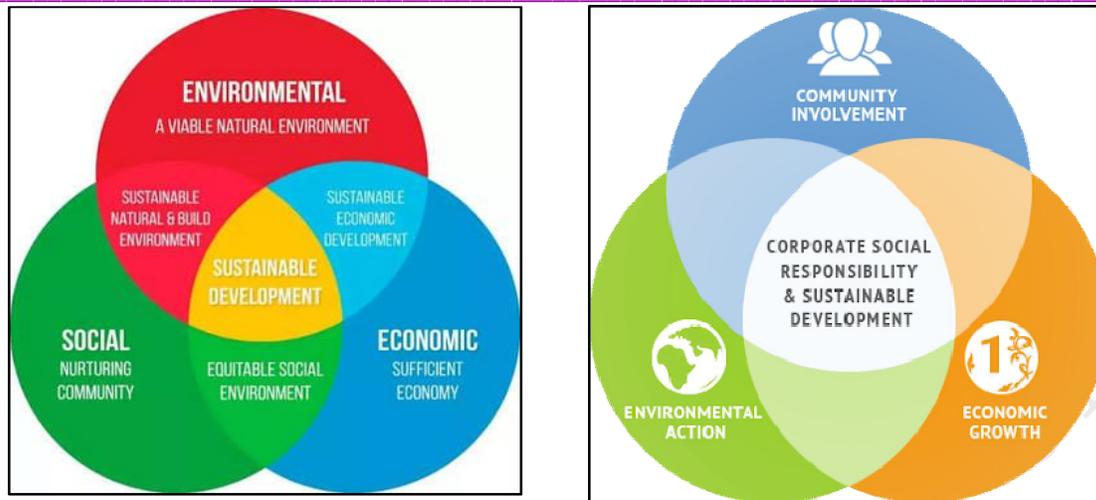
from legal backing and implementation of CSR it has become integral part of most policies in place and make full discloses of their CSR initiates in annual report.

Maharashtra, Uttar Pradesh, Tamilnadu, Karnataka and Orrisa are the top five states in implementation CSR projects. Companies had higher women representation in their boards they had more programmes dedicated to reduce gender inequality. 15% CSR fund were allocated to activities in these districts. Developing country like India has significant essential of CSR activities.

2013 provide an active year of CSR with issues related to sustainability, globalization, advocacy on social issues and multiple natural disasters in the forefraunt. More disaster prevention less relief, with the growing number of natural disaster corporate should rethink, about disaster relief and recovery.

Companies have focused a lot of attention on diversity and inclusion efforts the post few years.

- **Sustainable development** – This is the organizing principle for meeting human development goals while at the same time sustaining the ability of natural systems to provide the natural resources and eco-system services upon the economy
- **As per Brundtland Report** –“ Sustainable development is development that meets the needs or the present without compromising the ability of future generations to meet their own needs.” In the 21st century sustainable development is not an option but it is an imperative. three fundamental component to sustainable development- environmental protection, economic growth, social equity.
- **History of sustainable development** – The term populated 15 years later in common future; It was formed the basis of United Nations conference on Environment development held in Rio-de-Janerio in the year 1992. The major international recognition in 1972 at the UN conference on the Human Environment held in Stockholm.



In the year 2002, world summit on SD where key commitments included those on sustainable consumption and production, water, sanitization and energy.

- **Relation between CSR and SD –**

Both concept CSR and SD are closely related to each other and they have great impact in 21st century. SD involves the use of environmentally responsible and efficient operational practices which preserves environmental resources crucial to your long term and business success. CSR involves balancing corporate citizenship and environmental. Corporations should have obligation to give back something to the community in which they operate.

CSR is generally being a balanced economic and environmental and social imperatives, where as SD is the balancing concept between ecology and development. These concepts are related to each other by single bridge that is activities under CSR as per legal framework are for the sustainable development.

Following are some factors which prove the relationship –

1. **Stakeholders** - company must operate with fairness and honesty, to achieve full congruence with consumers and suppliers. Through CSR company can meet expectations to each stakeholders which directly or indirectly SD.
2. **Environment** – this is one of the integral to both SD and CSR. Both emphasize environmental preservation recycling and renewal programmes. To promote green operations, recycling of material use, whenever possible to cut down costs and waste, CSR and SD is important and integral element. Due to legal backing and regulation already organization doing all these thing but they are committed to environment protection.
3. **Economic Development** – SD naturally promoting economic development as a whole. Global business can establish operations in less developed nations and train support local farmers or producers to help built up local farmers or producers. CSR activities of big, blue chip companies help to build stronger infrastructures that serve both local economies and corporate itself.

- **Role played by CSR in attaining SD –**

CSR plays a vital role in attaining SD. The company has social and moral responsibility towards protecting the environment. Recently they are backed by rules and regulations. CSR is pure management concept and sustainable development is social concept. Corporations should create balance between economic social and environmental goals with the help of CSR. The basic way to incorporate the

sustainability aspect into business management should be grounded in the ethical beliefs of give and take policy to maintain successful in the long term.

• **CONCLUSION–**

Although, there are sufficient laws which focus on CSR towards ensuring a more balanced, harmonious and welfare oriented developmental approach. Corporate should structure their activities in a sustainable manner along with the entire value chain not only contributes to the well being of their employees, society and the environment but can also improve their financial stability and competitiveness. CSR can be used as social stand of the SD which is mainly built on a sound stakeholders. Especially CSR focuses on corporate engagement realizing its responsibilities as a member of society and meeting the expectations of all stakeholders.

Bit welfare schemes need active financial supports from corporations which can be managed under the CSR. As we have welfare oriented democracy CSR activities leads to SD. When CSR activities are done according to legal frame work with transparency, then CSR become a dimension of a company's successful competitive strategy.

CSR and SD are mutually interdependent concepts and it gives a improved relationships with all its key constituents. more loyal customers, lower costs, higher revenues, and an overall improvement of the business economy as a whole.

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