

Corporate Social Responsibility (Triple Bottam line); A Technology serves the company and Society

Santosh Kumar

Assistant Professor, campus law centre, Faculty of Law, University of Delhi

Abstract: Corporate Social Responsibility is a management concept whereby companies integrate social and environment concerns in their business operations and interactions with their stakeholders, CSR is generally understood as being the way through which the company achieves a balance of economic, environment and social imperatives (“Triple- Bottom-Line-Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of company and strengthen its brand, the concept of CSR dearly goes beyond that.

Keywords: Corporate Social Responsibility, company, Society

I. INTRODUCTION

Promoting the uptake of CSR amongst SMEs requires approaches that fit the respective needs and capacities of these businesses, and do not adversely affect their economic viability. UNIDO based its CSR programme on the Triple Bottom Line (TBL) Approach, which has proven to be a successful tool for SMEs in the developing countries to assist them in meeting social and environmental standards without compromising their competitiveness. The TBL approach is used as framework for measuring and reporting corporate performance against economic, social and environmental performance. It is an attempt to align private enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective taken is that for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environment impacts and act in conformity with societal expectations.

Key CSR issues: Environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, labour standards and working conditions, employee and community relations, social equity, gender balance, human rights, good governance, and anti-corruption measures.

A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profit, operational cost savings, improved productivity and quality, efficient human resources base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

II. CORPORATE SOCIAL RESPONSIBILITY & HUMAN RIGHT

The concept of Corporate Social Responsibility (CSR) is generally understood to mean that corporations economic consequences of their activities, but also for the social and environmental implications. This is approach that considers the economic, social and environmental aspects of corporate activity.

Various terms are used to describe CSR initiatives, including ‘Corporate Responsibility’, ‘Corporate Acco’, ‘Sustainability’.

The meaning and value of CSR may differ in various contexts, depending on local factors including cultural framework.

Findings- In the 1950s the primary focus was on businesses’ responsibility to society and doing good deeds for society. In the 1960s key events, people and ideas were instrumental in characterizing the social changes ushered in during this decade. In the 1970s business managers applied the traditional management functions when dealing with CSR issues, while, in the 1980s, business and social interest came closer and firms became more responsive to their stakeholders. During the 1990s the idea of CSR became almost universally approved, also CSR was coupled with strategy literature and finally, in the 2000s, CSR became definitively an important strategic issue.

Human rights and business is a highly debatable issue. The debate concerning the responsibility of business enterprises in relation to human rights became prominent in the 1990s, as oil, gas, and mining companies expanded into zones of armed conflict or weak governance, and as the practice of offshore production in clothing and footwear drew attention to poor working conditions in global supply chains. In today’s globalised world, the State is no longer the main source of power. Multinational enterprises (MNEs) with revenues

exceeding the GDP of many States have more influence over the life of ordinary people than many States do¹.

MNEs often benefit from the operations of their third country subsidiaries and contractors, while third-country victims encounter significant obstacles in obtaining effective redress. According to a study prepared by the University of Edinburgh in 2010 on the situation in Europe, the vast majority of alleged corporate human rights and environmental abuses had been committed by subsidiaries or contractors of European corporations that are domiciled or resident in the countries where the violations occurred.

It would, however, be wrong to assume corporate human rights abuses are limited to MNE's or 'extraterritorial conduct'. They also involve small and medium-sized enterprises and purely 'domestic' cases such as discrimination or interferences with the right to respect for private and family life. Recent cases involved acts which, if committed by State authorities, would have amounted to flagrant violations of the ECHR. Examples are the illicit hacking by journalists on a UK-based tabloid newspaper into the voicemails of an estimated several thousand people, among them celebrities as well as relatives of crime victims and dead soldiers.

With the adoption of the 'Guiding Principles on Business and Human Rights'² by the UN Human Rights Council on 16 June 2011, there now exists a standard at the global level. The social responsibility standard ISO 26000:2010 and the 'OECD Guidelines for Multinational Enterprises'³ have already been aligned to the UN framework. Hailed as an unprecedented achievement by many, the UN framework has also been criticised for having fallen short of its potential, as it would merely mirror the status quo, instead of addressing the problem that "states are so weak or unwilling to protect human rights & corporations are so comparatively strong or conveniently transnational to evade human rights responsibilities." Similarly, it has been observed that "the major weakness of the OECD Guidelines is their unenforceability."

III. EXISTING LAWS

Legal measures at International level

(i) **The European Social Charter**, 1961 and the Revised European Social Charter, 1996 contain several provisions which have an impact on the relation between individuals and companies, for example:

The right of safe and healthy conditions of work; the right to a fair remuneration sufficient for a decent standards of living; the right to bargain collectively; the right to social security; the right to social and medical assistance; right to equal opportunities and equal treatment in matters of employment and occupation without discrimination on the grounds of sex;

the right of migrant workers who are nationals of a Party and their families to protection and assistance in the territory of any other Party; the right of workers to be informed and to be consulted within the undertaking; the right to take part in the determination and improvement of the working conditions and working environment in the undertaking ; the right to protection in cases of termination of employment; the right to protection of workers' claims in the event of the insolvency of their employer; the right to dignity at work; the right of workers' representative in undertaking to protection against acts prejudicial to them and should be afforded appropriate facilities to carry out their functions; the right to be informed and consulted in collective redundancy procedures.

(ii) **Bioethics**

The Convention on Human Rights and Biomedicine (1997) seeks to protect human beings with regard to the application of biology and medicine. Together with its Additional Protocol concerning Biomedical Research which covers the full range of research activities in the health field involving interventions on human beings, as well as the Additional Protocol concerning Genetic Testing for Health Purposes 2008, these treaties are of particular relevance for pharmaceutical companies as well as, to a lesser extent, for insurance companies.

Article 29 of the additional Protocol concerning Biomedical Research deals specifically with research in third States and is of interest as regard extraterritorial human rights issues: The Protocol's explanatory report explains the rationale behind the provision:

"At present, considerable numbers of research projects are conducted on a multinational basis. Teams of researchers based in different States may participate in a single project. Further, internationally-based organisations may be able to choose the country in which a particular research project that they are conducting or funding is carried out. This has led to concerns being expressed about the possibility of fundamentally different standards of protection for participants being applied in different countries. In particular, concerns has been expressed about the possibility of research that might be widely viewed as ethically unacceptable being carried out in another State where systems for the protection of research participants are less well established."

(iii) **Data Protection**

The Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (1981) aims to secure in the territory of each Party for everybody respect for human rights (in particular the right to privacy) with regard to automatic processing of personal data. The Convention has a cross-cutting scope of application. Article 3 defines the scope of the Convention as follows:

¹ See J. Wouters & L. Chanet 'Corporate Human Rights Responsibility: A European Perspective' Northwestern Journal of International Human Rights 6(2008), 262.

² A/HRC/17/31 of 21 March 2011

³ OECD Guidelines for Multinational Enterprises (OECD Publishing 2011), <http://dx.doi.org/10.1787/97892641115415-en>

“The Parties undertake to apply this Convention to automated personal data files and automatic processing of personal data in the public and private sectors”.

Back in 1981, it was visionary to prepare a single set of principles to be applied to the public as well as the private sector.

The EU’s 1995 data protection directive is based on the Convention and followed the same logic, applying its standards to both the public and private sector.

During the last thirty years, this reality has not changed, only the technical capacities to collect and analyse data have increased exponentially. Today it is possible for a company like Google to collect in real time almost all traffic data on the internet for commercial purposes, while a similar collections by public authorities for law enforcement purposes would be prohibited under the laws of many countries.

(iv) **Criminal responsibility of business enterprises**

Neither past nor present international criminal tribunals have recognized the criminal liability of legal persons such as companies⁴. Article 25 and 1 of the Statute of the International Criminal Court (ICC) limits the latter’s jurisdiction to natural persons. The ICC preparatory committee and the Rome conference debated a proposal that would have given the Court jurisdiction over legal persons (other than States), but differences in national approaches prevented its adoption. Various civil society groups remain in favour of the establishment of an international tribunal with jurisdiction over companies. In the case of Truth Commissions, the involvement of companies in widespread human rights violations was addressed for example in the case of the South African Truth and Reconciliation Commission.

Several Council of Europe conventions require Parties to enact legislation to hold companies liable for criminal offences established under those treaties, such as Article 12 of the Convention on Cybercrime or Article 18 of the Criminal Law Convention on Corruption⁵. In 1988, the Committee of Ministers recommended that member States give consideration to *“applying criminal liability and sanctions to enterprises, where the nature of the offence, the degree of fault on the part of the enterprise, the consequences for society and the need to prevent further offences so require”.*

Civil suits against business enterprises

In several countries lawsuits have been introduced with a view to holding private corporations accountable for human rights violations in developing countries (e.g. Nigeria, Myanmar). In many such litigations, victims and human rights groups have relied on the concept of corporate complicity in human rights violations to cover not only situations where

corporations knowingly assist in illegal acts, but also where they benefit from the abuses committed by State authorities.

(v) **Action by International organizations and institutions**

(a) **United Nations**

In the United Nations several attempts have been made to hold such corporations accountable. In the past, such attempts had focused almost exclusively on the activities of transnational corporations (TNCs) and had been overshadowed by differences between developed and developing nations over sovereignty and natural resources. Some considered the idea of imposing direct human rights obligations on TNCs as a neo-colonial extension of power in conflict with the host country⁶.

The UN Sub-Commission for the Protection and Promotion of Human Rights approved in August 2003 “Draft Norms on the Responsibilities of Transnational Corporations and other Business Enterprises with regard to Human Rights”. The Draft Norms sought to provide a succinct, but comprehensive restatement of the international legal principles applicable to business. The Draft Norms enumerated rights that appeared to be particularly relevant to business, including non-discrimination, the security of the person, labour standards, and indigenous peoples’ rights. While it allowed that not all internationally recognized rights apply to business, the Draft Norms provided no principled approach for making that determination referring merely to rather abstract notions of “primary versus secondary obligations” and “spheres of influence⁷”. The Commission on Human Rights declined to adopt the Draft Norms and requested the UN Secretary- General to appoint a Special Representative with the goal of moving beyond the statement and clarifying the roles and responsibilities of States, companies and other social actors in the business and human rights sphere. This more pragmatic approach eventually led to universally acceptable standards.

UN Global Compact

At the World Economic Forum in Davos in January 1999, the then UN Secretary- General Kofi Anan asked world business leaders to make more efforts to solve world issues in the fields of labour, environment, and human rights. In 2000, the UN set up the Global Compact initiative and asked business organizations to participate on a voluntary basis. The Global Compact is based on ten *“universally accepted principles”* two of which deal with human rights (businesses *“should support and respect the protection of internationally proclaimed human rights”*). And *“make sure that they are not complicit in human rights abuses”*). The UN Global Compact

⁴ See generally M. Kremnitzer ‘A possible case for imposing liability on corporations in international criminal law’ Journal of International Criminal Justice 8 (2010), 909.

⁵ CETS 173, 1999

⁶ S. Kobrin ‘Private Political Authority and Public Responsibility: Transitional Politics, Transnational Firms, and Human Rights’ Business Ethics Quarterly

⁷ See J. G. Ruggie ‘Business and Human Rights – The Evolving International Agenda’ American Journal of International Law 101 (2007), at 822.

Board (composed of representatives of business, civil society as well as labour, and chaired by the United Nations Secretary-General) Provides on-going strategic and policy advice for the initiative as a whole and makes recommendations.

These are currently more than 10000 signatories participating in the Global Compact, which remains however a purely voluntary initiative. The participants do not have any specific obligations other than to report on their CSR commitments in their annual reports. According to the Annual Review 2011, Global Compact participants submitted a total of 4150 reports in 2011. Among the four issue areas covered by the Global Compact principles, companies are taking action on the environment and on labour standards at the highest rates. While anti-corruption efforts have increased steadily for two consecutive years, human rights action continues to lag behind. Less than a quarter of all companies on average report conducting risk assessments on human rights, labour issues or on anti-corruption. When evaluating these figures, it must be taken into account that the Annual Review is based on a voluntary and anonymous online survey by the companies themselves and their employees.

(b) Guiding Principles on Business and Human Rights (Guiding Principles)

In 2005, then UN Secretary-General Kofi Annan appointed Harvard Professor John Ruggie as Special Representative on the issue of human rights and transnational corporations and other business enterprises (SRSO).

In June 2008, after three years of extensive research and consultations with governments, business and civil society, the Special Representative concluded that one reason cumulative progress in the business and human rights area had been difficult to achieve was the lack of an authoritative focal point around which actors' expectations could converge- a framework that clarified the relevant actors' responsibilities, and provided the foundation on which thinking and action could build.

In June 2008, the SRSO presented a framework to the Human Rights Council. The 'Protect, Respect and Remedy' framework rests on three independent but complementary pillars: the State duty to protect against human rights abuses by third parties, including business, through appropriate policies, regulation and adjudication; the corporate responsibility to respect human rights, which means to act with due diligence to avoid infringing on the rights of others and to address adverse impacts that occur; and greater access by victims to effective remedy, both judicial and non-judicial. The framework is intended to work dynamically. The state

duty to protect and the corporate responsibility to respect exist independently of one another, and preventative measures differ from remedial ones. Yet, all are intended to be mutually reinforcing parts of a dynamic, interactive system to advance the enjoyment of human rights.

The Human Rights Council unanimously welcomed what is now referred to as the 'UN framework', marking the first time that a UN intergovernmental body had taken a substantive policy position on the issue of business and human rights. The Council also extended the special Representative's mandate until 2011 with the task of "operationalizing" and "promoting" the framework. Norway was the main sponsor of the resolution authorizing the Special Representative's mandate, together with Argentina, India, Nigeria and Russia as co-sponsors, representing one country from each UN region group.

In 2011, the Special Representative submitted a set of Guiding Principles for the implementation of the Framework, which the United Nations Human Rights Council unanimously adopted on 16 June 2011. The policy framework rests on three pillars: The State duty to protect human rights, notably through policy, regulation and adjudication; the corporate responsibility to respect human rights, in particular to act with due diligence to prevent and mitigate adverse human rights impact and to provide remediation where such impact was caused; and access to remedy, both judicial and non-judicial. While the first and third pillars largely remain within the traditional language of State responsibility, the second pillar seeks to translate the responsibility of business enterprises to respect human rights into operational principles. Terms such as "human rights violations", which are typically used when speaking about States, are avoided. Instead the Guiding Principles speak of "adverse human rights impacts" or "infringements", the premise being that "business enterprises can have an impact on virtually the entire spectrum of internationally recognized human rights."

The universal Declaration of Human Rights, the two UN Covenants as well as the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at work are cited as "benchmarks". The underlying idea is that, compared to States, business enterprises have distinct, but complementary obligations, which exist "over and above compliance with national laws and regulatory protecting human rights". While corporations may be considered 'organs of society', they are specialized economic organs, not democratic public interest institutions. As such, their responsibilities cannot and should not simply mirror the duties of states⁸.

⁸ Protect, Respect and Remedy: a Framework for Business and Human Rights, A/HRC/8/5 (2008), para. 53

The Guiding Principles recognise a “*Corporate responsibility to respect human rights*”. Which business enterprises should express through a policy statement in whatever form they see most appropriate. Their main operational duty is to carry “*human rights due diligence*” in order to identify, prevent, mitigate and account for how they address their adverse human rights impacts. To this end, the business enterprises should draw on internal and/or external expertise, engage in consultations with potentially affected groups, carry out impact assessments, take appropriate action and communicate on all this. This is key principal for the SRSG who emphasized that a company will only be able to know and show that it respects human rights if it has process in place to assess and address the human rights risks of its operations⁹.

While recognizing that size, sector and operational context are factors to be taken into account in the due diligence exercise, the Guiding Principles stress that in principle every company can abuse any right. The standard of respect applies to all businesses regardless of “*size, sector, operational context, ownership and structure*”. Heightened due diligence is required in weak governance zones, areas of armed conflict and where the human rights of vulnerable groups may be at particular risk. Finally, where human rights have been adversely affected, businesses should provide for or cooperate in “*remediation*”

(c) International Labour Organisation (ILO)

The ILO’s main instruments on human rights and business are the ‘Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy’ adopted in 1977 (and update in 2000) and the ‘Declaration on Fundamental Principles and Rights at Work, which the 86th International Labour Conference adopted in 1998. This declaration identified four “*principles*” as “*core*” or “*fundamental*”, asserting that all ILO member States on the basis of existing obligations as members in the Organisations have an obligation to work towards fully respecting the principles embodied in the relevant ILO Conventions. The fundamental rights cover freedom of association and collective bargaining, discrimination, forced labour, and child labour. The ILO Conventions which embody the fundamental principles have now been ratified by most member States.

(d) Children’s Rights and Business Principles

On 12 March 2012, UNICEF, the UN Global Compact and Save the Children introduced the “children’s right and Business Principles” which are the first comprehensive set of principles to guide companies on the full range of actions they

can take in the workplace, marketplace and community to respect and support children’s rights. The Principles built on existing standards, initiatives and best practices related to business and children, and seek to fill gaps to present a coherent vision for business to maximize positive impacts and minimize negative impacts on children.

(e) International Organization for Standardization (ISO)

In 2010, the International Organization for Standardization released its social responsibility standard, ISO 26000:2010 was launched following five years of negotiations between many different stakeholders across the world, including representatives from governments, NGOs, industry, consumer groups and labour organizations regardless of their activity, size or location.

(f) Organizations of Economic Co-operation and Development (OECD)

As a response to the increasing activity of companies in developing countries, the OECD adopted already in 1976 ‘Guidelines for Multinational Enterprises’ as a set of voluntary recommendations to MNEs in all the major areas of business ethics. On 25 May 2011, the thirty-four OECD member states, as well as Argentina, Brazil, Colombia, Egypt, Latvia, Lithuania, Morocco, Peru and Romania agreed to an updated version of the Guidelines.

Unlike the original version, the revised guidelines focus on human rights (Chapter IV). After reaffirming that states have primary obligations to protect human rights, including in the horizontal relationship between private actors, the Guidelines declare that enterprises “*should*” respect human rights “*within the framework of internationally recognized human rights, the international human rights obligations of the countries in which they operate*”, including domestic human rights obligations.

(g) Council of Europe

The Council of Europe has until recently been conspicuously absent from the international debate on human rights and business. It was the Parliamentary Assembly that brought this subject on the Organisation’s agenda. On the basis of a report prepared by Holger Haibach, the Assembly adopted on 27 September 2010 Resolution 1757 (2010) and Recommendation 1936 (2010) on ‘Human rights and business’. The Assembly recommended *inter alia* that Council of Europe member States should promote ethical

⁹ J. Ruggie ‘Remarks at OECD Investment Committee’ in Annual Report on the OECD Guidelines for Multinational Enterprises 2011: A New Agenda for the Future (OECD

Publishing 2011), at 179, available at <<http://dx.doi.org/10.1787/mne-2011-en>>

investment, refuse to work with corporation associated with human rights abuses, and insist that firms fully respect human rights standards when they carry out government contracts, especially if the work involves classic State functions which have been "privatized". The Parliamentary Assembly's report mentions in particular the privatizations of prisons, immigration detention centers, private escort service for the removal and deportation of immigrants as well as the use of private military and security companies in Afghanistan and Iraq. More generally, member States should introduce laws to protect individuals from corporate abuses of human rights enshrined in the ECHR.

In June 2011, the Steering Committee for Human Rights (CDDH) held a first discussion on the subject, on the basis of an exchange with Ms Ine Wenland (OHCHR) and a preliminary study prepared by the Secretariat. The CDDH asked the Secretariat to explore the feasibility and added value of various options for Council of Europe involvement such as reaffirming the UN Guiding Principles, providing sectorial guidance; providing thematic guidance; focusing on vulnerable groups; elaborating on the implications of the principles of access to effective remedy.

(h) European Union

The European Union has been active in the area of corporate social responsibility for more than a decade. On 25 October 2011, the European Commission published a renewed strategy for corporate social responsibility for the period 2011-2014. The UN Guiding Principles are the main reference point for EU policy. The European Commission invited member states to develop by the end of 2012 national plans for the implementation of Guiding Principles and expects all European enterprises to meet the corporate responsibility to respect human rights as defined therein.

The European Commission intends to : Work with enterprises and stakeholders in 2012 to develop human rights guidance for a limited number of relevant industrial sectors (oil and gas, information and communications technology, and employment and recruitment), as well as guidance for small and medium-sized enterprises, based on the UN Guiding Principles. Published by the end of 2012 a report on EU priorities in the implementation of the UN Guiding Principles, and thereafter to issue periodic progress reports.

Already in 2010, the University of Edinburgh prepared for the European Commission a 'Study of the Legal Framework on Human Rights and the Environment Applicable to European Enterprises Operating Outside the European Union.

Evolution of corporate social responsibility in India

The evolution of corporate social responsibility in India refers to changes over the time in India of the cultural

norms of corporations's engagement of corporate social responsibility (CSR), with CSR referring to way that business are managed to bring about an overall positive impact on the communities, culture, societies and environments in which they operate. The fundamentals of CSR rest on fact that not only public policy but even corporates should be responsible enough to address social issues.

The four steps of CSR in India

The history of CSR in India has its four steps which can run parallel to India's historical development and has resulted in different approaches towards CSR. However the phases are not static and the features of each phase may overlap other phases.

The first step

In the first phase charity and philanthropy were the main drivers of CSR. Culture, religion, family values and tradition and industrialization had an influential effect on CSR. In the pre-industrialization period, which lasted till 1850, wealthy merchants shared a part of their wealth with the wider society by way of setting up temples for a religious cause. Moreover, these merchants helped the society in getting over phases of famine and epidemics by providing food from their godowns and money and thus securing an integral position in the society. With the arrival of colonial rule in India from 1850s onwards, the approach towards CSR changed. The industrial families of the 19th century such as Tata, Godrej, Bata, Modi, Birla, Singhanian were strongly inclined towards economic as well as social considerations.

The second step

During the independence movement, there was increased stress on Indian Industrialists to demonstrate their dedication towards the progress of the society. This was when Mahatma Gandhi introduced the notion of "trusteeship", according to which the industry leaders had to manage their wealth so as to benefit the common man. *"I desire to end capitalism almost, if not quite, as much as the most advanced socialist. But our methods differ. My theory of trusteeship is no make-shift, certainly no camouflage. I am confident that it will survive all other theories"*. This was Gandhi's words which highlights his argument towards his concept of "trusteeship". Gandhi's influence put pressure on various Industrialists to act towards building the nation and its socio-economic development. According to Gandhi, Indian companies were supposed to be the "temples of modern India". Under his influence businesses established trusts for schools and colleges and also helped in setting up training and scientific institutions.

The third Step

The third phase of CSR (1960-80) had its relation to the element of “mixed economy”, emergence of public sector undertakings (PSUs) and laws relating labour and environment standards. During this period the private sector was forced to take a backseat. The public sector was seen as the prime mover of development. Because of the stringent legal rules and regulations surrounding the activities of private sector, the period was described as an “era of command and control”. The policy of industrial licensing, high taxes and restrictions on the private sector led to corporate malpractices. This led to enactment of legislation regarding corporate governance, labour and environmental issues. PSUs were set up the state to ensure suitable distribution of resources (wealth, food etc) to needy. However the public sector was effective only to certain limited extent. This led to shift of expectation from the public to the private sector and their active involvement in the socio-economic development of the country became absolutely necessary. In 1965 Indian academicians, politicians and businessman set up a national workshop on CSR aimed at reconciliation. They emphasized upon transparency, social accountability and regular stakeholder dialogues. In spite of such attempts the CSR failed to catch steam.

The fourth Step

In the fourth phase (1980 until the present) Indian companies started abandoning their traditional engagement with CSR and integrated it into a sustainable business strategy. In 1990s the first initiation towards globalization and economic liberalization were undertaken. Controls and licencing system were partly done away with which gave a boost to the economy the signs of which are very evident today. Increased growth momentum of the economy helped Indian companies grow rapidly and this made them more willing and able to contribute towards social cause.

As Western markets are becoming more and more concerned about and labour and environmental standards in the developing countries, Indian companies who export and produce goods for the developed world need to pay a close attention to compliance with the international standards.

Current Status of CSR in India

As discussed above, CSR is not a new concept in India. Ever since their inception, corporate like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few, have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. The basis objective of CSR in these days is to maximize the company’s overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an

increasing number of companies throughout their business operations and processes. A growing number of corporate feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.

Companies have specialized CSR teams that formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophy which have clear objectives and are well defined and are aligned with the mainstream business. The programs are put into practice by the employees who are crucial to this process. CSR programs ranges from community development to development in education, environment and healthcare.

For example, a more comprehensive method of development is adopted by some corporations such as Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited. Provision of improved medical and sanitation facilities, building schools and houses, and empowering the villagers and in process making them more self-reliant by providing them good standard of living.

On the other hand, the CSR programs of corporations like GlaxoSmithKline Pharmaceuticals’s focus on the health aspect of the community. They set up health camps in tribal villages which offer medical check-ups and treatment and undertake health awareness programs.

Also corporate increasingly join hands with Non-governmental organizations (NGOs) and use their expertise in devising programs which address wider social problems.

For example, a lot of work is being undertaken to rebuild the lives of the tsunami affected victims. This is exclusive undertaken by SAP India in partnership with Hope Foundation, an NGO that focuses mainly on bringing about improvement in the lives of poor and needy. The SAP Labs Centre of HOPE in Bangalore was started by this venture which looks after the food, clothing, shelter and medical care of street children. CSR has gone through many phases in India. The ability to make a significant difference in the society and improve the overall quality of life has clearly been proven by the corporate. Partnerships between companies, NGOs and the government should be facilitated so that a combination of their skills such as expertise, strategic thinking, manpower and money to initiate extensive social change will put the social-economic development of India on a fast track.

(vi) The Companies Act, 2013:

Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial

year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors.

The Board of every company shall ensure the the company spends in every financial year at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Conclusion:

Many CSR activities can be defined as public-private partnerships (PPP). PPPs encompass a variety of arrangements where companies pool their resources with government, intergovernmental or civil society organizations. Examples, running community development projects, sponsoring schools, playgrounds or providing healthcare. These projects blur the boundary between the role of governments and the role of companies. CSR is in itself a privatization of a public function, since deciding what is appropriate behaviour of companies and regulating that should be the responsibility of a democracy and not of the companies themselves. CSR makes government/corporate relationships acceptable, generates contacts and builds trust. CSR is an interesting topic that started as a buzzword in different forms in the 1950s, and over the past 20 years have evolved into one of the most important parts of an organization's strategic plan. With the passage of companies Act, 2013, the concept of CSR has been formally admitted in the companies Act 2013. The Indian Industry has positive response towards reforms & measures undertaken by government for the benefit for the public and private sector, Indian and multinational companies.