



Corporate social responsibility: An emerging new trend

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Abstract

There are certain obligations that an individual has towards the society that can simply be categorized as the social responsibility. In the same way the responsibility of a corporation towards a society, its own shareholders and other persons attached to it is the corporate social responsibility or (CSR). To be exact to the term it cannot be put into any watertight compartment as it is not having any one definition that can explain its meaning. When one is talking about a responsibility the same can be different to different individuals. In the same way different corporate entities have different set of businesses and thus they give rise to different obligations and duties to fulfil not only towards the people working or the ones they are associated with but also with the surroundings and the environment they are living in.

Keywords: corporate social responsibility, corporate economic responsibility, the companies act, 2013, reduce, reuse and recycle

Introduction

Rights and duties work hand in hand with each other if the state guarantees any rights to its people it also puts a responsibility in order to keep a balance and to put a reasonable restriction on people so that everyone can enjoy their rights without any hindrance. World has now become a global village where not only the natural human beings but the legal entities also have some rights and duties to fulfil. The industrialization has not only affected the perfect human life but has also affected the environment in an adverse way. The harmful disposal from industries is one of the biggest reasons why environment is at stake and there is need of framing laws relating to conservation of environment. The wrong disposal and thus at the end the environment has to suffer which is one of the basic ideals that in today's world. It is when the governments and laws have to intervene and make the nations understand that the entities have an obligation to make such arrangements so that neither the environment nor the business and its growth is hampered.

Though the harmful effluents from the industries is not the only reason for the degradation of the environment but it is one of the biggest reasons for the same. If the problems are dealt with at an early stage then may be before the problem becomes out of control or is so big that it cannot be solved those instances never come into picture as the same is dealt well. The other important aspect the same suggests is that the sustainable development is always there in the picture. Though it is somewhat a new concept and for some new erupting companies it is difficult to follow and it has a long way to travel so that not only it is easier for the companies to implement and the same is also in accordance with the laws not only of a single nation but also of the world.

Objective of the Research Paper

The basic objective of the research paper is to draw the attention towards the fact that it is still not late if the humans understand that a healthy environment will lead to not only a long but also a healthy life. The corporates have to understand that the waste and effluents that are emitted from

their entities are a big reason as to the degradation of the environment. The larger companies have to understand that the development done at the stake of depleting the environment is doing no good to anyone in the longer run.

The word responsibility so joined is not that one should be told to follow but it should be from within the entity that this is our environment and we have to save it for the future generations. Though the same may be costly to some entities and for them it is a mere problem as the nation is making strict laws on the same which is a reason that they have to follow it. But if anyone is doing it for the betterment of the environment than may be the number is negligible. But may be with time the people would come to a better point of understanding the same.

The paper also focuses on the fact as to what changes CER has tried to bring in the world. The concept of CER or [Corporate Environment Responsibility] is the new age phenomenon that values growth and development of a society but not at the foundation of environment degradation. The main focus is to somewhat put a lawful duty which the corporate entities are bound to follow. These boundaries or new rules may appear hard to follow for the corporations on an initial stage but with the passing of time and the full implementation of laws this becomes a way of leading towards a developed and healthier tomorrow which is safe for coming generations.

Corporate Social Responsibility (CSR)

There are numerous nations in the world. They establish and implement their own rules and laws according to the people of the said nation. Every nation provides its people with a large number of rights but with those rights it also imposes certain responsibilities on its people so that no right of any other person is violated. But never ever the people thought of doing or following any duty that they have towards the environment.

For instance: chemical factories and their discharge whether in air or water, the undue and illegal cutting of trees and composing the materials and products those are not easy to decompose or may the process of their decomposition and

removal is costly and technical that not all the companies manufacturing it are able to decompose it correctly or the way it has to be.

The CSR implementations can not only differs among companies but also that the same company can have some in consistent behavior across different nations or different shareholders.

The same is a big reason for the unstable business practices and also a reason of chaos which hampers the business entity and also the corporate world as they think the environment and other aspects to be the toy in their hands and they can use it any way they want.

Rights may be considered the most important aspect of human existence but it is incomplete if certain reasonable restrictions are not imposed on individuals of a nation. The change in the scenario as to how the environment is depleted the examples like:

FOAM WATERS IN YAMUNA RIVER, VISHNUPRYAG'S GLACIER BRAKE AND many more examples are their when the environment has tried to warn the humans to do better or they would be facing nature's wrath every now and then.

Benefits of CSR

It includes many potential business benefits. Some of the following activities are performed by the companies to fulfill the CSR obligations. But it also carries some beneficial works and they are:

- a. Promoting education
- b. Catering mental health
- c. Child mortality reduction
- d. Relief funds
- e. Promoting gender equality
- f. Ensuring sustainable development and many more.

Limitations of CSR

The CSR is not some subject which is one ended it is something which is having some new meaning for new individual. The understanding of the same thus belongs to the person's perspective to understand it. There are many limitations in the subject some of them are:

1. **Vagueness:** The vagueness of any of the effective laws makes it difficult for the government to efficiently implement it and also to some extent restricts its effectiveness.
2. **Broad:** The subject in itself is broad enough to provide new horizons and perspective to a new individual. Being broad enough the same also turns out to be its controversial topic as it is not able to concentrate on any one concrete subject at certain times.
3. **Public mandate not disclosed:** The CSR responsibility on the private companies and their ideals to do the same are not able to fulfil the public sector ideals for audit and other requirements.
4. A lack of interest so can also be seen in other formats as the very crucial idea is still not satisfied fully. The same inserts that no actual definition of reporting or any other aspect is also not providing to take help from.

Need of Amendment

The said reasons that CSR is taking in more money and the same subject is so wide that every individual has its own perspective and the same led to misunderstanding of the actual idea and the reason that many people twist is and make it beneficial for their own selves.

When every person in its own tried to perceive the matter a tried to give shape to the same accordingly. The other problem was that the public audits and maintenance other mechanisms were not having no such issues and the same provided a high problem as to how to perceive in one and unified way so that it is not difficult for both the people or companies opting for it and for the one's regulating the same.

Corporate Environment Responsibility

This is basically the amendment and it concerns the environmental prospectus of Corporate Social Responsibility (CSR) it basically focuses on the fact that the companies or organizations and their discharge or waste which either is emitted by air, water or any other way it is harmful or the environment and thus is a big question mark on the face of healthy survival of human race.

It focuses on minimizing the waste and emission that is done either during the material purchase, production, discharge or during the transportation of the same which puts a harmful effect on the environment and keeps its keen focus on maximizing the ideas that help the organizations so that environment degradation is not done.

It encourages the industries to use methods and other ideas which are effective and efficient in its sense and don't harm the natural resources rather use them in their favor to decrease global warming and stop the further depletion of biodiversity.

The Indian Government decided to amend the CSR rules and adding in the environment responsibility in it. Prior to the amendment the vagueness and the broad area that the CSR covered did not help but create problems for the implementers in order to implement it.

Why Cer is Important?

In a world of competition where every company is behind success and proving that it the best in its own sense.

Use of natural products in making the actual product helps the company to gain new customers. The same way the use of green ideas of disposal and managing discharge also improves a company's reputation.

In this century the people in general are more attracted towards the brands or organizations doing well for the environment and these are the customers more inclined to buy and get associated to these brands in future. So it is a win-win situation for not only for the environment but also for the customers they encourage the organizations to help elevating the nature and for the organizations as they get new buyers and associations for them.

CSR in Different Nations

India is among one of the few nations which has implemented and made CSR compulsory to follow and it also has provided some fines and penalties under its laws to those who are doing against the laws so established.

Not only India but there are many countries who in today's world are moving a step ahead towards the social responsibility and keeping the same in mind the concern of the environment is not only a subject of government but also of the nation itself. By making the much needed laws, duties and imposing fines and other mechanisms so that the environment is in a better place. Some of those nations are:

USA

The country has established a commission in order to see through the problems caused by the bigger companies and a solution to the same which can be countered by the CSR committee or the CSR Office of US. The same strives for the balance between the social responsibility of the business towards the environment and the progress of the companies at a large.

While gaining profits and disposing off the waste and using the assets of the nature one thinks himself to be the ultimate owner of not only the product or company he owns but also of the nature that is proving him with almost everything he needs.

So the nation has started taking steps of making that an important points like:

- a. To foster sustainable development as much as possible
- b. The nation has also extended help for proving support and the much needed guidance for the adoption of Corporate Social Responsibility
- c. The nation has also announced awards so that more companies join the program and the idea of fulfilling the social responsibility can be fulfilled.
- d. The civil society and labor organizations and environment workers have also volunteered in order to help the companies to shift on the much needed Corporate Social Responsibility.

UK

The CSR there is a part of corporate governance. The big companies follow the ideals as a part of the same governance but if the same is talked of as a law then the Companies Act, 2006 is a massive step in the country as the act puts a company into obligation to follow the same in order to determine the company's success and also to be able to counter the environment problems properly which are caused by the humans only.

Europe

The basic idea and view of the European Commission is to work on the ideals and principles laid down by the United Nations Guiding principles on Business and Human Rights and by the United Global Compact. Some of them are:

- a. To improve and track the levels of trust in business and also to improve the self and co-regulation process.
- b. CSR's integration in different fields like education, training and research
- c. To understand the importance and benefits of CSR policies in the nation and national policies and to align the same with the persisting global approaches.
- d. Improving the laws and to make them in consistent with the government in all aspects so that the disclosure can be done of the social responsibility information. The basic idea is to with time inculcate the ideals of CSR in the national laws with the present global approaches for the same.

Denmark

The government of Denmark in the Danish Financial Act has provided that the companies of a certain size or capacity have to be following and practicing the credentials of the CSR in the annual report as the CSR policies they are using. They have to provide for the same in the annual report when they are not following any such policy.

The information in case of the disclosing should consist of the ideals to be used, money to accustomed the policies, the principles and also to mention about the future plans in relation to the same and all the other information to make it clear to be understood. The government has also emphasized on the fact that the companies should be encouraged on the fact that human rights policies and the climate impact due to various business activities.

The nation wants to move forward on the path of creating the subject of CSR and environment wellness and a sustainable development move hand in hand so that the climate should not be suffering.

India

In 2014, India became the first country to have a mandatory CSR mandatory legislation. The same is enshrined under Section 135 of The Companies Act, 2013. The same is applicable on the companies with a turnover of:

- a. 1000 crore INR and more
- b. Net worth of 500 crore INR and more
- c. Net profit of 5 crore INR and more

The government of the nation also decided on having a committee consisting of the board members, the chairman and the independent director.

The main focus is to spend at least 2% of the average net profit in previous three years on the persisting CSR activities. The as many countries today focus on the environment safety I each and every sector so that not just development is done but a sustainable development can be achieved. The better initiative of the world are a step in order to meet the problems created by the man to nature and solve them early so that future generations think of CER as a working pattern and not as some burden.

Environment CSR Focus

It focuses and aims at achieving new heights in the corporate world by moving hand in hand with the environment and other important business aspects. These are:

1. Energy and water usage
2. Reuse, recycle and reduce
3. Waste and discharge management
4. Eco-friendly travel policies for the business and travel policies
5. To curb the harmful emissions

CER Ways Reduce the Environment Impact

1. The switching off the electric equipment and to reduce the usage of things whenever they are not in use so that no undue
2. The companies should focus on to more that are based on the 3Rs (Reduce, Reuse and Recycle).
3. The companies should focus on the life cycle of the product so that the customer can see whether in what ways the product would end up to.
4. The packaging of any product should also be done in such ways which are environment friendly and are also beneficial for the companies.
5. The distribution network of the companies should be panned in such a way that less of the fuels and transportation should be used.
6. The companies and the customers should work together and make such a chain that is worth working locally and providing good to all i.e. buyers, sellers and the nature.

Suggestions

1. In order to make this as a success the awareness programs can be started, so that maximum public gets to know about its benefits.
2. The same should be implemented strictly so that no individual cannot try and escape from its duties in law.
3. Committees can be formed at different levels so that the mechanism can work smoothly.
4. Companies could be told to use the products and methods which have no harmful or less harmful effect on the environment.
5. The CER and its policies should be specified and made same for both the public as well as private companies.
6. The cases so covered under this should be dealt on a speedy level and the wrongdoers to be punished so that the same is not repeated.

Conclusion

To conclude it is to understand that the world is at the verge where one is having limited resources in its hands those are somewhere available to today's generation but there is a big doubt that whether the same would be available to next coming generations or not. The same also creates a big void as to the fact whether all the responsibility to look after the needs of the humans is that of the nature can't the same be used vice versa. It is a high time to understand that no development is bad done by business associations if the same is done in accordance with the nature and other important factors so accorded or the same will do less good and more of the bad on not one but all.

Abbreviations

CSR: corporate social responsibility

CER: Corporate Economic Responsibility

3Rs: Reduce, Reuse, Recycle

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