

Corporate Social Responsibility (CSR) and Inclusive Development: Myth or Reality?

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Abstract

Corporate Social Responsibility (CSR) is another name for Corporate Conscience and Responsible Business. It involves a business model into which the concept of corporate self-regulation is inbuilt. Corporate Social Responsibility is a self-self-regulating means ensuring that any business organization abides by with the spirit of law, maintains ethical standards and observes domestic and international standards. Thus, the role of the corporate in guiding the culture of the society cannot be ignored. It seems that in the current period of capitalism overpowering the socialist ideologies, the corporate will dominate and guide other socio-cultural institutions of the society. In an increasingly conscience-focused marketplace of the 21st century, more demand for extra moral business functions and events are increasing. Simultaneously, pressure is applied on Indian corporate sector to improve business ethics through new public initiatives. Business ethics can be both a normative and descriptive discipline. As a corporate practice and career specialization, the field is primarily normative. The range and quantity of business is perceived to be at odds with non-economic social values. The recently brought CSR act also has got much momentum. Today major corporate houses lay emphasis on commitment to promoting non-economic social values under a variety of headings- social responsibility being one of them. In some cases, corporations have re-branded their core values in the light of business ethical considerations. This paper is based on the review of various current literatures to provide solid platform for discussion

KEY WORDS: CSR, Inclusion, Development, Business, Companies, Growth

Background

The World Business Council for sustainable development in its publication defines “CSR means Making Good Business Sense”, Next Holme and Richard watts, used the following definition. “Corporate Social Responsibility 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”. It is generally held that initiative in India in 1990’s and today have become an average for most of the corporate to contribute to the Indian society through inclusive growth. E-copulas of ITC group that leverages the authority of internet to authorize small farmers with an order of best opportune, relevant weather information, practice, clear disclosure of prices and a great deal more. Likewise, Jaipur Rugs have been into rising weaving skills among people of distant villages so that they can make a self constant living for themselves. These initiatives have showed in upliftment of disadvantaged sections and allocation of wealth. When TCS created a software business that aids an illiterate to start reading and writing by 40 days, Infosys has been serving students to get computer education by scheming course circular for them. Aviva, a life insurance firm has started street schools to teach the students who are deprived of going to school.

In fact the World Bank, in 2008 defined Inclusive growth as a concept that encompasses equity, equality of opportunity and protection in the market and employment transition. The term inclusive growth has also been identified as ‘broad-based growth’, ‘shared growth’ or ‘pro-poor growth’. In India the Ninth Five Year Plan (1998-2002) focused its attention mainly on the concept of ‘Growth with Social Justice and Equity’, the link between economic growth and quality of life of the masses. Thereby the Ninth Five Year Plan and the following Five Year Plans have identified the following specific objectives, namely;

It is argued that Corporate Social Responsibility (CSR) is basically a large plan whereby corporations decide voluntarily to contribute to a best society and a cleaner atmosphere. It’s described by the contributions undertaken by corporations to society through its business activities and its social investment. An attempt has been made to analyze the status of CSR and current trend in Karnataka to understand its contribution towards inclusive

growth. The findings of this study showed that corporate in Karnataka have positive perspective towards CSR and also the extent of their involvement in CSR initiatives has been improved. It is emerged from the survey that large scale companies in Karnataka have maintained their support for CSR programmes. Even if micro finance and charity are less important among CSR programmes, companies are putting more effort into integrate CSR with their business strategy and expand their support for health care, environmental, education, and sustainability initiatives.

Objective

To review the recent literature on CSR and inclusive growth

Rashid and Othman (2012) have opined that Sustainability is concerned with the blow of present events on the societies, environments and ecosystem of the future. Such concern supposed to be reflecting in the tactical planning of sustainable companies. Strategic intention of this nature are operationalised through the acceptance of a long-term focus and a more comprehensive set of responsibilities focus on moral practice, employees, customers and environment. A central supposition, that we test in this paper is that companies which attend to this set of responsibilities under the term greater sustainable practice, have upper financial performance compared to those who do not engage in those practices. The study sample includes 100 top sustainable global companies level in 2008 which have been chosen from a population of 3,000 companies from the emerging markets and developed countries. We find significant higher return on assets, mean sales growth; cash flows from operations and profit before taxation in some activity sectors of the sample, companies compare to manage companies over the period of 2006-10. Moreover, our result shows that the upper financial positive performance of sustainable companies has enlarged and has been constantly developing over the sample. Despite sample limitation, causal proof reported in this stage suggests that, there is dual relationship between CSR initiatives and financial performance of corporate.

Loong (2009) has observed that despite the opening and better liberalization of the market, the state still represent a overriding feature in China's monetary approach and policy organization. As such, attempt that fails to consider the state's import in CSR formulation and

accomplishments are improbable to do well. This paper, discuss to start off with a foreword to the issue of CSR and recent interest and development in CSR in China. Its outwardly ambitious culture that approaches further growth needs to think at the role of state's action. The Chinese state has newly introduced philanthropy of reform procedures, including labour laws, and these have significant effect on CSR programmes. The model appears to be an exemption to the idealized expectation of an international market financial system in compliance to liberalize economic market view, connecting rather both an active state and private involvement and initiatives. We also offer some temporary views on the limitations of the CSR programmes as experienced and propose a better reflexivity in terms of aim and practice if necessary.

Subhasis (2013) have mentioned economist forecast India to be the world's biggest economy by 2050. This would need India to go faster in its infrastructure development and industrial development. Industrial development based on economic growth will have an unenthusiastic impact on the environment and therefore sustainable development. Such stepladder could involve the societal and ecological bottom line of the nationwide economy. In the recent time, a number of authoritarian events have been planned by the government of India to ensure company support to achieve objectives of inclusive growth and sustainable progress. The objectives of this guideline are to achieve tri-bottom line based growth. Outstanding among them is the compulsory CSR rule for PSUs, first started in April, 2010. The study of problems and possibility created by this effort is by analyzing the rule credentials and interview executive responsible for implementing CSR initiatives in PSUs of India. Executive interview came from coal, power distribution, shipping industries and hydro-power.

In the study, identified four areas are that which require concentration for effective linking among sustainable development and CSR; institutional mechanisms, stakeholder engagement, knowledge management and capacity building. Both public sector-government and community engagements-public sector have to be more efficient. Institutional mechanism has to be developed to see that CSR projects are delivering and effective. Prominently, executives at all levels require an improved concern of CSR through sustainable development. While, most of the projects are in countryside areas, considerate of rural issues and sustainability is extremely significant. Lastly, such a big scale work out in CSR should have an information management

instrument to learn from the achievement and mistake of the early time. This paper discusses the suggestion of the conclusion on India and other upcoming economies, many of which are stressed to balance growth and inclusive growth. I conclude that the compulsory CSR rules for PSUs in India have the possibility to achieve sustainable growth only if early achievement is taken on the recognized areas.

According to Marta et al. (2010) discussed whether it is possible to reconcile the objectives of sustainable development (SD) with a company's socially responsible actions in the Amazon and Brazil. The involvement presented the idea of SD and corporate social responsibility (CSR). The basic limitation of the paper is shaped using secondary data, collated from the print media and internet. Conducting further research using primary data, such as interview or survey with Natura's consumers, employees/community, and managers, for a longer time to analyze the Natura Saboaria familiarity is necessary. The major proposition for carrying out is that a sustainable strategy is essential in a broad sense, not just on line with economic measurement. The study integrates the literatures on SD and CSR to a sequence of business projects geared towards the sustainable use of Amazon's valuable resource, in detection of socially responsible actions.

Abdul and Manwani (2013) found that CSR is a region so dynamic and so sparkling that prompts and inspires for a diversity of study to be carried out. This study tries to travel around the optimistic implication of CSR activities on brand equity and its improvement towards meeting sustainability issue. It is hereby an attempt to find an answer to the theme matter evolved, that, does CSR improve corporate status and leads to its brand fairness? The research aims to spot out CSR as a sole framework that endows its overall impact on corporate position through provision of developed brand fairness. Furthermore, what are the relationships between mediate effects of corporate sustainability during CSR implications? In adding, does corporate status or brand equity has connection between CSR and brand progress? The paper proposes sustainability and corporate branding through combination of the disjointed literature of CSR and there after incorporate rambling sustainability literature. CSR has a great optimistic impact on behavior of the consumer, but even then misfortune lower was known about these effects

Sen & Bhattacharya, (2001) found that insufficient amount of research on CSR and behavior of the consumer till now has recommended that CSR affects the consumers both directly as healthy as indirectly, during company evaluation and purchase intention, but the effects are much varied (Sen & Bhattacharya, 2001). Researches into trust specifically in context of brand is limited (Delgado-Ballester, 2004) and the relationship particularly between CSR and brand trust is yet to be investigated. This study tries to analyze the implications of CSR building **up the Brand trust & shall identify the ways through which strong positive bond of CSR & Sustainability could be built up.**

According to Manjit (2013) Inclusive growth (IG) mainly, shared development, pro-poor development and broad based development. IG means addition of each and every segment of society strata in the overall growth. Including deprived and less advantaged in the whole development and countryside growth is financial inclusion (FI). FI is one of the major discussion and burning issue at present in India. The sufficient and appropriate production, goods delivery and services at reasonably priced prices can also show the way to inclusion. This role is assigned by society to firms and individuals to competently produce and efficiently allocate to the concerned segments of buyers in need. So, corporate sector has to align its industry goals with the inclusive objectives of the state. By subsequent moral norms the companies have provided the quality goods at reasonable prices corporate can contribute to IG. The Present paper explores how corporate business might participate and play a role in reaching of its profit-making objectives alongside satisfactorily addressing the ever changing societal requirements so as to sustain itself on an ongoing basis creating both national wealth and shareholder returns.

Narwal and Rajinder (2013) came up with unlike results that the aim of this paper is to explore diverse area of CSR roofed by the companies in India and to have a relative analysis of such practices of companies in India and Multinational companies (MNCs) running in India. The study shows that there is a small disparity in CSR initiative practices of companies in India and MNCs and that is in terms of focused area of CSR. Companies are following CSR initiative practices of sustainable development, local community support, environmental marketing, accountability and transparency. MNCs are following almost all the same CSR initiative as

following by their complement companies of India. Therefore, MNCs are adhering to the existing corporate practices in host countries.

According to the research conducted by Sharma and Megha (2011) of various studies done on the concept of CSR is acquisition significance these days. It explains leading companies to track moral practice whereas dealing with dealers, suppliers, employees, customers, etc. Regrettably, the entire corporate are not uniformly dedicated in the way of their CSR. We frequently listen to concerning a variety of scams attractive place in the world of business. While all seems to be going away incorrect, it is the youth that can make companies understand their CSR. Behind all, the outlook of India depends upon the youth. An effort is to discover the approach of the youth in the direction of CSR.

Conclusion

It is needless to say corporate in 21st century plays vital role, CSR shows responsible side of big company houses towards society shouldering and helping to resolve social issues. Development will be never achievable unless every component does its bit. Women related issues need special attention from active members of the society like government, media and corporate it's here that companies could be instrumental as it funds important projects to weaker section of the society Women related development is remarkable but at the same time issues which are personal and professional have also increased with times, challenges if we say gender. Negative discrimination also affects professional development of women. Definitely compared to other countries' women poverty, malnutrition of girl child, rape, and death due to dowry harassment and some other issues are higher in India. If every company house irrespective of its size contributes efficiently then we can say that it would accelerate the development of women as a result it will develop the nation as well as world.

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