



Corporate Social Responsibility and Sustainable Development: Can They Go Hand In Hand

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ABSTRACT:

Business is a human activity done to earn profit. This is a most common statement when people talk about business. There was a time when earning profit was the sole motive of doing business. With the pace of time and advanced technology, the mindset of people is changing. The young generation understands that mere earning and thinking about profit is not sufficient for the growth and survival of business. With the evolution of the concept of corporate social responsibility, people now understand that understanding the needs and wants of the society is a prime base of survival. Satisfying the needs and wants of the society stands at a pivotal position for the people. Businesses are now gaining importance not because of the profit but the way they are fulfilling their CSR duties. People also understand the importance of sustainable development. With this notion in mind, the present paper deals with the study of the role of corporate social responsibility by keeping in mind the relevance of sustainable development for a better future.

Keywords: Corporate Social Responsibility; Sustainable Development Goals; Society; Companies Act, 2013; Outcome

1.1 INTRODUCTION

The concept of corporate social responsibility is a catchline in today's business world. Though the concept is old, the way it is presented now in front of the whole society is eye-catching. The young generation is more oriented towards the modern philosophy of maximizing profit. They are more into customer satisfaction by taking care of societal needs in earning profit. The present generation understands that the concept of corporate social responsibility is far more important as it seems.

Many companies are working on the philosophies of Mr. J.R.D. Tata. In business, the concept of sustainability is built on the notion of utilizing the present resources in a prudent way to keep something preserved for the future generations. The aim of corporate social responsibility is to create a more sustainable and ethical business model. Corporate Social Responsibility (CSR) and sustainable development are closely interlaced. Businesses responsibilities are not confined in maintaining transparency but to be answerable for each and every act.

The concept of corporate social responsibility (CSR) is linked to sustainable development in such a way to operate in a manner to promote and contribute more towards the society and environment. Our forefathers saw water well. In many areas, the well water has become extinct. Our whole generation is not really blessed to encounter this. Our generation is able to see tap water. The way groundwater is depleting, it is doubtful for the future generations to see this. The notion behind linking the concept of corporate social responsibility and sustainable development is to provide a framework that guides businesses in operating responsibly and sustainably. The present study covers the study of those organizations who are able to intertwine these concepts beautifully and setting the example in front of the whole world.

The concept of CSR and sustainability can be understood with the help of the few line s-

CSR - Corporate social responsibility refers to the obligations and duties of a business organization towards the various elements of society.

Sustainability - Sustainability is based on the ideology of utilizing the present resources in a prudent way to keep something preserved for the future generations.

1.2 LITERATURE REVIEW

Sarita (2023) in her paper corporate social responsibility for sustainable development stated that CSR and Sustainable responsibility are interconnected and both focus on fulfilling the responsibilities towards the various sections of the society and environment.

Bharati (2023) mentioned that corporate social responsibility is an ongoing activity in the form of csr activities, the sustainable development goals can be included to introduce an ethical, nature-friendly and sustainable business model.

Dr. Vikrant Yadav (2020) in his paper highlighted the importance of Companies Act, 2013 in view of the corporate social responsibility initiatives and sustainable development goals. The growing importance of corporate social responsibility not only put emphasis on fulfilling the responsibilities but also the need to understand to have a sustainable business environment for the present and future generation.

1.3 METHODS

The research method used for this research paper is descriptive in nature. For the purpose of preparing the paper, the secondary data from the books, websites, research papers, research articles has been accessed and analyzed.

1.4 CSR AND COMPANIES ACT 2013

The Companies Act 2013 is a comprehensive law which aims to regulate the activities and the governance of the companies in India. In India, it is mandatory for certain companies to spend a percentage of their profits on various activities related to corporate social responsibility. Section 135 of the Act the criteria for which companies have to undertake the CSR activities. The qualifying criteria includes the net worth, turnover and net profit.

Table 1: Qualifying Criterias for CSR

| Criteria | Eligibility |
|------------|---|
| Net Worth | A net worth of Rs. 500 crores or more |
| Turnover | A turnover of Rs. 1,000 crores or more. |
| Net Profit | Net profits of Rs. 5 crores or more in a financial year |

1.5 RESULTS AND DISCUSSIONS

The businesses are moving towards a sustainable business model. With the principles of sustainable development goals, business models and corporate social responsibilities are often aligned. For achieving growth and development, the CSR practices can be integrated into business strategies by keeping in mind the importance of sustainable development. Corporate social responsibility covers the following aspects -

- Accountability towards various stakeholders
- Ethical business and social practices
- Environment protection
- Social welfare

While, the concept of sustainable development deals with meeting the needs of the present without compromising the ability of future generations to meet their own needs and covers the following important aspects -

- Environmental sustainability'

- Protection of resources
- Sustainable businesses
- Social inclusion
- Economic prosperity

In shaping the corporate social responsibility strategy, sustainable development goals play an important role. The approach is integrated in nature. At an organizational level, both the things should be intertwined and interconnected. After studying the concept and its alignment, the following points emerged as findings -

01. Companies can prepare sustainability reports to indicate the economic, social, and environmental performance of an organization.
02. With the help of social impact assessment, companies examine and analyze the effects of the CSR initiatives on the social system, government and society.
03. The environmental, social and governance (ESG) areas of the business is a systematic system of reporting the CSR management system and its performance.
04. At the organizational level, formation of a CSR committee plays an important role. The committee is responsible for formulating and recommending CSR Policy, ensuring the implementation of CSR Activities and ensuring the 2% spending as per the provisions.
05. Involvement of stakeholders in preparing a sustainable model ensures the smooth functioning of corporate governance.
06. With the help of brand building and corporate image, the company ensures that the social and environmental responsibility into a company's identity and operations have been incorporated.

CONCLUSION

Section 135 of the Companies Act 2013 deals with the provisions and subject matter of corporate social responsibility. The CSR initiatives contribute positively towards the various elements of the society. A sustainable and ethical business model is advocated through this paper. The subject matter of corporate social responsibility and sustainable development is not interconnected but also advocates a better and nature friendly business environment for our present and future generations also. Integrating the social and environmental concerns into the operations and activities of the companies is corporate social responsibility. For the long term viability, enhanced reputation, community development, the concept of CSR and sustainable development can go hand in hand. Both the concepts requires a genuine commitment and outcome based approach.

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