



## A Descriptive Study on Corporate Social Responsibility and the Human Rights in India

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### KEYWORDS :

#### INTRODUCTION:

Personal responsibility includes being responsible for your own actions and well-being. In relation to social roles each person has their own way of doing things while living their own life. The concept is similar for businesses and organizations that work to provide opportunities for others. They have a responsibility in providing products, goods, and services that are fair while serving a purpose. In either scenario, consequences are suffered when failing to do what is right. In many cases, when you neglect to be responsible, others may be affected in ways you may not have anticipated.

Responsibility is something most people are taught from an early age. As you get older you take what you learn and use it to your advantage to help you sustain a healthy way of living. This includes taking care of yourself from the inside out while managing emotions and other needs. Sometimes a consequence suffered from a previous event can make it more difficult for an individual to assume personal responsibility on a social scale. Keeping a sound mind and treating others with respect are things you continue to do throughout your life.

When you do something wrong a consequence will follow as this is a part of human nature. But, there are actions that can be avoided yet people will do them anyway knowing potential consequences. For instance, youth are taught to stay away from drugs and illegal substances because they can harm the body and even lead to death. Unfortunately, youth are taught consequences of using drugs beforehand and many still turn around and engage using them anyway. Consequences suffered may be worse than originally thought, or an individual may think nothing will happen to them.

It seems simple enough to help yourself by doing health activities and staying away from things that are bad for you. But, some feel being responsible in this nature is boring and want some excitement in their lives. You can engage in interesting things worthwhile without harming yourself or going against personal ethics. For some, it may not be enough to do the right thing every day and others may not see a point in doing so. Your actions speak louder than words and you may not realize who looks to you for support or as a role model. Unfortunately, many do not realize how their actions can affect others whether they meant to be positive or negative.

#### RIGHTS OF A HUMAN IN INDIA:

All human beings are born free and equal in dignity and rights. It has been rightly proclaimed in the American declaration of independence that "all men are created equal, that they are endowed by their Creator with certain unalienable rights..." Similarly, Indian Constitution has ensured and enshrined Fundamental rights for all citizens irrespective of caste, creed, religion, colour, sex or nationality. These basic rights, commonly known as human rights, are recognized the world over as basic rights with which every individual is born.

In recognition of human rights "The Universal Declaration of Human Rights was made on 10<sup>th</sup> of December, 1948. This declaration is the basic instrument of human rights. In spite of the fact that this declaration has no legal bindings and authority, it forms the basic of all laws on human rights. The necessity of formulating laws to protect human rights is now being felt all over the world. According to social thinkers the issue of human rights has become very important after the conclusion of World War II. It is important for social stability both at national and international level. Wherever there is breach of human rights there is conflict at one level or the other.

In view of the increasing importance of the subject it becomes necessary that the subject of human rights be recognized by educational institutions as an independent discipline. Course contents and curriculum of the discipline of human rights may vary according to the nature and circumstances of a particular institution but generally it should include the rights of a child, rights of minorities, rights of the destitute and the disabled, right to live, convention on women, trafficking of women and children for sexual exploitation etc.

Environmental pollution and degradation is becoming a threat to the very survival of human life. Other rights become inconsequential if the very right life is not safe. Information technology is assuming such dimensions that the privacy of life and established moral and ethical standards may be eroded.

#### RESPONSIBILITIES OF CORPORATE SECTOR IN INDIA:

Though India is one of the fastest growing economies, socio-economic problems like poverty, illiteracy, lack of healthcare etc. are still ever-present and the government has limited resources to tackle these challenges. This situation has opened up several areas for businesses to contribute towards social development. CSR in India has gone beyond merely charity and donations, and has been approached in a more organized fashion. It has become an integral part of the corporate strategy. Companies have CSR teams that formulate specific policies, strategies and goals for their CSR programs and set aside budgets to support them.

Many factors and influences have led to increasing attention being devoted to the role of companies and CSR. These include:

**Sustainable development:** United Nations' (UN) studies and many others have underlined the fact that humankind is using natural resources at a faster rate than they are being replaced. If this continues, future generations will not have the resources they need for their development. In this sense, much of current development is unsustainable-it can't be continued for both practical and moral reasons. Related issues include the need for greater attention to poverty alleviation and respect for human rights. CSR is an entry point for understanding sustainable development issues and responding to them in a firm's business strategy.

#### Globalization:

With its attendant focus on cross-border trade, multinational enterprises and global supply chains-economic globalization is increasingly raising CSR concerns related to human resource management practices, environmental protection, and health and safety, among other things. CSR can play a vital role in detecting how business impacts labour conditions, local communities and economies, and what steps can be taken to ensure business helps to maintain and build the public good. This can be especially important for export-oriented firms in emerging economies.

**Governance:** Governments and intergovernmental bodies, such as the UN, the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO) have developed various compacts, declarations, guidelines, principles and other instruments that outline norms for what they consider to be acceptable business conduct. CSR instruments often reflect internationally agreed goals and laws regarding human rights, the environment and anti-corruption.

#### Corporate sector impact:

The sheer size and number of corporations, and their potential to

impact political, social and environmental systems relative to governments and civil society, raise questions about influence and accountability. Even small and medium size enterprises (SMEs), which collectively represent the largest single employer, have a significant impact. Companies are global ambassadors of change and values.

#### Communications:

Advances in communications technology, such as the Internet and mobile phones, are making it easier to track and discuss corporate activities. Internally, this can facilitate management, reporting and change. Externally, NGOs, the media and others can quickly assess and profile business practices they view as either problematic or exemplary. In the CSR context, modern communications technology offers opportunities to improve dialogue and partnerships.

#### Finance:

Consumers and investors are showing increasing interest in supporting responsible business practices and are demanding more information on how companies are addressing risks and opportunities related to social and environmental issues. A sound CSR approach can help build share value, lower the cost of capital, and ensure better responsiveness to markets.

#### Ethics:

A number of serious and high-profile breaches of corporate ethics resulting in damage to employees, shareholders, communities or the environment-as well as share price-have contributed to elevated public mistrust of corporations. A CSR approach can help improve corporate governance, transparency, accountability and ethical standards.

#### Consistency and Community:

Citizens in many countries are making it clear that corporations should meet the same high standards of social and environmental care, no matter where they operate. In the CSR context, firms can help build a sense of community and shared approach to common problems.

#### Leadership:

At the same time, there is increasing awareness of the limits of government legislative and regulatory initiatives to effectively capture all the issues that CSR address. CSR can offer the flexibility and incentive for firms to act in advance of regulations, or in areas where regulations seem unlikely.

#### Business Tool:

Businesses are recognizing that adopting an effective approach to CSR can reduce the risk of business disruptions, open up new opportunities, drive innovation, enhance brand and company reputation and even improve efficiency.

#### IMPACT OF CORPORATE SOCIAL RESPONSIBILITY:



Corporate social responsibility (CSR) isn't just about doing the right thing. It means behaving responsibly, and also dealing with suppliers who do the same. It also offers direct business benefits.

Building a reputation as a responsible business sets you apart. Companies often favour suppliers who have responsible policies. This is because it can have a positive impact on how they are seen by their customers.

Some customers don't just prefer to deal with responsible companies, but insist on it. The Co-operative Group, for instance, place a strong emphasis on its corporate social responsibility(link is external) and publishes detailed 'warts and all' reports on its performance on a wide

range of criteria - from animal welfare to salt levels in its pizzas.

Reducing resource use, waste and emissions doesn't just help the environment - it saves you money too. It's not difficult to cut utility bills and waste disposal costs and you can bring immediate cash benefits. See reduce your business waste to save money.

- A good reputation makes it easier to recruit employees.
- Employees may stay longer, reducing the costs and disruption of recruitment and retraining.
- Employees are better motivated and more productive.
- CSR helps ensure you comply with regulatory requirements.
- Activities such as involvement with the local community are ideal opportunities to generate positive press coverage.
- Good relationships with local authorities make doing business easier. See work with the local community.
- Understanding the wider impact of your business can help you develop new products and services.
- CSR can make you more competitive and reduces the risk of sudden damage to your reputation (and sales). Investors recognise this and are more willing to finance you.

\*The ability to have positive impact in the community

Keeping social responsibility front of mind encourages businesses to act ethically and to consider the social and environmental impacts of their business. In doing so, organisations can avoid or mitigate detrimental impacts of their business on the community. In some cases, organisations will find ways to make changes in their services or value chain that actually delivers benefits for the community, where they once didn't.

#### \* It supports public value outcomes

Put simply, public value is about the value that an organisation contributes to society. A sound, robust corporate social responsibility framework and organisational mind set can genuinely help organisations deliver public value outcomes by focussing on how their services can make a difference in the community. This might happen indirectly, where an organisation's services enable others to contribute to the community, or directly through the organisation's own activities, such as volunteerism and philanthropy.

#### \* It supports being an employer of choice

Being an employer of choice typically translates into the company's ability to attract and retain high calibre staff. There are ways to approach being an employer of choice, including offering work life balance, positive working conditions and work place flexibility. Studies have shown that a robust corporate social responsibility framework can also help a company become more attractive to potential future employees who are looking for workplaces with socially responsible practices, community mindedness and sound ethics.

#### \* It encourages both professional and personal development

Providing employees with the opportunity to be involved in a company's socially responsible activities can have the benefit of teaching new skills to staff, which can in turn be applied in the workplace. By undertaking activities outside of their usual work responsibilities, employees have the chance to contribute to work and causes that they might feel passionate about, or learn something entirely new which can help enrich their own perspectives. By supporting these activities, organisations encourage growth and support for employees.

#### \* It enhances relationships with clients

A strong corporate social responsibility framework is essential to building and maintaining trust between the company and clients. It can strengthen ties, build alliances and foster strong working relationships with both existing and new clients. One way this can be achieved is by offering pro-bono or similar services where a company can partner with not-for-profit organisations to support their public value outcomes, where funds or resources may be limited. In turn, this helps deliver public value outcomes that may not have been delivered otherwise.

#### HUMAN RIGHTS AND CORPORATE SOCIAL RESPONSIBILITY:

Human rights are relevant to the economic, social and environmental aspects of corporate activity. For example, labour rights requiring companies to pay fair wages affect the *economic* aspect. Human rights

such as the right to non-discrimination are relevant to the *social* aspect. And the *environmental* aspects of corporate activity might affect a range of human rights, such as the right to clean drinking water.

So, while the primary responsibility for the enforcement of international human rights standards lies with national governments, there is a growing acceptance that corporations also have an important role to play.

Corporations impact on human rights in significant ways. These impacts have increased over recent decades as the economic might and political influence of corporations has grown, and as corporations has become more involved in delivering services previously provided by governments.

Corporations have come to recognise that part of being a good corporate citizen includes respecting the human rights of those who come into contact with the corporation in some way. This might be direct contact (for example, employees or customers), or indirect contact (for example, workers of suppliers, or people living in areas affected by a corporation's activities).

Corporations are also responding to the fact that many consumers and investors expect corporations to act in a socially responsible manner. The extent to which a company implements a comprehensive CSR program can influence consumer and investor decisions.

#### **CONCLUSION:**

Generally, companies recognise the importance of the rule of law in the context of their investments and operations around the world. The importance of a transparent, well-functioning and just legal system has been taken in consideration for attracting investments. The Guiding Principles are certainly a necessary legal resource in the International law scenario. States and companies are asked to operationalise their responsibility for human rights. Nevertheless, the lack of direct enforceability plus the wide decisional autonomy left to the states raise doubts on their effectiveness. Nowadays, several provisions of the Constitution of India are horizontally applicable against companies, for preventing abuses by business enterprises. However, the degree of fault required for a company's responsibility could just as easily be a negligence or strict liability standard. Compare to that, the due diligence required by the Guiding Principle is still a vague concept. Certainly, it would not be enough to fix corporates' misbehaviours. On contrary, "due diligence from the perspective of human rights could become a parameter for attracting investors and consumers towards more responsible realities of corporate managements.

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