



CORPORATE SOCIAL RESPONSIBILITY FOR DEMOCRACY AND DEVELOPMENT: THE WAY FORWARD

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ABSTRACT

Kautalya in his treatise called “Arthashastra” mentions “Traders responsibility is to bring about welfare of the local society”. Keeping in view this time-honored crucial assertion, this paper attempt to explore corporate social responsibility (CSR) practices, particularly in the context of democracy and development. Social responsibility is regarded as an important business issue of the company irrespective of size, sector, business and goal. Basically, government is the process of decision-making and the process by which the decisions are implemented. Corporate governance essentially involves balancing the interests of the many stakeholders, management, customers, suppliers, financiers, government and the community. The single over arching goal of the democracy is well-being of people and development of the society. Contextually, the core function of the democracy that helps promote dimensions of development. Democracy is not an outcome and consequence of development, but rather a necessary ingredient to bring about development.

KEYWORDS

DEMOCRACY, DEVELOPMENT, SOCIETY, COUNTRY

Good governance emphasizes the importance of transparency of horizontal and vertical accountability, and it also calls for inclusive and participatory decision-making process as an essential condition of the democratic development. The casual relationship between democracy and development and the directions and dimensions of the relationship remains inclusive.

Democracy has positive impact on economic and social development. Democracy foster development and the instructions include policy certainty, management stability, protection of rights, and promotion of education, promotion of capital and reduction of inequalities. The situation of impoverishment, ignorance, ill health, high mortality and illiteracy are most acute in the society. This is not only because of our shortage of material resources, but also because of our defects in our plans, processes, investment pattern and responsibility. It is being increasingly recognized that development a society is not only the responsibility of the Government alone, but many more stakeholders need to be involved to attain the development goal.

The concept of corporate social responsibility emerged in the 1950s, and CSR is defined as the obligation of business men to pursue their policies, to make their decisions, to follow their lines of action which are desirable in terms of objectives and value of society. The new concept of CSR is a process to integrate social, environmental, ethical and human rights and consumer concerns in to business operation and core strategy in close cooperation with the stakeholders.

The contribution CSR to sustainable development has recently attracted more attention. Sustainable development is defined as development that meets the need of the present and ability of future generation to meet their needs. In this sense, sustainable development is inextricably linked to environmental issues in addition to economic and social issues. Currently scholars are focusing on global and regional level CSR issues such as human rights, environmental and health concerns, worker welfare, corruption and social safety nets. CSR is the commitment of business to contribute to sustainable development working with the employees, their families, the local community, and society at large to improve their quality of life in the ways that are both for business and good for international development. (World Bank, 2004). Millennium Development Goals and the Sustainable Development Goals are the heart of corporate social responsibility.

The Sustainable Development Goals (SDGs) otherwise known as global goals are the universal call to action to end poverty, protect the planet to ensure that all people enjoy peace and prosperity. These 17 goals are built upon the success of the MDGs, while including new areas such as climate change economic inequality, innovation, sustainable consumption peace and justices among other priorities. The SDGs work on the spirit of partnership and pragmatism to make the right choices now to improve life in sustainable way for future generations. They provide clear guideline and targets for all countries to adopt in accordance with their own priorities and the environmental challenges of the world at large.

According to Herrmann (2010) an effective CSR regime needs to focus of four important issues: setting standards; monitoring compliance with standards and exposing abuse; creating binding legal obligations; and enforcing those binding laws. However, in an ear of ever increasing appetite for more and more luxurious life style it is becoming a daunting task to follow Herrmann's notion of effective CSR performance. Corporation operating in a market based economy believes in the quality and price of a product in order to attract maximum numbers of consumers. The national government in both developed and developing countries are under tremendous pressure from corporate giants to minimize restrictions on their economic pursuits. In fact, powerful global business entities influence government policy making in a great extent. The current debate on climate change issue between developed and developing countries and the west's reluctance to enter in to a legally binding green house gases mitigation agreement shows the absence of CSR and business ethic remains a low key issue for the global corporate. So, stringent enforcement of CSR laws and legislation has a very limited possibility to bring desired results. There is a need to sensitized corporate and business classes towards evolving a culture of the society. The ideological apparatus remains a positive and constructive strategy to ensure greater compliance from corporate towards achieving Corporate Social Responsibility and Sustainable Development in India. And the goals of sustainable development and a more humanistic version of economic development need to be realized in participation with corporate sector and translating CSR initiatives. Non-governmental organization, civil society and media have to play in this regard. Gandhian ethical model could serve as a remedy to harmonize the conflict between economic development, environmental security and social welfare. But understand that your wealth is not yours; it belongs to the people. Take what you require for your legitimate needs, and use the reminder for society”. In fact, the entire structure of society is interconnected and interdependent. Corporate needs people, raw material and a peaceful and enabled environment to sell procured goods which are available only in a society. Recent surveys have also shown that consumers have preferred to buy the products of those business entities which are more sensitive towards CSR. It is therefore for the best of corporate interest to harmonized personal interest with larger public interest for the greater welfare of society as well as corporate.

Social responsibility is regarded as an important business of Indian companies irrespective of size, sector, business goal, location of the company. Because Indian companies are realizing that without socio-economic development of the local communities, there can be no stability and sustainability for doing business so as to compete with the global market. The studies show that all that surveyed companies present themselves as having CSR policy and practices. Most of the companies which design and implement CSR initiatives in the vicinity of their works cover entire community. A wide range of CSR initiatives ranging from income generation activities for livelihood, health check-up camps, mobile health services, education, adult literacy, agricultural development, provision of drinking water, management and development of natural resource, infrastructure facilities being

carried out by these companies. Though the approach to work is generally shifting from philanthropic to welfare and sustainable development but no link was observed between the companies CSR agenda and Millennium Development Goals. Many companies promote and implement CSR initiatives through Human Resource Department, foundation or in partnership with NGOs, but do not have full-fledge CSR department. CSR initiatives being implemented by the Indian companies for rural development have a positive impact in overall development of society and their business. However, following points must be considered to continue on sustained basis for the betterment of both the people at large and the business.

Corruption is global phenomenon found in all countries. It harms poor people more than other. corruption is a threat to democracy and development. It is a serious roadblock to economic development. Corruption aggravates inequality and injustice and under my stability. Corruption is a barrier to development. Corruption is not just a problem in government in private sector. The contribution of the private sector in fighting corruption is essential. Corruption adversely affects economic development. Anticorruption strategies need to be included in government and private programmes. This strategy aim at empowering individual, communities, government and private sectors. There are few basic areas in which strategies action can be taken. Corruption is a worldwide problem that can be significant effects in a countries economic & development. It exit private and public sector in all types of political systems and has been present throughout time stage of development. Corruptions create in equality and unfairness and can put the life's and livelihoods of society at stake. It is unreal stick to accept that any anticorruption policies will stop all corruption. But a successful strategy should focus on education, privations, investigation, and encompass effective' s more and instruments.

- Good governances need to be strengthen
- Government needs to put in place a solid set of prevention tools
- The public need to be educated on the advantage of good governance and participate in promoting it
- Accessibility through transparence-asses to information
- Focus on pretention rather enforcement
- Rise awareness & providing education
- Focus on result oriented service to the public.
- Develop the capacity to fight corruption.

Although there are sufficient laws which focus on CSR towards ensuring a more balanced, harmonious and welfare oriented developmental approach. Though, there has been limited success in achieving the goals of CSR. Given the uncertain economic scenario coupled with widespread poverty and unemployment, it becomes very difficult on the part of government to take stringent action against national and multinational business firms to ensure greater compliance to CSR laws and legislations. Comparatively, lower environmental and labour standards of foreign direct investment targets are appealing to trans-national corporate because such lenience boosts production efficiency and increases competitiveness in the short term, resulting in to increased profits and productivity (Herrmann, 2004). This is one of the leading causes for apathy to strongly enforced laws related to CSR in India. It is equally true that the relationships between various stakeholders in business are becoming more transparent, interdependent, responsible and harmonious. Country's public sector enterprises have one of the best CSR ranking in the world and some of the private sector firms have equally earned praise for their efforts in the domain of education, health and welfare oriented schemes. Big welfare schemes like national Food Security Act need active financial supports from corporate to make such schemes a success. Non-governmental organizations, civil society and media have further enhanced the scope for greater cooperation and harmony between corporate and the society in which they operate. Finally, we have a welfare oriented democracy in which our political classes should be sensitive towards the welfare of the common masses.

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