

Original Article

Shifting Paradigms of Corporate Responsibility towards Social Accountability

Shipra Gupta¹, Vijaylaxmi²**Author Affiliation**

¹Associate Professor ²Assistant Professor, Department of Law, Maharishi Markandeshwar (Deemed to be University), Mullana, Ambala, Haryana 133207, India.

Corresponding Author

Vijaylaxmi, Assistant Professor, Department of Law, Maharishi Markandeshwar (Deemed to be University), Mullana, Ambala, Haryana 133207, India.

E-mail: Vijaylaxmi.law@mmumullana.org

Abstract

The prime motive of the Companies and the corporations would invariably be profit gains as they are empowered with a legal identity. However, with the way society is advancing with time, Corporate responsibility has shifted towards being accountable to the mass. The objective of the paper is that the every human being has the responsibility to promote growth and equity in lives of those who do not have the resources to do that for themselves. Corporate Social Responsibility is a method of ensuring that the equity which is the fundamental value of any humane society persists. By providing for those who cannot provide for themselves, a dynamic economy is ensured because too much power in any few hands will invariably lead to an autocratic rule. This paper states that Social Accountability is now an umbrella which covers not just direct responsibility but also accounts for vicarious duty of doing the right thing by the society and the environment.

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Introduction

As the distances close in upon the lives of every individual in the 21st Century, the need for human beings to realize that today, all of us live downstream has increased exponentially. That is to imply- What affects one, affects everyone. With the advent of industrialization and globalization and the advancement in science and technology, the gap between the so-called “have’s and have not’s” has widened by leaps and bounds. In such a situation, rationality and common sense rule that there has to be a psychological shift in how the society acts and perceives its responsibility towards those who are less fortunate than themselves. However, due to the fickle nature

of man, it is only reasonable that sometimes an added push needs to be provided to ensure that the right thing is done.

The principle of Corporate Social Responsibility is as old as the rule of Pharaohs in Egypt and that of the Gods in Ancient Greece. History has always emphasized that those ‘who have’ are responsible for providing in one way or the other for those who do not, at least where society is ruled not by fear but by empathy, kindness, respect and goodwill. Corporate Social Responsibility is one such measure whereby companies are forced to look beyond their goals of increasing profit margins and think of not just how their work and values is impacting the common man but also take initiative towards giving back to the society.

In today's day and age, no individual, company or State can hide under any garb and avoid the pressing concerns of the society. From issues of declining human morality to the irresponsible behavior with respect to our environment as a whole, the question of accountability is no longer limited to justifying acts done during the course of business. Equal and more so importance is given to going beyond what is done and towards what needs to be done.

First and foremost, what is meant by Social Accountability? The term 'Social' traces its origin back to the concept of 'Society'. Society refers ideally to an organized structure in which people live together, make decisions collectively and do what is required as a group in harmony. Social thereby, simply put, implies an interaction with those who we live along in a societal construct.¹ 'Accountability' refers to the act of being responsible for your actions and includes the ability of providing just and rational reasoning for such acts.²

Social Accountability is now an umbrella which covers not just direct responsibility but also accounts for vicarious duty of doing the right thing by the society and the environment. This is even more so important today because of the grave imbalance between the human needs and wants and the consequent debauchery of nature and natural resources for the same.

Corporate Social Responsibility - The Indian Perspective

Corporate Social Responsibility (hereinafter referred to as CSR) makes its appearance in the Indian corporate scenario through Section 135 of The Companies Act, 2013. The main provisions of this section are-

It is imperative for all companies with

- Net worth of Rs. 500 crores or more, or
- Having a turnover of Rs. 1000 crores or more, or
- Net profit of Rs. 5 crores or more

during any financial year to constitute a Corporate Social Responsibility Committee³. The activities so undertaken by the CSR Committee can be as specified in Schedule VII of the Act as well as the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The underlying ideology behind the Corporate Social Responsibility concept is to integrate the

environmental, social and economic prospects concerned with the society with a company's goals and objectives otherwise. With the introduction of this section, there has been a boom in the way contributions are being made by Corporate Firms towards various needs of the society. There has been a ten-fold increase in the work being done in the fields of education, sanitation, hygiene, cottage industries etc.

Thus, every company so registered under the Act is expected to fulfill their duties as laid down in Section 135 in the spirit of brotherhood and fraternity with those who have not been remotely as fortunate upholding the golden soul of the Preamble of the Constitution of India.

CSR - Sanitation and Hygiene

It was Mahatma Gandhi who had spoken of Sanitation as being more important than Independence. At the offset that may sound like an extremely ill comparison. However, looking deeper, the idea does not seem too farfetched because of simply one reason- In the fight for independence, the land which is being fought for should not be lost. Meaning thereby that a clean and healthy environment is a mark of respect for the people living there as well as the natural environment which we so freely take advantage of. Hygiene is essential not just for our own health but because it enforces an environment which breeds security and safety for all living there.

The matter of sanitation and hygiene goes beyond the norms of physical health and directly impacts the mental well-being of every individual that is associated with the area. This further has a drastic effect on every economic and social opportunity coming their way. It is easy to open schools but rather difficult to have a community filled with happy and healthy children who are able to go attend them.

A hygienic lifestyle goes beyond taking a bath every day. It includes the need for uprooting the practice of open defecation, de-stigmatizing and creating awareness of menstrual hygiene, promoting mental health and effectual contribution of the society towards ensuring that a safe haven is created for any one going through a mental turmoil. In the recent years, there has been a significant increase in the attention paid by people towards creating a hygienic community and therefore, companies have undertaken more projects towards this

cause than ever before under the umbrella of Corporate Social Responsibility.

Tata Group and Clean India Movement

Pioneer of Tata Group, Sir Ratan Tata has been known to be a philanthropist and so it is no surprise that Tata Group embodies the same values and is often referred to as “the brand with a soul”. In the year 2014, when Prime Minister of India, Narendra Modi initiated the Clean India Campaign, Tata Group pledged Rs. 100 Crores towards the same. This money was earmarked towards financing hygienic sanitation facilities for girls in 10,000 schools in India.⁴

Financing hygienic sanitation facilities for girls goes beyond a comfort and health issue. It empowers them. Cleanliness and hygienic facilities ensures that girls feel secure to attend school even while going through menstrual cycles. This helps in counteracting the primary reason why girls, especially in Rural India are hesitant or straight out refuse to go to school because of unpredictability of menstrual periods and the glaring lack of facilities providing pads and proper methods of disposing them. The communal backlash which they face by males in their locality or the stigma which women pass on to the children further influence their decision.

Tata Group by financing hygienic sanitation facilities for girls in schools is empowering them to gain education and become well-rounded citizens of the society. This goes beyond school education. It instills in them faith and confidence that they can achieve anything they put their hearts and minds to. More importantly, it helps them feel normal, taking away the stigma attached with something as natural as a biological function of the body. Confident and educated girls are an asset not only in their own lives but also in the community they live in as with knowledge and experience, they start to provide economic assistance thereby, contributing to the economy of the country as a whole.

Azim Premji Foundation and Education

The Foundation was born in 2001 with a belief which was to create a just, humane, sustainable and equitable society. Amongst its many other initiatives, primary importance is given to public education. Public Education implies working in tandem with Government Schools with a focus on equity and quality. The CEO has reiterated that the Foundation lays emphasis on being

an operative contributor and not just a funding mechanism. They work with various State Governments in matters like curriculum, scaling up the quality of the education being imparted.

The belief is that education is a transformative power and for it to stay transformative for the better, it is imperative that it becomes a continuous project and not a short program.

Importance has been given to holistic education which goes beyond theory and provides contextual learning. Thus, in order to create a systematic impact, it is essential to work on all aspects with regard to education and not on only one sub-issue.⁵

Further, the Foundation focuses on working with every level involved in the educational process right from the ground work to Block Development Officers to State Authorities involved and the curriculum and books being made.

Visionary Azim Premji has gone way beyond the traditionally accepted working of Corporate Social Responsibility and inculcated it into his work at the level where the two cannot be separated.

Working Towards a Sustainable Future

If there was a phrase to state the main focus of 21st Century, it will be “Sustainable Development”. Sustainability is not a vague concept. It is a way of life. Simply put, Sustainable Development implies meeting the needs of the present while safeguarding the interests of the future. Every resource, especially those that we attain through nature, are limited in their quantity. Their replenishment is also conditional on how we treat them today.

Globalization has brought the world closer than never before but it is also making people forget the difference between needs and wants. What they need, they want which is fair but what they want has started to convert into what they need and there is no excuse for that. To create a society which is just and equitable, man needs to start thinking of themselves as part of a community where his or hers every decision has a direct impact on everyone else associated with him and so on and so forth.

Thus, corporate firms have been made socially accountable to promote sustainable development not only with respect to the environment, but even in basic amenities of life to ensure that the wants of one do not overpower the needs of the other. Corporate Social Responsibility is a boon which if

not by will, at least by law is ensuring that those who are gaining the maximum in context to the society also contribute proportionally to ensure that a balance is maintained and disparity is effectively tackled with.

Conclusion

Paraphrasing an Native American Proverb, "When the last leaf has fallen, when the last drop of water has dried, when the last fish is dead, will human beings realize that they cannot eat money?" An ancient saying, which holds more value today than it ever did before. The Companies and the corporations have been empowered with a legal identity. Their prime motive would invariably be profit gains. However, with the way society is advancing with time, Corporate responsibility has shifted towards being accountable to the mass. There is no hiding, there is no running. Every human being has the responsibility to promote growth and equity in lives of those who do not have the resources to do that for themselves.

Corporate Social Responsibility is a method of ensuring that the equity which is the fundamental

value of any humane society persists. By providing for those who cannot provide for themselves, a dynamic economy is ensured because too much power in any few hands will invariably lead to an autocratic rule. CSR creates opportunities and allows every individual to lead a life of security, self-reliance and dignity above all. CSR and the policies born therein are not without shortcomings, however, the chance to do good overcomes it all. Much more work needs to be done as a conscious effort for the same and then and only then will society be truly a welfare society.

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