



## **CORPORATE SOCIAL RESPONSIBILITY: THE PERCEPTION OF BUILDING DEVELOPING COUNTRIES**

**Vidhya Shree S\* Vinutha K\* & Sowmya G\*\***

*\*Assistant Professor, BBA/B.Com Department, Dayananda Sagar College of Arts, Science and Commerce, Bangalore.*

*\*\*Assistant Professor, BBA/B.Com Department, Vasavi Jnana Peetha First Grade College, Bangalore.*

### **Abstract**

*The Corporate Social Responsibility (CSR) is the concept that has gained prominence in business reporting. Every corporation has the policy concerning CSR, which produces a report annually detailing its activities. In CSR the companies tend to make a contribution to the society and bring in a positive impact beyond earning profits. The provisions related with Corporate Social Responsibility have been enshrined under section 135 and Companies (Social Responsibility Policy) Rules, 2014. The article maps the principles of CSR, meaning and significance of CSR, and roles of CSR in development of the society. The research is based on secondary sources i.e., from government websites, magazines and journals.*

**Index Terms:** *Corporate Social Responsibility (CSR), Developing Countries, Society.*

### **Introduction**

**As quoted by Malcolm Brinded**

**‘Companies not interested in sustainable development issues will not survive long.’**

A vision that was distilled into the Millennium Development Goals in 2000—a world with less poverty, hunger, and disease, and higher survival prospects is the framework for the problem that corporate social responsibility (CSR) faces in developing nations. For the benefit of mothers and their infants, children who receive a better education, women who have equal access to opportunities, and a healthier environment.

CSR in developing countries represents "the formal and informal ways in which business makes an influence to enlightening the governance, social, ethical, labour, and environmental conditions of the developing countries in which they operate, while remaining sensitive to the prevalent religious, historical, and cultural context." **CSR**, which stands for "corporate social responsibility," is one way in which companies openly acknowledge the principles and values that guide their operations.

Corporate social responsibility (CSR) in developing nations is becoming an increasingly relevant topic in both the theory and practise of CSR. This investigation also offers a tremendous opportunity due to the paucity of research on the subject..

CSR concept has gained prominence in business reporting. All business produces an annual report about CSR in detail. The companies bring positivity by making contribution to the society. CSR provision under Section 135(CSR Policy), rules 2014.

According to what was stated earlier, the rapid rise in relevance of CSR from the perspective of a developing country is based on both the myriad of new large-scale methods to CSR and the new role that has been allocated to the private sector in relation to government development assistance.



## Objectives

1. To analyze the importance of CSR in developing countries.
2. To understand the impact of CSR in development of economy.

## Research Design

The article is based on secondary sources i.e., review of papers in journals, magazines, internet and reports. These tools help us to complete the objective of the study.

## CSR in developing countries: an overview

Development assistance is not entirely a new concept in most of the countries, but the concept of corporate social responsibility, or CSR, has enjoyed great success over the past few years and is becoming an increasingly significant factor in a future domain that were previously under the control of government.

## Importance of CSR in developing countries

- Its policy vision is to create the world as a place of less poverty, hunger, disease and higher survival prospectus.
- It has benefit of having equal opportunities and healthy environment for mainly women and children.
- CSR improves the social, ethical labour and environmental conditions in developing countries.
- It operates as it remains although the sensitive aspects of society.

In recent years, developing countries in general – and Bangladesh in particular – have positioned and led a strong a particularly strong prominence on encouraging corporate social responsibility (CSR) among private sector businesses. This reveals a strong realisation among these countries that CSR is an important influence in the global economy which nurturing competition and sustainable development. (Hammann et al., 2009; Lindgreen et al., 2009; Saleh et al., 2011; European Commission, 2002; WBCSD, 2002).

In India, corporate social responsibility (CSR) has historically been understood it is an act to be an act of le giving. However, with the passing of Section 135 of the Companies Act in 2013, India became the first nation in the world to have CSR statutorily obligatory for certain types of businesses. The Corporate Social Responsibility (CSR) framework in India is regulated by Section 135, which contains nine subsections. Companies are spending money CSR activities, the firm is required to give priority to the immediate community as well as the surrounding areas where the company has its operations.

Despite the fact that CSR is an optional practise that goes beyond legal requirements. Despite this, only a few nations, including China, the United Kingdom, South Africa, and Indonesia, have made CSR compliance a legal requirement for businesses. Companies are required to engage in corporate social responsibility initiatives, as stipulated by their respective company statutes. CSR is not merely a legal obligation; it may also be defined as a process for examining the impact an organisation has on society and, consequently, for determining what those duties are. CSR is not the same thing as corporate social responsibility. The process starts with an analysis of each company based on their performance in the following areas like customers, environment, suppliers etc.



CSR enhances activities like access to medical care, and preserving natural resources, have the potential to enhance the quality of life for both individuals and communities, as well as to contribute to the expansion of the nation as a whole.

Studies shows wealthy countries have higher marks for CSR disclosure than developing countries do. The overall mean score for CSR disclosure among industrialised countries is 53.5%, whereas the score among developing countries is 49.4%.

Companies could host training sessions, conferences, and seminars in order to both spread existing knowledge and information and develop new information and expertise in this industry. A robust financial backing would undoubtedly be of assistance in the expansion of this sector, and research connected to the specific industry would improve their organization's ability to contribute further. Regulations passed by governments that encourage movement in this direction might elicit a greater response from businesses and other organisations. All of this would also result in exemplary forms of CSR activity.

The knowledge of strategic CSR has been discussed extensively in recent years and has existed since the 1980s. For instance, Drucker (1984) underlined that social responsibility and profitability are not inherently contradictory and that company should turn its social obligations into commercial opportunity. Similar to this, Porter and Kramer (2003) proposed a context-focused philanthropic approach that mandates businesses use their distinctive assets to address social needs in the corporate context, thereby promoting a convergence of interests between business and society and the balancing of social and economic objectives.

In order to advance CSR in the context of developing nations, it is likely to require more methodical planning and more steadfast commitment to the private sector's role in establishing this new trend motion. This must be based on the knowledge that committing to a CSR program is a significant commitment that may necessitate modifications in the way. Traditionally, responsibility management has been approached.

### **Corporate Social Responsibility Special Issue**

This special issue aims to educate readers on CSR methods used in so-called "developing countries." Niklas Egels-Zandén and Markus Kallifatides reflect and discuss CSR practices of a large multinational with the ten principles of the United Nations Global Compact in their article titled "The UN Global Compact and the Enlightenment tradition: A Rural Electrification Project Under the Aegis of the UN Global Compact" (Egels-Zandén et al, 2009). The United Nations Global Compact is one of the numerous progressive organizations and alliances promoting ethical business practices that Asea Brown Boveri (ABB) has joined. Rural electrification was established in the Tanzanian community of in one of ABB's CSR projects, Access to Electricity, in collaboration with the World Wild Foundation Tanzania.

Companies' CSR strategies and efforts is based on more capacity for contribution than anything else to structural and institutional development as opposed to focusing on discrete, observable operations like the construction of hospitals, roads etc.



Secondly, the debate of CSR needs to be expanded to include the perspectives of emerging and developing (southern) nations. The US and European perspectives have so far dominated the CSR conversation, but adding the perspectives of developing nations should represent what is happening "on the ground" in the global South. The post-development theory, which also claims that it is "all too easy for the rich and the experts to dominate not just in terms of the instruments for doing SD [sustainable development], but also and more fundamentally in terms of what [sustainable development] is," is the source of this argument that the locals are always right.

Developing nations could take note of some successful western methods, where the government actively promotes corporate social responsibility (CSR) while simultaneously enacting permissive legislation that businesses can voluntarily abide by. The elite in developing nations gain, not the general populace, as a result of the absence of lax laws and regulations. As a result, the government must play a significant role in advancing CSR.

Therefore, developing nations should follow best practices. For instance, the British government views corporate social responsibility as a long-term company strategy for supporting society. Japan's corporate social responsibility (CSR) business model is comparatively "society-friendly" because to elements including corporate governance, strict adherence to governmental economic policies, and lifelong employment. Each nation or government should carefully evaluate its particular social, economic, cultural, political, and growth situations while pursuing CSR initiatives or goals. Therefore, competent governance is crucial for CSR initiatives, especially in developing nations where centralization breeds inefficiency and inefficiency breeds inefficiency. There is a need to prevent circumstances where some forestry exploration corporations and oil companies in developing African nations do not directly help their local communities.

## **Conclusion**

In general, corporate social responsibility can play an essential part in the growth and development of a nation by contributing to the advancement of education and healthcare and by safeguarding the natural environment. Not only can businesses make a difference in the lives of individuals and communities when they participate in projects of this kind, but they can also make a contribution to the expansion and improvement of the nation as a whole.

The term "strategic philanthropy" is becoming more and more common in the CSR literature. The case studies offered here demonstrate that strategic philanthropy is not a myth. It is also not particularly challenging to put into practice. At its foundation, strategic CSR entails a deliberate effort to forge a link between a company's operations and its social contributions.

Thus, starting a strategic CSR program requires a significant commitment and may call for a departure from the conventional methods of responsibility management. It shouldn't be treated carelessly or thought of as something unrelated to business. Instead, it suggests a new way of conducting business along with the intelligent use of already-existing information and procedures to meet new business sector demands. Although a fundamental shift in focus toward responsible management may be necessary, the advantages of such a strategic repositioning are likely to outweigh the drawbacks, enabling the promotion and preservation of philanthropy—the first instance of corporate social activity.



The implementation of the CSR agenda from the north should not be blindly adopted; rather, government and governance should develop their own CSR agendas that are tailored to the context and realities of their local communities. This study makes a contribution to the discussion of CSR issues in developed nations, including how developing nations can strengthen CSR in developing nations by adopting best practices from the developed world. It also discusses the role of government in promoting CSR agendas for development and growth rather than viewing CSR as philanthropy. Because firms have duties to society that go beyond what is expected of them in terms of economic, legal, and moral standards, effective collaboration between developed and developing nations is essential to advancing CSR best practices.

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